

OFFICIAL PROCEEDINGS OF THE COUNTY BOARD
WASHINGTON COUNTY, MINNESOTA
APRIL 1, 2008

The Washington County Board of Commissioners met in regular session at 5:00 p.m. in the Washington County Government Center, County Board Room. Present were Commissioners Peterson, Pulkrabek, Hegberg, Stafford, and Kriesel. Absent none. Board Chair Hegberg presided. Also present were James Schug, County Administrator; Molly O'Rourke, Deputy Administrator; George Kuprian, Assistant County Attorney; Doug Johnson, County Attorney; Sheriff Bill Hutton; Chief Deputy Sheriff Mike Johnson; Commander Cheri Dexter; Don Theisen, Public Works Director; Ted Schoenecker, Transportation Manager; Mike Rogers, Sr. Planner; John Elholm, Parks Director; Mjyke Nelson, Information Coordinator; Harley Will, Financial Services Director; Kevin Corbid, Director of Property Records and Taxpayer Services; Dan Papin, Community Services Director; Kay McAloney, Human Resources Director; and Nancy Brase, Administrative Services Manager.

The Board recited the Pledge of Allegiance.

COMMENTS FROM THE PUBLIC

The Board Chair asked for comments from the public; none were heard.

CONSENT CALENDAR

Commissioner Peterson moved, seconded by Commissioner Pulkrabek to adopt the following Consent Calendar:

1. Approval of the March 11, 18 and 25, 2008 Board meeting minutes.
2. Approval to amend Policy #2506 to redistribute a portion of the balance in the Petty Cash and Change Funds from Financial Services to Community Services; and, request to increase the Sheriff's Civil Process Change fund by \$100.
3. Approval of application for a dance permit for the Withrow Ballroom for the period of April 1, 2008 through March 31, 2009.
4. Approval to renew application for an on sale license and Sunday liquor license for the Outing Lodge at Pine Point, LCC for the period of April 1, 2008 through March 31, 2009.
5. Approval to award contract to Omni Contracting, Inc. for antenna and tower work at Somerset, WI for the 800 MHz Radio System.

The foregoing Consent Calendar was adopted unanimously.

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PUBLIC HEARING – SHERIFF’S OFFICE

The Board Chair presented a brief overview of today’s public hearing to consider setting a \$10.00 fee for a civil process service referred to as till tap by the Sheriff’s Office.

Sheriff Bill Hutton stated that the proposed fee is a fee that the Sheriff’s Office has paid to the State to allow the county into their system to do research. If money is owed a business or individual they get a writ of execution, come to the Sheriff’s Office, and often times they do not have the appropriate paperwork to complete the process and they are sent away. They have to go to the State of Minnesota to get this paperwork, pay the State the \$10 and then return to the Sheriff’s Office with the information. What they are proposing is to allow the Sheriff’s Office to collect the fee that needs to be paid to the State of Minnesota, which would allow the Sheriff’s Office to do the research to find out who the owner of a business is that owes a particular individual. Once that is established, the Sheriff’s Office goes to the particular business and is able to take the funds from the till to pay what is owed.

The Board Chair asked for comments from the audience; none were heard. The Board Secretary indicated that she had received all documentary evidence

Commissioner Kriesel moved to close the public hearing. Commissioner Peterson seconded the motion and it was adopted unanimously.

Commissioner Peterson moved to approve a \$10.00 fee for processing the Till Tap (Writ of Execution). Commissioner Pulkrabek seconded the motion and it was adopted unanimously.

GENERAL ADMINISTRATION**South Washington Watershed District Appointment**

Commissioner Stafford moved to appoint Michael Madigan, Woodbury, to the South Washington Watershed District for a first term expiring May 1, 2011. Commissioner Peterson seconded the motion and it was adopted unanimously.

PUBLIC WORKS**Counties Transit Improvement Board (CTIB) and Metro Area Sales Tax and Excise Tax**

The Board Chair outlined the procedures for today’s hearing to receive public comment on whether Washington County should enter into a joint powers agreement with other metro counties to form the

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Counties Transit Improvement Board (CTIB) and to impose a one-quarter cent sales and use tax plus a \$20 excise tax on the purchase of a motor vehicle.

Don Theisen, Public Works Director, presented an overview of Minnesota Statutes Section 297A.992 allowing the metro counties to form a joint powers agreement establishing the Counties Transit Improvement Board and authorization to impose a ¼ of 1% sales and use tax as a dedicated source for transitway funding. It also allows for an excise tax of \$20 per motor vehicle sale by an auto dealer. Membership on the CTIB will consist of two county commissioners from each member county, and the metropolitan council chair. Annual sales tax generated for Washington County is estimated at \$5,000,000 with a guaranteed return of an estimated \$1,000,000 for fiscal years 2009, 2010 and 2011. Transitways eligible for funding currently are, Red Rock, Rush Line, 35W BRT and potentially I-94 and TH 36.

Commissioner Pulkrabek indicated that 1 to 2% of all of the money that is collected from the sales tax will be used by the Department of Revenue to administer the collection of the tax. Regardless of whether this passes or not, Washington County will get over the next ten years an additional \$57 million to put into road and bridges through the transportation bill.

The following individuals commented on the proposed CTIB and Metro Area Sales Tax and Excise Tax:

Larry Flaherty, 151 Hickory Street, Mahtomedi – Mr. Flaherty stated that the Met Council is a non-elected, self-serving board. They want to take the citizen's checkbook and write checks unimpeded and it sounds like some of the Board wants to let them do it. He does not feel this is a good or fair tax.

Lynne Markus, 9175 Pine Hurst Road, Woodbury – Ms. Markus asked the Board to vote in favor of this proposal for the following reasons: long-term costs will be greater than the short-term costs; traffic is increasing; more congestion; it takes longer to drive from one place to another; and, an increase in air pollution alerts related to driving.

Joanne Gustafson, 15197 19th St. Court North, West Lakeland – Ms. Gustafson stated that her family urges the Board to support this measure. She feels that in order to persuade Fortune 500 companies to stay and encourage new investments in this global economy, it must be economical and easy for goods, services, employees, and citizens to move from place to place. She feels this is a small investment for the future.

Judy Trepka, 1487 Jewel Drive, Woodbury – Ms. Trepka urged the Board to opt in on the transportation bill passed by the legislature. The League of Women Voters urges the Board to support the new ¼ cent sales tax for transit. This would allow better access for housing, jobs and reduces vehicle pollution. She feels that Washington County is part of an entire metro community. Many work outside the county and travel to other parts of the metro area for shopping, sporting and cultural events. As the population ages it is important to have a good public transit system.

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Joyce Welander, 10381 83rd Street North, Stillwater – Ms. Welander presented a letter from Fran Miron, Washington County Farm Bureau President asking the Board to vote against the tax option. (Letter on file)

Ken Heuer, 4713 Helmo Avenue North, Oakdale – Mr. Heuer stated this transportation bill does not make sense. Washington County citizens will give \$5 million in taxes and receive \$1 million back. He feels the country is in a recession. Taxes are starting to hurt the middle class people. He feels that the Met Council, Ramsey and Hennepin Counties will control this and Washington County will never see mass transit in his lifetime.

John Siekmeier, 1150 Lawn Avenue, Grant – Mr. Siekmeier stated he feels this is a time to be thinking toward the future. He asked the Board to support the investment in the transportation and infrastructure. He feels this gives alternatives and options for people to use different modes of transportation. He believes this is planning for the future and that it is Washington County's responsibility to be part of this larger metropolitan community. He urged the Board to vote in favor of this investment in the future.

Mayor Randy Kopesky, 16601 2nd Street S., Lakeland Shores – Mayor Kopesky thanked the Board for the opportunity to speak on this controversial subject. He is proud to announce that Lakeland Shores has the lowest mill rate in the Lower St. Croix Valley and they are committed to acting fiscally responsible. They do not raise taxes for issues they do not budget for. He is all in favor of improving the transit issues in Lakeland Shores and Washington County, however other issues just as important as transit are suffocating their citizens. The economy is down, people are losing their jobs and their homes. This is not the time to raise taxes. He feels there will be an opportunity to become a member of the JPA in the future, and he asked the Board to more closely examine the soon to be created Joint Powers Agreement and by-laws.

David Rooney, 840 Woodduck Drive, Woodbury – Mr. Rooney spoke in favor of Washington County's approval of ¼ of 1% metro sales tax to fund the planning, design, construction and operation of a regional transit network. He lives in Washington County, works in Dakota County and frequently is in Ramsey and Hennepin Counties for work, shopping, events or dining. He feels the metro area is interdependent and a robust transit system in Hennepin and Ramsey Counties will also benefit the rest of the counties. Time is money, reducing the freeway gridlock in the metro area will be well worth the estimated \$20 in additional tax a year. He asked if it is fair for Washington County citizens to pay this tax in other counties when spending money in other counties, but Washington County would not get any benefit. He does not think so. If the county does not participate in the development of this regional transit plan, it will be left out of any benefit, but the citizens will still be contributing a significant share of that \$5 million of taxes through spending in other metro counties. He encouraged the Board to approve the county's participation in the metro transitway and to approve the additional ¼ of 1% sales tax.

Danielle Dennison, 2330 Overlook Court North, West Lakeland Township – Ms. Dennison asked the Board to opt out of the ¼ cent sales tax increase for the following reasons: details are murky and unclear; lack of

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confidence that Washington County will receive any benefit; there is doubt as to the role and say the county will have as to how these projects continue; what is the accountability for Washington County's contribution; she feels this would be the opportunity for the county to say "no" to St. Paul; and, is the county sure of what the need and capacity for light rail will be.

Karen Fitzpatrick, 306 Juniper, Mahtomedi – Ms. Fitzpatrick sees the entire metropolitan area as one. She encouraged the Board to vote yes on this tiny increase because of the benefits it will bring over time. Citizens of Washington County need to see themselves as part of the metropolitan area, they are not living out in a rural area and are not a part of greater Minnesota. Transit systems are needed to move people around. She feels that most people in this room spend time in several counties of the metro area. She feels the transportation infrastructure is pathetic and doesn't measure up even to smaller communities such as Omaha. Congestion is getting worse. She encouraged the Board to vote yes because the county needs to be at the table and be part of the planning and not be sitting on the sidelines.

Richard McNamara, 22855 Hayward, Forest Lake – Mr. McNamara stated he does not want any more taxes. He encouraged the Board to vote no. He feels the state numbers are fuzzy and he does not know why this county would want to join a group that's going to take the bulk of the money out of this county. They will become noncompetitive with the high taxes that are in Minnesota, and Wisconsin is going to reap the benefits. He encouraged the Board to vote no.

Andy Stockholm, 5500 O'Brien Avenue, Oak Park Heights – Mr. Stockholm stated what he is looking for out of his county government is people that are looking out for county needs. He does not think this is in the best interest of Washington County residents and gave the following reasons: none of the Tier 1 projects are in Washington County; the costs of the Tier 1 and high priority projects are well over \$1 billion and the tax is projected to generate \$100 million of revenue a year—he asked how long will it be before any of those monies come back to Washington County, it is not a priority; he does not feel that the county's 7 votes out of 100 is having a seat at the table; Tier 2 projects include Carver County and they voted 5-0 to not join at this time; once the county opts into this deal it commits to the bonds and they cannot get back out; and none of the long-term bonds will benefit Washington County. He urged the Board to opt out at this time.

Reuben Larson, 8292 Deer Pond Trail, Lake Elmo – Mr. Larson stated he has had experience with the Metropolitan Council and he doesn't trust them. They are an unelected body and asked would they in fact serve the county's best interest. He feels all the money and projects will go to Minneapolis. There are no transit lines that go where he travels. He has made a determination not to buy in Hennepin County because of higher taxes. If the Board votes no, he will continue to buy in Washington County.

Harry Melander, 716 Park Avenue, Mahtomedi – Mr. Melander is here representing the labor community nearing 16,000 in Washington County. He is comfortable with taxes and is comfortable with what the county has done with his taxes so far. He encouraged them to move this issue forward. Life does not stop at

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Century Avenue, nor does it stop at the river. Washington County has to be part of the metro transit system. He believes and trusts in the county leaders to carry the message of a metro transit system that works for Washington County.

Onno VanDemmeltraadt, 9406 Jane Road North, Lake Elmo – Mr. VanDemmeltraadt thanked the Board for allowing them to speak on this issue. He has been satisfied with the governance that this Board has done in the past and urged the Board to continue to be prudent with his money. He retired 12 years ago and has not received an increase to his pension. He did receive a 2.4% increase to Social Security, but after deducting Medicare that amounted to \$28 a month increase. With the inflation, high grocery costs, people losing their homes, and medical costs, he believes this is not the right time to add more to the sales tax for a railroad or bus route, which he never uses. He encouraged the Board to say no to this tax.

John McPherson, West Lakeland Town Board – Mr. McPherson stated he has had many calls on this situation. One call was from a person living on \$600 a month Social Security and he said “this little bit is putting him over the top”. He feels this is not the time to raise taxes. People are losing their homes, people are losing their jobs. He asked the Board to wait.

The Board recessed at 6:30 p.m.

Tim Sinclair, 1411 Dellwood Road North, Stillwater – Mr. Sinclair stated that food costs are going up, gas prices are going up, including the 2 cents gas tax that went up this morning, fast food prices are going up, and his property taxes have gone up. During the last year his wages didn't go up much, if any. He cannot control all of these increases, but the County Board can control this proposed increase. He urged the Board to vote no and opt out of this joint powers agreement. He thought the constitutional amendment with the 60/40 split for transit/roads was suppose to solve a lot of problems, he hasn't seen a lot and is wondering what is going on there. Hennepin County has the Hiawatha Line, Ramsey County is going to have the University line, Dakota County has many transit stations, bus lines expressways, and Anoka County has the commuter rail. He does not see anything foreseeable for Washington County for the \$5 million it will be donating and getting \$1 million back. He does not think a bus here and there is worth \$5 million. He asked the Board not to saddle the citizens with any more taxes. He stated the Met Council is an unelected body, it's a black hole for money. He urged the Board not to approve the ¼ cent increase.

Linda Lehrke, 8186 Hemingway Avenue South, Cottage Grove – Ms. Lehrke stated it appears that this meeting might be a futile exercise because her Commissioner has said that she will vote yes with no intentions to evaluate what the citizens may have to say. She feels that other than New York, light rail does not decrease congestion. She agrees with Commissioner Peterson with the idea that you can agree to disagree. There's only one difference in this whole thing, she doesn't get a vote.

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David Morgan, 13780 North Manning, May Township – Mr. Morgan stated it is the job of elected officials to try to keep the growth of government under control. He urged the Board to vote no on this proposal. He feels this money will go to special interests that will have very little affect on the citizens of Washington County.

Bob Swinehart, 16377 May Avenue, Marine on St. Croix – Mr. Swinehart stated there have been a lot of good points made tonight why the Board should opt out of this proposal. No additional taxes are needed. The dollars in this program should be kept in Washington County rather than sending them off to the Met Council and getting 10 cents back on the dollar. The vast majority of the people in this county will depend on personal transportation for the foreseeable future. He feels that public transit such as the light rail system is not about reducing congestion, it's about economic development. He believes that if anything it has increased congestion for the people trying to get across because it's running at grade. Finally, if there are viable public transit opportunities that present themselves that make sense for Washington County, then he thinks they should be self-sustaining, they should not require public subsidy.

Bob Zick, 2231 Penn Place #104, North St. Paul – Mr. Zick stated good comments have been made here about the County Board giving away their strength in negotiating by entering into this agreement now and he hopes the Board listens to them. He hoped that the Board members hadn't made up their mind prior to public testimony. When government takes away the people's money they've taken away their freedom of choice. He believes that for every one person that comes and petition government because they want something, there are 100 people that are going to pay for it that oppose that, and those 100 people don't take the time to come down and petition their government. If you multiply the number of people saying no by 100, the Board members who are up for re-election, ought to think real seriously about what is going on here.

Judy Bull, 908 SE 12th Avenue, Forest Lake – Ms. Bull encouraged the Board to support the metro transit sales tax. She serves on the Forest Lake City Council and is speaking as a community leader looking toward the future of Forest Lake and the metro area. Most folks living in Forest Lake drive into Minneapolis/St. Paul daily. The numbers of cars increase daily. With the increase in gas prices and the overall increase in global warming, the need for transit options and improvements is overwhelming. She mentioned the Rush Line Corridor which is an 80 mile corridor that runs from St. Paul to Hinckley. The corridor has received federal and state funds to implement its studies and recommendations. A transit center was funded and built in Forest Lake recently and other studies are planned. The proposed transit sales tax would provide funding for this very busy corridor. In January of 2008 Metro Transit set up a commuter bus service. One hundred and fifty cars a day park in the lot and use the daily bus service. It has been very successful. The service is expensive and metro area support is needed for that. The tax increase is small, 25 cents per \$100. It is a sales tax and does not apply to food or clothing and is not an addition to the property tax. If Washington County joins now, it can help make the rules for funding allocations. She feels that Forest Lake needs transit alternatives. She urged the Board to support it.

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Susan Young, 9950 1199th Street North, Forest Lake – Ms. Young stated she is a city council member from the City of Forest Lake. Economic development in Forest Lake is important. A few years ago they were building 600 to 800 dwelling units per year. In January, they had one dwelling unit that was permitted. She is not sure how building companies, contracting companies and the folks who support those services are going to be able to stay in business in Forest Lake if there is not more growth. As she talks to people who could buy houses in Forest Lake, there aren't a lot of jobs in Forest Lake paying \$25 to \$30 an hour to be able to purchase a new home. In order to have good jobs, people have to go out of Forest Lake. In order to have good jobs they are going to have to be able to afford to go out of Forest Lake. She pays \$12.50 to commute to her job in Minneapolis. She can afford to do that right now. She does not know of many people who can continue to afford to do that in the future. Finding a way to attract people to Forest Lake, to buy homes to support businesses, restaurants, and building companies in Forest Lake, is very important. Transit is going to be one small piece of that. Three hundred rides a day is one piece of that. This is a tax in discretionary spending and not on food and clothing. There needs to be some sort of commuting, car pooling or transit services to encourage people to live in Forest Lake. It will be more expensive to develop transit opportunities in the future.

Commissioner Pulkrabek asked that comments be limited to one minute. There are over 30 individuals who still wish to speak.

Jim Kremer, 5475 Oakgreen Place North, Oak Park Heights – Mr. Kremer stated he has not seen one study anywhere that has shown that mass transit reduces traffic congestion. It costs \$100 million dollars a mile for a train. If mass transit is such a benefit, than those using it ought to pay for it and not the 85 cents they are paying in Forest Lake. The cost should not be shifted to those who don't use it or it does not benefit. He feels this is taxation without representation. Washington County will impose the tax, Washington County citizens will pay the tax, and Hennepin and Ramsey Counties will decide how to spend the tax. The argument that the county needs to be at the table is naive. Finally, if it is believed that the money will be returned to Washington County, people must have had blinders on in the last five years when the Hiawatha Rail was being built. The line down University Avenue will cost \$906 million. Every penny from Washington County will end up going into mass transit, will go into trains for Hennepin and Ramsey Counties. He urged the Board to vote against this.

Marjana Callery, 2510 Queensport Road, Woodbury – Ms. Callery read an article by Peter Peterson that was in Newsweek: It's entitled "You Can't Take it With You". He talks about challenges in America. "These challenges all require sacrifice. That means everyone. We fat cats will have to pay more taxes. The government will have to spend less. Everyone will have to save more. I'm not sure if we remember how to give up something for the long term general good. Nor, do we hear calls for sacrifice from our leaders. Our lawmakers are enablers either joining us in the state of denial or trying to anesthetize us. But if we can learn to face the future realistically, everyone will benefit from a more robust, sustainable economy. The greatest generation that lived through the depression of the 1930's and World War II confronted, overcame and paid

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for challenges more sobering than those we face today. We can do it again. I refuse to believe that we have become so selfish and self absorbed that we don't care about our children's future and America's leadership in the world. These challenges have hung over our economy for years. Others have tried to sound the alarm. I know the odds of success are daunting. Yet, given what is at stake and what I owe this remarkable country I and we have no alternative but to try." She encouraged the Board to please vote yes on this motion.

Marc Hugunin, 10775 Kimbro Avenue Court North, Grant – Mr. Hugunin stated there are some misconceptions in some of the objections he has heard that are not entirely accurate. There was an article in the Stillwater Gazette entitled "Sales Tax Increase a Bad Deal for Washington County". The gist of the article is to say it is a bad deal because there is no guarantee as to what exactly Washington County will get in return for the \$5 million per year. He does not debate that as an assertion. Some of the arguments that have been made were about the \$1 million versus the \$4 million. But his comment is that yes, there are no guarantees as to precisely what Washington County will get, but there is one guarantee, if Washington County opts out of this opportunity it can be absolutely guaranteed that our transit services and transit system available to Washington County residents as long as most of us shall live will be lost. There will be no such opportunities if we don't opt in tonight.

Roxanne Emerson, 1107 Timber Way, Stillwater – Ms. Emerson, stated she is probably the only transit provider here this evening. She represents over 2,200 people who ride their service system, and they weren't able to come tonight because there is no transit service in the evening because there isn't transit funding at a level that can sustain or provide even a small service. She asked that the Board give great consideration to opting in on this opportunity for transit funding. Even though the seven votes seem small, a small voice is a great deal better than no voice at all. We've been under-represented, under funded. They need strong leadership like this Board to support transit service.

Jerry Beedle, 1470 Riviera Avenue South, Lakeland – Mr. Beedle stated he has been on the United Way, Workforce Council, and now he sits on the Mental Health Advisory Council. He knows how the mental health system works in St. Paul and Minneapolis, they have transportation. That is this county's biggest hang-up for all three of these categories. People at the bottom of the ladder don't have driver's license in many cases, or vehicles to get places. Right now we are supporting them with our taxes. If there were some kind of transportation system, and this would just the beginning, there would be feeder buses going into the terminals to help them get to where the jobs are. Most of the people who live out here don't work out here. What happens to the elderly, disabled veterans, people who have mental health problems, people who want to work but can't get to the jobs. There needs to be a transportation system here. He urges the Board to vote for this.

Kathy (Mannie) Lohmer, 805 Lilac Place North, Lake Elmo – Ms. (Mannie) Lohmer, stated she is the endorsed candidate for District 56A. She believes she won that endorsement because she promised the

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people that she would never vote to raise taxes. She got into this race because of the \$6.6 billion transportation bill that was just passed. She does not believe everyone wearing a “No” button is against transit, but there is no plan. She urged the Board to vote no and wait until there is a plan.

Jeff Huber, 9520 Joliet Avenue North, Grant – Mr. Huber congratulated the citizens of Carver and Scott Counties for voting in commissioners who defeated this tax increase which he feels subsidizes nothing more than the construction of mass transit light rail. He feels that the population densities in Washington County do not support light rail.

Tom Carr, 9550 Joliet Avenue, Grant - Mr. Carr stated he is the Mayor of Grant. He thinks long-term planning is great. Times have changed and this process started a while ago when things were different. The Commissioners need to accept the fact that things are not the same as they use to be. Mass transit is good in some areas, but not in Washington County. He believes that Washington County has a road infrastructure that should be used and is expensive. He would rather have his money funding that than light rail.

Paul Stein, 7969 Quadrant Avenue South, Denmark Township – Mr. Stein urged the Board to make the investment in our future. He doesn't like paying taxes any more than anyone else and the times are such that those taxes hurt. However, there is a basic rule when it comes to infrastructure, if you don't make the investment now, you'll end up spending a lot more money later on. The other basic rule of investment is to diversify. Part of the way that money can be saved on roads is to have alternate means of transportation. The third rule of investment is try to leverage your investment. Mass transit investment is one that the federal government will be kicking monies in on and that's one more way to save. These are monies that if are not spent now they will be spent later on in much larger sums. We need to start thinking larger, to become part of the metro community and to become part of the world community which means thinking about ecological ramifications of the investment we make or fail to make.

Russell Hibbing, 10181 Fox Run Road, Woodbury – Mr. Hibbing stated in this proposal the first \$31 million is going to the Met Council to fund deficits in their existing rail lines. He's heard how ridership on the Hiawatha was above their expectations and they are still losing money. He thinks that sends a clear message about how this works. He believes this is only a start to what the taxes will be. This only buys the county a seat at the table. If, in 22 years after the county has sent in \$110 million to the Met Council they decided to build light rail out here, then the county will have to pay an additional 10%. He fears there will be more taxes and he urges the Board to vote no.

Paul Reinke, 7073 46th Street North, Oakdale – Mr. Reinke believes that plenty of their money goes to support regional transit initiatives as it is. As structured the act doesn't give enough say over how the collected monies are going to be spent. He believes that voting no tonight would not preclude the county from being involved in the future. He feels Washington County is an important piece of the regional puzzle

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and a no vote tonight to delay and revisit at some point in the future gives plenty of opportunity to do the right things down the road.

Dean Cole, 4438 Helena Way, Oakdale – Mr. Cole stated he spent 3 ½ years in Japan and 90% of the people live in 10% of the land because it is a mountainous region, they have to have a train system. In the Midwest, that kind of system is not needed. He was disappointed when the Governor did not campaign against the transportation amendment. He was behind him when he vetoed this legislation. He is not looking for a 3-2 vote tonight, he is looking for a 5-0 vote because this tax is a regressive tax and will punish the poor and working class. If the Board wants the people that benefit from the Twin Cities and don't live here to pay for it, look to the people living in Wisconsin coming here to work everyday, they pay their property taxes, their sales taxes, and not paying our gas tax either in Wisconsin, put a toll booth on the bridge over the St. Croix.

Don Dame, 6740 Ashwood, Woodbury – Mr. Dame agrees this will probably be a 3-2 vote and nobody knows which way it will go. He would like to know the reason why Commissioner Stafford and Commissioner Hegberg are voting the way they are. If the vote does go 3-2 for the tax increase, there are elections in November. The question he would like answered is, if the Board votes for this liberal tax increase, how soon can they undo that vote?

Commissioner Hegberg stated Boards can opt out in January or anytime into the future.

Don Bahr, 7679 Teal Alcove, Woodbury – Mr. Bahr stated if this thing were to be 100% for Washington County he could see maybe going for it. He sees passionate pleas from people to say let's do this, but they are looking at the idea of Forest Lake. Washington County is a large county. When you get mass transit here, how much effect can it possibly have from the north to the south end of the county. He asked that they wait to see what the definitions are before the county joins this thing. He does not see any mass transit benefit between suburbs. He wonders how many people actually use the Hiawatha line to go back and forth to work, how many use it to get to Twins and Vikings games. He knows a lot of people who park and ride for that purpose only. Part of the problem there is it is strictly on an honor system and a lot of people are not paying for it. He feels buses give massive flexibility and that should be the way to go. He asked the Board to think of the people they know who benefit from mass transit.

Scott Koester, 710 Everett Drive, Stillwater – Mr. Koester stated he paid the most ever for gas in his life, and this is only the beginning. Now, you're talking about raising more taxes, sales taxes. He urged the Board to vote no.

Dave Van Hattum, Minneapolis – Mr. Van Hattum stated he works for an organization called Transit for Livable Communities and they strongly support this investment. The metropolitan area is thought of as a region. He stated that two thirds of the Washington County citizens commute to a job in either Ramsey or Hennepin County. He stated there is plan, it's on the Met Council web site and it includes many corridors in

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the east metro. He submits that this is a great time to make the investment and that transit is a great investment. There will be one million additional residents coming into the metropolitan region. The alternative is that the economy doesn't grow. The way to make it grow is to invest in the movement of goods both in roads and in transit. Those alternatives are needed throughout the region. He feels this is a good investment for individuals, it does reduce congestion. He strongly encourages the Board to make this investment.

John Ames, 9799 51st Street North, Lake Elmo – Mr. Ames stated that in the eight years he has lived here there has been very little expansion of the road network. He has seen how the Met Council considers the opinions of Washington County residents. As a resident of Lake Elmo, they don't always actively consider their opinions carefully. What he has seen is that when roads are built and expanded, such as the Wakota Bridge, it is half done. That has made a dramatic difference in his commute. There is one operative train line right now and that has increased his carbon footprint because it runs at grade level and increases his time that he sits idling in his SUV admitting pollutants into the atmosphere. He asked the Board to consider these opinions carefully.

Ron Goette, 1620 Olene Court, West Lakeland Township – Mr. Goette stated there have been a lot of good comments in support of and against. He feels two things are clear; first of all those who support it have a dream and a vision; and, there are the haves and have nots. In his opinion it is not acceptable to impose taxes when only half the citizens can afford it. He asked the Board to consider if the citizens of Washington County can afford it, and is it fair to impose that tax.

Duane Ellerson, 1168 Guthrie Avenue North, Oakdale – Mr. Ellerson stated he is against this tax. He remembers street cars and they took them out for one reason, they weren't versatile enough. Then they went to buses. Now, buses are not good, and they have to get back to light rail. He believes this is foolishness. He is totally against this.

Larry Becking, 6300 Keats Avenue North, Grant – Mr. Becking stated that more taxes in a depressed economy is just not the answer. If the Board wants to do what the people are sensitive to put a survey on the ballot in the fall and see what the majority of people want and that's what you should go with. If he wanted mass transit he would have moved to the inner-city. They moved out to Washington County because of the rural character. This tax will deteriorate this wonderful community and does not believe it will add to it. If rapid transit comes, then so comes cluster housing, then crime and the character of Washington County will deteriorate. He asked the Board to vote no for this tax.

Rob Lehrke, 8186 Hemingway, Cottage Grove – Mr. Lehrke stated there is a problem with businesses leaving Minnesota because of the high tax structure now, what will this do for us? The right to tax is the right to destroy, let's be aware of that and think about that and what we are doing to the State of Minnesota.

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Eugene Huerstel, 10234 204 Street North, Forest Lake – Mr. Huerstel asked for help. He just got his tax statement today and his evaluation went up \$65,000. Last year the State of Minnesota voted to help out on the transportation bill, he didn't vote for it, and now there is another one. He asked when is this going to be through—guess what, it's not going to be through because we need all these roads. He does not believe that Washington County will lose all the money because it doesn't vote for it. The budget in Forest Lake has doubled in the last six years, or more. They have seven roundabouts proposed. He asked that the Board vote no.

Bob Burrichter, 2654 Gershwin Avenue North, Oakdale – Mr. Burrichter stated he was going to come in here today and be real sarcastic because today is April Fool's day. He got his real estate taxes in the mail, and the state legislature raised the tax on gas by 2 cents a gallon today. He feels it is unbelievable how everybody in this day and age just wants to have more and more tax money to spend. The people who seem to speak in favor of this issue come from a certain category. They are the kind of people who are out there trying to save their jobs. He feels there are people trying to tell them how to live their lives, trying to shove certain things down our throats, who wants this mass transit.

David Waletzko, 2440 Grenadier Avenue, Oakdale – Mr. Waletzko stated he does not like it. Let's vote no and get out of here.

Marc Drummond, 3426 F. Cherry Lane, Woodbury – Mr. Drummond stated he is in favor of this. He drives an hour back and forth each day. His wife works in downtown and she is able to take the bus to and from work each day, or he drops her off at the light rail station. He feels that works well. He wished that he could have the chance to do that. He thinks there are a lot of people that live in Washington County that don't necessarily work in Washington County and whether or not all the transit money were to go to Washington County, it's going to make a difference because we all live in the metro area. Whether or not the Board votes yes or no, there will be transit needs for this community. He thinks it is important to have some ability to be at the table.

Luke Michaud, 1914 Mahtomedi Avenue, Mahtomedi – Mr. Michaud stated that in 2005 he was told the tax increase he was going to see was no more than a cup of Starbuck's Coffee. He thinks it should be his choice to buy that Starbuck's cup of coffee not that of the taxing body to take it away from me. In 2006 the tax that was put in last year, most of the legislature said it's nothing more than the cost of a gumball. He stated this is his choice to buy that gumball. Today there was a 2 cent gas increase and it's going to go to 8 cents. For the first time it cost him \$100 to fill up his pickup truck. He asked if the Board couldn't say to the State, enough is enough.

The Board took a short recess.

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The County Board reconvened.

The Board Chair asked for further comments; none were heard.

Commissioner Peterson moved to close the public hearing. Commissioner Kriesel seconded the motion and it was adopted unanimously.

Commissioner Hegberg thanked everyone for coming. He feels the County Board has had an open process. The citizens have come and the Board has listened. He appreciates all the e-mails and phone calls he has gotten, although he was not able to answer all of them.

Commissioner Pulkrabek stated he has looked at this issue very closely. He feels this is one of the most significant votes he will take since being on the County Board for ten years. He believes that the citizens in Minnesota are over taxed. A week ago the U.S. Census Bureau came out with new numbers that list Minnesotans paying the fourth highest per capita taxes to their state in the nation. He will be voting against this action. He felt if all the tax money taken in Washington County were to be utilized entirely in Washington County he might even entertain the idea of voting for it, maybe. But when you read the fine print and the details, he feels this is a bad deal for people who live in Washington County. Residents living in Ramsey and Hennepin Counties who believe in a macro-regional approach and are happy with their money being spent by other counties, then they should support this. He respectfully disagrees.

Commissioner Pulkrabek made the following points: 1) Washington County gets 7 votes out of 100 on the Joint Powers Board. Hennepin and Ramsey Counties combined get 65. The Met Council gets 5 votes. That's 70 votes out of 100 for the three entities. 2) Part of the first \$31 million that will be put into this pot goes to the Met Council to bail them out. 3) The State of Minnesota has their hand in this also. Not only the first \$31 million goes to the Met Council, but then in perpetuity 1 to 2% of every dollar that goes in, goes to the State of Minnesota Department of Revenue to help collect the tax. 4) Some people have asked about putting this on a referendum. The State Legislature said that the seven metro counties have to vote on this, the rural counties can put it on a referendum if they choose to do so. 5) Approximately \$5 million will be collected from Washington County with a guarantee that it will only get \$1 million back. He added that the guarantee of \$1 million is only for the first three years. After that there is no guarantee of getting any money. 6) He thinks the most important thing is the Met Council transportation plan. Not only will Hennepin, Ramsey and the Met Council have 70 votes out of 100, but the plan has already been written and they are bound by it, according to the documentation. The Met Council transportation plan states there will be no light rail and no commuter rail in Washington County until at least 2030. The best Washington County can hope for is to get two or three express bus routes which cost, according to county staff, about \$600,000 a piece. Even if the county got three of them, that's not even \$2 million. 7) It was not mentioned, although it's peanuts compared to the money being talked about, the county will have to put \$50,000 up front to get into the agreement. It was also not mentioned that this Joint Powers Board will then have the

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jurisdiction to start what he would call a mini-Met Council, another layer of government that is unaccountable to the people. He asked if Hennepin, Ramsey and the Met Council are the ones with 70 votes out of 100 how long will it be before they hire an executive director, an attorney, administrative staff, and lobbyists to get more money? He guesses it won't even be until the end of this year before another layer of unaccountable government is set up. 8) One thing that was pointed out, if Washington County gets into this there might be some new faces on the Board before the end of this year. But once you get into this organization it is three years before you can get out, three years notice. The taxpayers are on the hook for any loans or bonds that are taken out while any County Board member is sitting on that Joint Powers Board. 9) A couple of Forest Lake City Councilmembers indicated that about 300 cars a day park at the transit center and use the bus. He pointed out that county staff researched and less than half of the people who take the Forest Lake bus route are Washington County residents. Most of them come from Chisago County and Wisconsin. 10) A competitive disadvantage touched on briefly. Wisconsin has a 5.5% sales tax, the metro areas will be 6.75%. He asked if that won't determine the shopping habits of Minnesotans and Wisconites when they go to buy big ticket items? He believes it would. 11) This is not a zero sum gain. If Washington County does not vote for this, it's not like Ramsey and Hennepin and other counties get all the money and Washington County is out the door. Washington County will get \$57 million more dollars over the next 10 years for transportation that this Board and staff can decide how that is spent for roads and bridges within Washington County. 12) It was mentioned that Washington County will have a seat at the table. With only 7 votes out of 100 he feels those votes will not count for much. 13) Another argument raised is that this will relieve pressure on property taxes. The argument is that if this passes, county property taxes will be lessened. He asked how many people are buying that bill of goods. If that's true, he asked the Commissioners who are planning on supporting this, Commissioner Stafford, Commissioner Hegberg, and Commissioner Peterson, can he have a guarantee that they will support no increase in the counties levy, on people's property taxes for 2009? He has already made that commitment and so has Commissioner Kriesel. He has a suspicion that these three Commissioners will vote for an increase in the fall. 14) He has heard that this is a regressive tax. It hits people with lower incomes, the working poor, more than people with money because they will pay a higher percentage of their personal income in sales tax. He has heard from some Board members here how much empathy they have for people on fixed incomes, the disenfranchised, the down trodden—he asked where is their empathy now, because they are going to take it more in their pocketbooks than anybody else. 15) He noted that Scott and Carver Counties opted out and maybe they will look at it down the road. His predication is that two years from now the Washington County Board will be sitting here, at least he will, and they'll be asking themselves what have they gotten from the \$10 million the county has put in. He's guessing the answer will be absolutely nothing. No light rail and no commuter rail, there will be a feasibility study in the works, but nothing else.

Commissioner Pulkrabek stated he believes the Board should hold off on this vote until they see the updated transportation plan from the Met Council with new numbers, new projects, is Washington County even in the mix. He is prepared to vote this thing down right now. He wants to know from the other Commissioners who are planning on voting for this, he wants to know what the people from Washington County, the people

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sitting in this room reasonably expect to get in say in the next two to five years for the \$5 million a year they are going to put into this thing. He would like those Commissioners to answer that one question. He also asked that the media put in the article who voted against the sales tax. He thinks if this vote passes, this is perhaps the single most fiscally irresponsible decision this Board has made since he has been on it for 10 years. Commissioner Pulkrabek indicated that he has received 216 e-mails asking the Board to vote no on this. He received 29 telling him to vote yes.

Commissioner Peterson thanked the folks who have called to express their concern about this issue. She has received 330 e-mails and phone calls both pro and con. She reminded the audience that is maybe a little over 1/10 of 1% of the county residents. Some of those calls and e-mails have not been from residents of Washington County. She also stated that she has worked on this transportation bill for the last five years. The transportation bill was put together by citizens who are local city and county officials, county and city engineers, people involved in the industry, and community organizations. They looked at what were the real needs of the transportation system, not only roads and bridges, but what is needed to be a viable community as the metropolitan area for the future. In 2006, \$1.6 billion a year was needed to invest for 10 years. The bill that was passed is a compromise bill. It does not come close to addressing the needs. That's the real issue. It was also determined that one solution was not the answer. The gas tax fund is going down, people are not consuming as many gallons of gas as in the past. They also had to look at the tab fees. When the tab fees were reduced during the Ventura Administration, that was a huge loss in transportation funding. The other issue is that the gas tax had not been raised since 1988. That dollar amount, that 20 cents that was passed in 1988 is now worth 12 cents. She feels it was high time that some of these needs were addressed. The group that studied the transportation bill looked at a 1/2 cent sales tax, with 1/8 going for transit, 1/8 going to projects of major significance, and 1/4 going for projects of major significance within each county. They weren't pleased they just got 1/4 percent sales tax for transit. She indicated that the dollars that her colleagues are so pleased about we have because the legislature gave the counties extra dollars out of a different pot of funds, and those dollars could go away.

(A person from the audience stood and spoke – The legislature didn't give the Board any money, they took it from us.)

The Board Chair stated that the public hearing was closed and asked the gentleman to sit down.

Commissioner Peterson stated the Washington County citizens are going to pay that sales tax whether they pay it here in Washington County, or shop in Dakota County which passed it today, Hennepin County which passed it today, Anoka County which passed it on March 25, and Ramsey County. Washington County citizens purchase products where they work. 66% of Washington County residents work in Ramsey, Hennepin and Dakota Counties. She feels the transit improvements that will be made in those counties will alleviate some of the congestion and save Washington County citizens gas money and it will help the environment by not having the cars sit stationary on county roads. This is not a bill that has been put in

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place in the back room, in the dark of night by the legislature. This bill was carefully thought out by citizens throughout the State of Minnesota and it was put together by rural and metro representatives of government. The county does have transitways in the plan, Red Rock, Rush Line, the I-94 corridor and Highway 36. The county does have a choice, it decides whether to pay for transit off of the property taxes or use this ¼ cent sales tax to start building a system and uniting the metro region together. Commissioner Peterson stated she appreciates the comments she has heard, and she has carefully thought them out, and she respectfully disagrees with those who are against the ¼ cent sales tax. She stated she hopes they respectfully agree with her that she has carefully thought out the process. She indicated that she has participated in 12 hours of putting together a Joint Powers Agreement; it was a long arduous process. Safeguards have been placed in there: three counties must be in agreement, it cannot be passed by Hennepin and Ramsey Counties; and the super, super majority is a higher number and it has to be put together by at least three counties. She believes that as she looks at the future, as she looks at what is needed in the region, we need to invest in transportation that includes, roads, bridges, buses, trains, planes and an investment in the river. The 2030 Transportation Plan that was brought to the County Board is fiscally constrained based on the 2020 Comp Plans. She feels that Met Council put the cart before the horse, that they should have waited until the 2030 Comp Plans were done because she believes there will be changes in settlement patterns. She also believes that the transit plan should be based on current funding revenue and should be based on the Comp Plan of 2030.

Commissioner Kriesel commended the citizens who spoke tonight. They showed him that the citizens often have a better grasp than elected officials. He stated that one thing he is concerned about when talking about change, is the change that is left in the citizens pocket. He feels it is very important to recognize tonight that the option of joining this joint powers group doesn't expire until October 2, 2008. There is adequate time to do homework on this. He feels this was put on a fast track and staff did an outstanding job trying to seek answers that just are not available at this time. This Board needs to do its homework before committing citizens hard earned tax dollars that has enormous risk and little benefit. He believes a yes vote at this time goes contrary to the scrutiny of this issue that citizens not only expect but they deserve.

Commissioner Kriesel indicated that in his discussions with the Met Council he was advised that they will have completed the study in 2009 that will provide a lot of the answers to questions that he is seeking. Such as, what is the projected or estimated capital cost and operating expense that will occur when the system is built out as defined by the 2030 plan. Currently the tax is ¼ percent, \$100 million of revenue is generated, at some point the cost of paying off those bonds and the operating costs will force the tax to be raised in five to ten years, because there is no way ¼ percent is going to fund a \$3 billion 2030 plan. He asked about the I-94 corridor and was told that it would be very costly to bring rail to Woodbury, possibly hundreds of millions, and that the most likely outcome would be express bus service that will utilize existing roadways. The only benefit he could gather was that buses would be allowed to use the shoulders when traffic congestion is encountered. He feels that is third world technology, the ability to move buses on to shoulders that possibly should be used for emergency purposes. He also asked about the transit service that is

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currently supplied to Woodbury, Stillwater and Cottage Grove. It was their opinion that these services would remain. He would hope so because they are currently being taxed by the Met Council taxing district. He asked if they are fulfilling Washington County citizen's needs, and could improvements be made on the current services. What is being accomplished if those services are already being met and we are paying taxes for them, what are we doing here?

Commissioner Kriesel stated another concern that stays under the radar is the 10% local match that is required up front on any local project. He asked how the county will find \$30 million local match that would be required on a \$300 million rail project, and that's probably under estimating the costs. Where will the county get it, the property taxes. He stated that what no one knows at this point is what the county will have contributed through the local match at the conclusion of the 2030 plan. He doesn't have a clue as to what they are entering into. A lot has been said about when citizens from Chisago County and Wisconsin come over to our areas they're going to pay sales tax here and Washington County citizens will go over to Hennepin County and pay sales tax anyway. The 39% of the Chisago County residents that are currently using the bus system up in Forest Lake, Washington County is subsidizing them. They might buy a latte at the coffee shop that will be near the hub, but they are not going to have to pay the 10% local match that Washington County citizens will. If the county wants to be at a table, the table they should be at is the non-participating counties like Chisago County and St. Croix County. Transit lines will be built that will reach out to the borders and Washington County will be subsidizing them. Cars will be off the freeways which might reduce congestion along I-94, but at Washington County's subsidized costs. The district he represents has 11 local governments. He would like to hear their opinions. The 11 governments that he represents are working on their Comp Plans and need to be heard on this. He feels if the county has until October to make a decision there is no reason that they cannot wait. There's a lot of discussion that the county has to be at the table. The table they are putting him at is like entering a game of Texas Hold'em, he's holding a pair of deuces, he's looking at a pair of aces and he's hoping he draws a third deuce. He asked what are the true consequences of not joining at this time; he could find absolutely no significant consequence. The same rules apply now that they would encounter in waiting. He believes they shouldn't even be considering this until they go through the budget. Will they be looking at a significant tax increase to maintain the current services, or worse yet, start laying off people and cutting programs. This argument about a seat at the table—you have to ask yourself why would the Joint Powers construct their by-laws to exclude or discourage future participation of Scott, Carver and Washington Counties. The very economic engine that is being built down there creates and brings great benefit to them, all trains lead to them. He fully expects that whenever the county joins this whether it's tonight, July, October, or next year, they will welcome the county with open arms. Forty-nine percent of the daily ridership in Forest Lake that they like to brag about is successful do not reside in Washington County. There are 300 riders that use that service. Washington County is providing rides to 150 Washington County citizens at a cost of \$1.1 million. If he was one of those riders, and somebody offered him half of that subsidized cost and offered \$4,500 he would probably car pool and save everybody a whole lot of problems. He stated that in a few years it may be determined by

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Hennepin, Ramsey and Anoka Counties that a sales tax increase is necessary. How can Washington County opt out of that increase. He believes one thing is certain that the sales tax will increase whether Washington County agrees to it or not. If they determine that they need more funding they have to go to $\frac{1}{4}$, to $\frac{1}{2}$ to 1, Washington County has to take it. Once they opt in it will be virtually impossible to get out. Washington County will be responsible for 5% of the amount of operating expense of the entire Metro Joint Powers systems that are built during the county's membership. If the county opts out in three years and they bonded for \$500 million, the county would be responsible for 5% and it would have to pay that off. So he believes that sales tax will continue to pay it off. Commissioner Kriesel stated it is his understanding that not just the capital bonding debt, but any operating expense that is acquired during the county's membership, that goes on forever, we have to negotiate our way out of that. He asked if that is correct.

Commissioner Peterson stated that once the county gives its notice they are done.

Commissioner Kriesel stated maybe he is wrong, he hopes he is. But he is not certain and is not sure if anybody is certain. If there's anything that he knows about this is that most people do not know enough. He believes that businesses as well as citizens fear the impact of this tax. Wisconsin has 5 $\frac{1}{2}$ % and Washington County will be up to 6 $\frac{3}{4}$ %. He is concerned about the businesses in the district he represents. Downtown Stillwater is an example. They are suffering right now because of a poor economy. The property values go up, so their taxes go up. What's important to note is that the county administers State policy when it comes to property tax valuations. Those downtown businesses are hurting, and they don't need any other disincentives for people to come to downtown Stillwater or Oak Park Heights or anyplace else in his district to shop. You'll hear it said that there never is a good time to raise taxes. During a recession is the absolute worst time to raise taxes. There are a lot of citizens who are worried about staying employed. The mortgage foreclosures in Washington County doubled last year. What little discretionary money senior citizens have will be impacted by this. It might only be pennies, but sometimes that's the difference between them being able to afford medication and food. There are a lot of folks out there hurting. He believes that Hennepin and Ramsey will have huge economic development. The sales tax impact to Washington County—there is a \$54 million courts and government center expansion and the county has to pay sales tax on that. He feels this is ironic because the county has to pay \$1 million to the state in sales tax on materials the county is building to house the state's employees. The county is mandated to provide the facilities for state employees, and will have to pay the State \$1 million because they wouldn't waive it. He stated he would love to go out his back door, hop on a train and end up in Minneapolis. That's a worthy goal, but you have to live within your means. He believes you have to listen to the people and you have to recognize that one size doesn't fit all. Rail might be good thing for Stillwater, but he doesn't know if somebody living up in Marine that will have a whole lot of benefit. He believes that transit never eliminates congestion, it just manages it. People will still get in their cars and drive to where they are catching the transit. His hopes people will not consider his vote tonight a vote against transit, it's a vote to spend time and get the answers the Board needs to make a reasonable judgment on this.

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Commissioner Stafford stated he has been with the county since 1975 and he believes that this meeting is not as contentious as the first Truth-in-Taxation hearing. He believes there has been a reasonable balance of input, even though it is obvious the people against this are in the majority here tonight. He appreciated the participation, but did not appreciate the fact that the Chairman asked the audience two or three times to keep its applause to itself. When Commissioner Pulkrabek tells you the county will get \$59 million from the State over ten years whether the county votes for this or not, that works out to \$5.9 million a year. If you look at construction statistics that the engineers put out, that yearly amount will finance one mile of four-lane highway. So, don't get too excited about the \$59 million, it doesn't amount to much when you talk about three, four or five hundred million dollars to build a bridge. The thing he is most disappointed about with Commissioner Pulkrabek is that he took this Board to task for this issue and tax tendencies without pointing out the fact that this group collectively for the last nine years has been instrumental in keeping Washington County with the lowest property tax rate in the State of Minnesota.

Commissioner Stafford stated that Mr. Dame asked for his reasons for supporting this. If Mr. Dame sends him a request for this in e-mail he will send them to him. He has made a list of pluses and minuses and has agonized over this for the three weeks they have been kicking it around. Over the weekend he started formulating an opinion, but felt he needed tonight to keep his mind open because something new might come up. It didn't, but he thought there's always a chance that a new twist would be thrown at him. He finally put something in type that seemed to resemble where his heart was. For the people that know him, he has never counted votes except at this table, when it comes to doing the right thing. He tries to gather all the information he can and do what he thinks is best for the county. He quickly went through the feedback he got from phone calls and e-mails and explained his reasons for voting for this proposal.

Commissioner Stafford listed the following concerns he has received: 1) "I'm against light rail"—His answer is that this plan reaches way beyond light rail. It is not just the Hiawatha, it includes buses, commuter rail, high speed rail, and other forms of transit as well. A complaint that the Board has to front end 10% of a project if it was built in Washington County, you have to ask yourself where did the other 90% come from. It comes from other counties that are going to be paying for the project that don't like participating in Washington County anymore than his colleagues like participating with Hennepin and Ramsey Counties. The opt out clause was not put in to be detrimental to Washington County, the opt out clause is in there to protect us against Hennepin County. Because when Hennepin finishes Hiawatha, North Star and Central Corridor, and they are collecting 55% of the tax in the Twin Cities, if they opt out Washington County has been had. This rule was put in there to say that if a county pulled out they would still be obligated for the bonds that were approved when they held a seat at the table. That means Hennepin, Ramsey or any other big county that gets what they want and then wants to quit cannot. 2) "I'm against all forms of public transportation. I have my own a car, why should I pay to finance somebody else's bus ride"—His answer is that there needs to be many forms of transit in order to have a viable society. There may be a better way to finance these systems, but nobody in the United States has found it. With our addiction to gasoline, which is headed towards \$3.50 a gallon, and increasing gridlock on the roadways, it

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is time to find a better system. 3) “Only counties and residents of counties that approve the tax will pay the tax”—He believes this is absolutely false. Counties do not pay the tax except on items the county purchases. Citizens pay the tax and it does not matter where you live. If you shop or eat out in Hennepin, Ramsey, Anoka or Dakota County, you will pay the tax. 4) “There is not much short term benefit to Washington County”—This is true. Mass transit initiatives will not have much immediate impact on this area, but in the long run projects like Red Rock, Rush Line, Highway 36 express routes and the I-94 corridor will be the focus of attention. If they ever get around to building the Stillwater Bridge it will be done with a lot of federal dollars, even though it is hardly a benefit to Nebraska, Nevada, or Nantucket. He stated that Washington County is not an island, it is part of a metropolitan community and must share in the development of the regional infrastructure. Commissioner Stafford stated that in this country a power plant has not been built or an oil refinery in 30 years. The Japanese have taken away our automobile market, and America’s auto manufactures have less than 50% of the production and some of it is made in America with European or Asian auto parts. This country’s power supply right now, a great deal of it in Minnesota, is coming from Canadian hydro power. So we are now addicted to Canadian power, Arabian oil, and Asian automobiles. He believes this country needs to get a little bit of self-sustaining enterprise or we’ll become a third world nation. 5) “This agreement is slanted towards the big counties”—He stated this is also true. The Joint Powers Agreement has its flaws. However, the inequities in the organizational structure cannot be corrected from the sidelines. The county needs to be part of the system in order to change it. He would advocate to this Board that when it puts the two seats on the Board that one be from a Commissioner who supported the plan and one that opposes the plan. 6) “This is a bad time to raise taxes”—This is also true. He has been with Washington County for over 30 years and he cannot remember a time when anybody stood up and said this is a good time to raise taxes. He stated this is a sales tax, citizens have options to decide what to buy. Essential items such as food and clothing are exempt. Unlike the income tax or property tax where there is no choice, with a sales tax you make the decision of what, when and where to buy. This also gives those in Wisconsin who work here, earn their money here and shop here a chance to share in the cost of our transportation burden. 7) “This is not about the tax, it’s the principle of it all”—He understands that. He is aware of the position that many people have on “no new taxes” and government’s seemingly never ending thirst for citizen’s dollars. The most onerous tax of all is the property tax. Under this program, property taxes cannot be used for operating expenses. This shifts the burden from property owners to all residents. 8) “So what is your position”—He has always tried hard to think of the county first. He is also here as a representative of District 5, the City of Woodbury, the Chamber of Commerce, the League of women Voters and others. He believes most of the citizens in his district support this very nominal tax. He believes the region needs mass transit. With this ¼ % sales tax everyone will pay for the system and the passengers pay to use the system. This sales tax on \$50 is about 12 cents. Gasoline prices sometimes fluctuate that much per gallon in a day. Public transportation needs public support.

Commissioner Hegberg stated this is the most difficult vote he has had since the jail was built and arguments were had over whether to build and the size. He supported building that jail. After that elections came and

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some Board members were not left on the Board and he expects that will probably happen this time. When he looks at the issue, what does he get out of the situation. Looking at the larger picture is it provides choices. Today we are captured by oil. There are no choices. He feels we are financing our own war in Iraq. He is very disappointed that is the way our society is. There's nothing that can be done about that unless we find different ways for our transit systems to work or ways to get people to work. He invested years ago in fuel cells that was suppose to be the answer. He made some good money, the stock went up, but no product. He sold. The stock today is \$2, \$3, or \$4 some of them are bankrupt. We look at technology to solve our problems but nothing has been developed yet. In the mean time this country is a hostage. It would be very easy for this nation to become totally frozen up by the lack of gasoline. All we have to do is have refineries blown up. There are no choices. We have to, as a nation, say we need choices so we don't become captive to our own enemies. There are environmental reasons some people laugh at it. He doesn't believe that man is causing global warming, but he does know that we've been coming out of the ice age since the ice age. If he takes an ice cube and puts it in his glass of vodka as it gets smaller it melts faster. There are issues on the environment and we need to look at it to see what can be done to deal with it. The buses today can be made to run on electricity. In California that is not uncommon. A lot run on natural gas, biodiesel, and E-85. They are all made outside of the United States. We talked about the value of the Canadian dollar versus America. We are totally dependent on a lot of Canadian dollars and that's the reason the value of their dollar has gone from 60 cents American to over a \$1 American today. How much further can we go. Are we going to continue to let the dollar slip by because we are buying oil and energy from other nations because we won't take and face the problems that we need to deal with. Electricity is just one of them. We are dependent on Canadian hydro because we don't face the issue. He has been for nuclear power for years and he still is because we have to look at different sources. The value of a dollar will keep decreasing and those individuals can continue to buy us out. Sales taxes are paid on non-essentials. The people who shop here will pay for and use the transit system because they will pay the tax. Those people who travel and use the Forest Lake Transit Center out of Washington County they probably shop at Wal-Mart, Target and the stores that are in that community. Those are the nearest stores all the way to North Branch and further up. If it's a real estate tax, Washington County citizens pay it. Chisago County won't pay any of it. Washington County real estate taxes are one of the lowest compared to Chisago County. He believes that Washington County has had an excellent management system and the Board has looked to staff as well as the Board members to guide and direct them so we do maintain our standards and get efficiencies out of our dollars. On Page 1, Whereas No. 5 of the Joint Powers Agreement says "Whereas, the Counties intend that the Board, as defined below, shall endeavor to award grants to promote geographic equity over time with respect to investments in transitways to implement the Counties' regional vision". He believes if Washington County is not at the table right away, they aren't going to look and say, let's look at the systems in Washington County. Most of Ramsey County's systems come into Washington County. Ramsey County has a vested interest in us protecting their transitways going into Washington County and making them work. If Washington County joins now they will become part of the by-laws committee which will help define transitways and we will be part of the planning process. We will not have that if we aren't at the table. He stated Washington County can back out of the process. Especially in the first two or three years

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because we haven't funded any bonding debt. The North Star, Central it's already funded mostly through the bonding bill. Those bonds are already provided for by the State of Minnesota. The next transit systems will be determined by us as a group. Us as a group are all elected officials from counties and cities on the Grant Evaluation and Ranking System (GEARS) Committee. It will not be like the Met Council. That's what they insisted on when they looked at the transportation bill and looked at the options they had. We didn't want to become part of the Met Council because we wanted to have some voice in our decisions. Transit opens the road for businesses. Some of the trucking industry was on the Transportation Advisory Board in the early years. A Warroad Minnesota trucking firm was talking about moving their windows down to Chicago and they had to come through Minneapolis to do that. Their trucks got to the northern part of the cities from Warroad faster than it took to get through the cities and head to Chicago. He was having his trucks leave at 6:00 at night so they would hit Minneapolis/St. Paul at midnight. Having semis sitting and idling on the congestion of the freeways is not what we want. We have to figure out a way to avoid that. Transit maybe isn't the answer, but building freeways is going to be so expensive to add lanes to I-94, 694 where they have to condemn and take out blocks of housing. Now the new method of condemnation takes much longer. A little bit of road on the 7, 8 & 9 study is talking about two or three houses and the people don't want to give up their homes. What do you think it would be like to add lanes to the freeway system into the metro area. He is not sure if Washington County will get its share. But if he's at the table he will argue for our share and all of us sitting at this table will. If we are not at the table you can bet Dakota, Anoka, and Hennepin County will probably have the votes to make sure the transitways go to the west as has been happening for a number of years. Transit is currently paid by real estate taxes as well as the roads. Roads are paid 75% by real estate. Why is that—when the developer builds a home he has to put in the roads. Today the county requires the developer to put in stop lights, put in turn lanes into the developments, if we can. But we don't have control of the accesses to the county roads. That is a city issue and they have worked with the county to recognize that if these people want stop lights there is a waiting list of 44 that the developers aren't paying for which will take six years if we used all of the \$5 million per year to put in the stop lights. This organization is not the Met Council, it's a joint powers of elected officials. Roads don't solve congestion either. Every time another road is built they find it is filled up very shortly.

Commissioner Hegberg stated he is in banking. The rich don't pay taxes. As he looks at the tax returns, and look at the business and finance them, there are plenty of write-offs. Sales tax they do pay when they buy new trucks and depreciate it off their tax returns. The poor pay taxes, but they don't buy a lot of non-essential items, the rich do. He owns two boats, jet skis all the other play things that he wants. When he buys those things he will pay on the sales tax. The poor don't have those items, he does. The value of homes. When he was in foreclosure in banks in 1970's the value of homes was declining substantially, in half, in the areas of North Branch, Stacy, Wisconsin. Why, because it was a matter of being so far from their job and that's all they could afford. When they looked at a price of the house and where they could afford to buy they compared the prices of gasoline and their cost of transportation to and from work. Transit systems do give opportunities for those people to drive back and forth, or go to Forest Lake, buy a house and come down to the cities. It does create some demand and stabilizes some of the real estate values. If you go

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up to Stacy and further north you only have to look and see what is happening to the values of their homes. That hits all of us in the pocketbook as well as the county. He does support it and when they go to the Joint Powers if Washington County does not get a fair shake you can be assured that he will vote to get out of it. It is an expensive bet, but Washington County should be able to get something out of a system more than what we are paying in now and getting very little. The taxing districts are paying in for transit and Washington County does not have the benefits that are on the west side.

Commissioner Peterson moved to approve the Declaration to be part of the Metropolitan Transportation Area and authorization to enter into a Joint Powers Agreement establishing the Counties Transit Improvement Board. Commissioner Stafford seconded the motion.

The Board discussed this matter further.

Commissioner Pulkrabek asked, as a rebuttal to Commissioner Stafford, if he honestly believes that the majority of people in Woodbury support this sales tax increase? In all due respect, he has got to be kidding. But, the bigger point is he has heard a lot of talk from the three Commissioners that look like they will vote for this about energy policy, oil prices, global warming, dreams, seats at the table. He is still waiting on an answer as far as the question he originally asked. What can the people in this room, and what can the people of Washington County reasonably expect to get for their \$5 million a year in the next two to five years? He has heard a whole lot of nothing so far, other than nebulous smoke and mirrors. He asked that any of the three Commissioners feel free to jump in and answer that question.

Commissioner Stafford said we could do that, but they are supposed to be debating the motion on the table.

Commissioner Pulkrabek thought originally they were going to debate this amongst the Commissioners, now he's told they are not going to debate it. That tells him the Commissioners do not have an answer. His second question is, which he asked before, if they believe in the argument that raising the sales tax will take pressure off the property taxes and not spend as much on transportation, Commissioner Kriesel and he have already made the commitment to not vote for a budget that has any increase in the levy. If the three Commissioners really believe their own argument, will any of them make a commitment to keep the levy at a zero percent increase.

Commissioner Stafford rose to a point of order. He doesn't mind discussing these issues with Commissioner Pulkrabek at great length. There is a motion on the floor and the conversation is supposed to be restricted to that motion. That has nothing to do about whether or not the county joins the joint powers.

Commissioner Pulkrabek stated he has asked those two questions two times, and he's hearing nothing for the first answer and no commitment as far as not raising taxes.

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Commissioner Hegberg stated that will be discussed at another time, when they go to Commissioner Reports.

Commissioner Pulkrabek requested a roll call vote.

Commissioner Kriesel asked for a clarification. Is the Board saying that they will not have the opportunity to ask anything about what's been said here tonight? He has a real problem with that. He has heard things like a ¼ % sales tax is insignificant. When he looked at what peer cities staff brought forward, and pointed out that sales tax is not unusual to fund transit, virtually every one of those peer cities have 1% sales tax. This ¼% is bait so they can set the hook. There is no way we are going to have any significant benefit before the sales tax is increased. He doesn't buy that for a minute, neither does anybody else that studies this.

Commissioner Hegberg asked for further debate.

Commissioner Kriesel asked if they are going to limit their conversation on the most important thing that anybody on this Board has considered? He welcomes the Boards comments back to what he's said. If he said something they didn't agree with, let him know. He feels compelled that he has to represent the people he represents in his district and speak for them on some of the things that were said here that he disagrees with. There is absolutely no reason this has to be approved tonight and the county would stand a better chance negotiating the benefits that are going to be brought to Washington County. Then a decision can be made to join it. A lot of people are going to view this as a way to get distance between now and the election. He has heard that commissioners in other counties want to vote on this right now, because come November people might have forgotten about it. He believes that's not going to happen. He has heard about Japanese making automobiles, that we lost that market because of whatever. He's told the Board that we are going to lose our market, 3M and the rest of them, they are going to move over to Roberts, Wisconsin. Let's build rapid transit over there, because that's where the citizens are going to be shopping. Congestion on freeways—when did it become a part of his job description that he has to be concerned for congestion on freeways. That's a state and federal problem. He understands that Woodbury and a lot of high density communities feed into that and they have to share in some sort of vision and cooperate to get it done, but this belongs at the state level. The state should be talking with Wisconsin, and if it's going to be transit for Minnesota that has global benefit for all of Minnesota, environmentally and economically, this should not be piecemealed down to counties. He cannot justify it for the citizens that he represents that they have to pay their tax dollars to subsidize residents in Wisconsin or Chisago County. He understands that those people are going to spend money in our county and pay their sales tax. But he'll also tell you if you currently live in Hudson, why in God's name would you want to come to Minnesota and shop. You're going to stay at home and shop in your backyard because you will save 1¼% which he believes will rapidly become 2%. Why would you go to Hennepin County where you're going to pay an additional stadium tax. We are building this light rail so billionaires in downtown Minneapolis are guaranteed success with their

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investments. He has nothing but the utmost respect for everyone on this Board. He feels bad how people are going to be viewed that have served this county admirably. He feels bad that this, for whatever reason, is where they stand because that's truly what they feel is in the best interest of the county. It's not often that they ever got crossways on an issue, but this is one of those times. He guarantees that when they walk away from this, they will remain friends, but he is seriously concerned that the public has to know. This does not have to be decided until October 2, 2008. That would give the Board time to adequately look at this and make a qualified judgment at that time. He would rather have that done than people lose an election coming up and then have enough votes to opt out. He asked that the Board do its homework and reconsider this.

Commissioner Hegberg called for the motion as moved by Commissioner Peterson and seconded by Commissioner Stafford to adopt **Resolution No. 2008-045** as follows:

Declaration to be Part of Metropolitan Transportation Area
and Authorization to enter into Joint Powers Agreement
Establishing Counties Transit Improvement Board

WHEREAS, the Minnesota Legislature has, by Laws of Minnesota 2008 Chapter 152, Article 4, Section 2, authorized metropolitan counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott and Washington to impose a one-quarter percent sales and use tax, and an excise tax of \$20 per motor vehicle purchased or acquired from any person engaged in the business of selling motor vehicles at retail ("Sales Tax"), following the formation of a joint powers board by agreement among the counties; and

WHEREAS, Washington County is committed to the development of a system of transitways to better serve the residents and businesses of the Twin Cities Metropolitan Area and to efficiently move people and goods throughout the region; and

WHEREAS, the proceeds of the Sales Tax will be used to enhance and improve the transitway system and not supplant state and regional obligations, as required by Minn. Stat. § 297A.992; and

WHEREAS, Washington County intends that, in accordance with Minn. Stat. § 297A.992, subd. 6, the Sales Tax proceeds will be made available for the development and operation of transitways, including rail and bus rapid transit projects serving the residents and businesses of the Metropolitan Transportation Area, as defined by statute; and

WHEREAS, Washington County intends that a Counties Transit Improvement Board shall endeavor to award grants to promote geographic equity over time with respect to investments in transitways to implement the metropolitan counties' regional vision; and

WHEREAS, Washington County wishes to collaborate with the other metropolitan counties on the planning, implementation and funding of such transitway improvements through a joint powers board, to be known as the Counties Transit Improvement Board.

NOW, THEREFORE, BE IT RESOLVED that the Washington County Board of Commissioners does hereby declare Washington County to be a part of the metropolitan transportation area; and

BE IT FURTHER RESOLVED that Washington County Board of Commissioners hereby approves the Joint Powers Agreement Establishing the Counties Transit Improvement Board (Agreement No. _____) in substantially the form on file on the date hereof, with the County Administrator and the Chair authorized to agree to such minor technical modifications as

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may be recommended by the County Attorney, and authorizes its Chair to execute said agreement; and

BE IT FURTHER RESOLVED that Washington County Board of Commissioners hereby approves an initial contribution of \$50,000 for the startup administrative expenses of the Counties Transit Improvement Board, subject to reimbursement from Sales Tax revenue.

The motion was adopted 3-2 with a roll call vote as follows: Commissioner Peterson, Yes; Commissioner Pulkrabek, No; Commissioner Hegberg, Yes; Commissioner Stafford Yes; and Commissioner Kriesel, No.

Commissioner Peterson moved to approve a resolution adopting a sales and use tax for the County of Washington. Commissioner Stafford seconded the motion.

The Board discussed this motion further

Commissioner Pulkrabek stated he is still waiting for an answer to his two questions.

Commissioner Stafford stated his mission on this Board is to continue to help this county maintain the reputation it has of having one of the lowest property tax rates in the State of Minnesota. He sees this as a separate issue and he's willing to keep his commitment to low taxes. He does not have to give up his commitment to public transportation to honor Commissioner Pulkrabek's desire to keep his reputation as the lowest taxed county in the state. He's with him.

Commissioner Pulkrabek stated he takes that as a no.

Commissioner Stafford said he would support low taxes, he always has and he always will.

Commissioner Hegberg stated he does not support a zero levy, the Board cannot. The Board does not know what it will be looking at in the budget.

Commissioner Kriesel asked if it would be possible to put a condition of approval on this resolution. For example that this Board is willing to approve a ¼% sales tax; however, the Board wants to guarantee that this ¼% sales tax will not be raised until 2020. Is that a possibility?

Commissioners Peterson and Hegberg stated this is the resolution set by the State legislature.

Commissioner Kriesel stated he fears that this ¼% is short term.

Commissioner Hegberg called for the motion as moved by Commissioner Peterson and seconded by Commissioner Stafford to adopt **Resolution No. 2008-046**

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Resolution Adopting a Sales and Use Tax For The
County Of Washington

The Board of the County of Washington hereby resolves:

Section 1: AUTHORITY.

The Minnesota Legislature has, by Laws of Minnesota 2008 Chapter 152, Article 4, Section 2, authorized the County of Washington to impose a one-quarter percent sales and use tax, and an excise tax of \$20 per motor vehicle purchased or acquired from any person engaged in the business of selling motor vehicles at retail, occurring within the county, to assist in funding transit improvements, including debt service on obligations issued to finance such improvements. The County of Washington approved the Act in accordance with applicable law.

Section 2: DEFINITIONS.

The words, terms and phrases used in this Resolution shall have the meaning ascribed to them in Minnesota Statutes, Chapter 297A and 297B, except where the context clearly indicates otherwise. In addition, the following definitions shall apply:

Subd. 1: Act means Laws of Minnesota 2008 Chapter 152, Article 4, Section 2;

Subd. 2: County means the County of Washington;

Subd. 3: Commissioner means the Commissioner of Revenue for the State of Minnesota acting under the authority of an agreement entered into between the County (or a joint powers board) and the State of Minnesota pursuant to the Act, or such other person or entity designated to administer and collect the Metropolitan Transportation Area Sales and Use Tax, and Excise Tax;

Subd. 4: Metropolitan Transportation Area Sales and Use Tax means the sales and use tax imposed and collected pursuant to this Resolution;

Subd. 5: Resolution means this Resolution in its present form;

Subd. 6: Retailer maintaining a place of business in the County or any like term shall mean any retailer having or maintaining within the County, directly or by a subsidiary or an affiliate, an office, place of distribution, sales or sample room or place, warehouse or other place of business, or having any representative, including an affiliate, agent, sales person, canvasser or solicitor operating in the County under the authority of the Retailer or its subsidiary, for any purpose, including the repairing, selling, delivering, installation, or soliciting of orders for the Retailer's goods or services, or the leasing of tangible personal property located in the County, whether the place of business or agent, representative, affiliate, sales person, canvasser, or solicitor, is located in the County permanently or temporarily, or whether or not the Retailer or subsidiary is authorized to do business within the County.

Section 3: SALES & USE TAX AND EXCISE TAX.

There is hereby imposed an additional sales and use tax in the amount of one-quarter of one percent of the gross receipts from the sales at retail, and the storage, use, distribution or consumption of goods or services which are taxable, pursuant to Minnesota Statutes, Chapter 297A and occur within the County of Washington.

There is hereby imposed an excise tax of \$20 per sale of a motor vehicle at retail within the County of Washington. This excise tax shall be in lieu of the Metropolitan Transportation Area Sales and Use Tax.

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The imposition, administration, collection and enforcement of these taxes shall be governed by the provisions of Minnesota Statute Chapters 297A, 270C, and 289A.

Section 4: SEPARATE STATEMENT: COLLECTION FROM PURCHASER; ADVERTISING NO TAX; MINIMUM UNIFORM TAX COLLECTION METHODS.

The Metropolitan Transportation Area Sales and Use Tax, and Excise Tax, shall be stated and charged separately from the sales price or charge for service insofar as practical, and should be a debt from the purchaser to the seller recoverable at law in the same manner as other debts. In computing the tax to be collected as a result of any transaction, any amount of tax less than one-half of one cent must be disregarded and amounts of tax one-half cent or more must be considered an additional cent.

Section 5: EXEMPTION CERTIFICATES.

A fully completed exemption certificate taken from a purchaser to the effect that the property purchased is for resale or that the sale is otherwise exempt from the application of the tax imposed by this Resolution will conclusively relieve the Retailer from collecting and remitting the tax.

Section 6: PRESUMPTION OF PURPOSE OF SALE.

For the purpose of the proper administration and enforcement of Section 3 of this Resolution, it shall be presumed that all retail sales for delivery in the County are for storage, use, or other consumption in the County until the contrary is established.

Section 7: COLLECTION OF SALES AND USE TAX AT TIME OF SALE.

Subd. 1: Any retailer making deliveries within the County, any Retailer maintaining a place of business in the County, or any other Retailer otherwise doing business within the County, upon making sales or any items described in Section 3 which are not exempted from the sales tax imposed under that section and which are to be delivered or caused to be delivered within the County to the purchaser, shall at the time of making such sales collect the Sales and Use tax from the purchaser. The tax collected by such retailer shall be remitted to the Commissioner on behalf of the County.

Subd. 2: Any retailer required to collect Metropolitan Transportation Area Sales and Use Tax, and Excise Tax, and remit such tax to the Commissioner pursuant to this section, shall register with the Commissioner and provide such other information as the Commissioner may require.

Section 8: AGENT OF RETAILER.

When in the opinion of the Commissioner it is necessary for the efficient administration of the tax, the Commissioner may regard any salesman, representative, trucker, peddler or canvasser as the agent of the dealer, distributor, supervisor, employer or other person under whom such salesman, representative, trucker, peddler or canvasser operated or from whom the tangible property is being sold is obtained, and may regard the dealer, distributor, supervisor, employer or other person as a Retailer for the purposes of this Resolution.

Section 9: EFFECTIVE DATE, TRANSITIONAL SALES.

Except as otherwise provided herein, the Metropolitan Transportation Area Sales and Use Tax authorized by this Resolution shall apply to sales made on or after July 1, 2008 and shall be in addition to all other taxes now in effect. The Metropolitan Transportation Area Sales and Use Tax shall not apply to the following:

Subd. 1: The gross receipts from the purchase or lease of tangible personal property made under an enforceable contract entered into before July 1, 2008, provided that delivery or possession of items is taken on or before August 1, 2008.

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Subd. 2: The gross receipts from the purchase of taxable services made under an enforceable contract entered into before July 1, 2008 and for which payment was made before July 1, 2008, provided that the services were provided before August 1, 2008.

Subd. 3: The gross receipts from the purchase of construction materials used to complete a lump sum or fixed price construction contract that was signed and enforceable before July 1, 2008 and that does not provide for an allocation of future taxes, provided that the construction materials are used exclusively in performing the contract and the materials are delivered before December 31, 2008.

Subd. 4: The gross receipts from the purchase of utility services if the utility bill includes charges for services furnished before July 1, 2008; however, the Metropolitan Transportation Area Sales and Use Tax shall apply to all utility bills for periods beginning July 1, 2008.

Section 10: COLLECTION AND ENFORCEMENT.

The Metropolitan Transportation Area Sales and Use Tax, and Excise Tax, imposed by the County pursuant to this Resolution shall be subject to the same interests, penalties, and other rules as are applicable to the State general sales and use tax imposed by Minnesota Statutes Chapter 289A and 297A. The Metropolitan Transportation Area Sales and Use Tax, and Excise Tax, imposed by the County pursuant to this Resolution shall be collected by the State on behalf of the County as provided by an appropriate agreement with the Minnesota Commissioner or Revenue.

Section 11: TAX CLEARANCE ISSUANCE OF LICENSES.

The County may not issue or renew a license for the conduct of trade or business in the County if the Commissioner notifies the County that the applicant for such license owes delinquent Metropolitan Transportation Area Sales and Use Tax or Excise Tax as provided in this Resolution, or penalties or interest due on such taxes. For the purposes of this Section 11, the following terms have the following meanings: Subd. 1: Metropolitan Transportation Area Sales and Use Tax includes sales and use tax as provided in this Resolution. Penalties and interest are penalties and interest due on taxes included in this definition.

Subd. 2: Delinquent taxes do not include a tax liability if:

- a. an administrative or court action which contests the amount of validity or the liability has been filed or served;
- b. the appeal period to contest tax liability has not expired; or
- c. the applicant has entered into a payment agreement and is current with the payments.

Subd. 3: Applicant means an individual if the license is issued to or in the name of an individual or the corporation, partnership or other entity if the license is issued to or in the name of a corporation, partnership or other entity.

A copy of the notice of delinquent taxes given to the County shall also be sent to the applicant taxpayer. In the case of renewal of a license, if the applicant requests a hearing in writing, within thirty (30) days of the receipt of the notice of delinquent taxes, then a contested case hearing shall be held by the Commissioner under the same procedures as provided in Minnesota Statutes, Section 270C.72 for the State sales and use tax imposed under Minnesota Statutes, Chapter 297A, provided that if a hearing must be held on the State sales and use tax, hearings may be combined.

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The motion was adopted 3-2 with a roll call vote as follows: Commissioner Peterson, Yes; Commissioner Pulkrabek, No; Commissioner Hegberg, Yes; Commissioner Stafford, Yes; and Commissioner Kriesel, No.

BOARD CORRESPONDENCE

Board correspondence was received and placed on file.

ADJOURNMENT

There being no further business to come before the Board, Commissioner Peterson moved to adjourn, seconded by Commissioner Hegberg, and it was adopted unanimously. The Board meeting adjourned at 9:45 p.m.

Dennis C. Hegberg, Chair
County Board

Attest:

James R. Schug
County Administrator

