

**MINUTES OF PINE COUNTY BOARD  
COMMITTEE OF THE WHOLE/BUDGET COMMITTEE MEETING**

**Tuesday, July 16, 2013 1:00 p.m.  
Pine County Courthouse, Pine City, MN**

Chair Hallan called the meeting to order at 1:00 p.m. Present were Commissioners Mitch Pangerl, Steve Chaffee, and Curt Rossow. Also present were County Attorney John Carlson, County Auditor-Treasurer Cathy Clemmer, County Sheriff Robin Cole, and County Administrator David Minke.

The Pledge of Allegiance was said.

Commissioner Rossow moved to approve the agenda. Second by Commissioner Chaffee. Motion carried 4-0.

County Engineer Mark LeBrun gave a presentation on the county authority to levy a wheelage tax of \$10 per vehicle starting January 1, 2014, and the authority to levy a .05% sales tax for transportation starting January 1, 2014.

For the wheelage tax, the county must pass a resolution and notify the Minnesota Department of Revenue by August 1, 2013.

Five of seven metro counties currently have a wheelage tax. The proceeds from the tax require the funds to be used for transportation purposes.

It is estimated that the wheelage tax would generate approximately \$275,000 annually in Pine County, which is the equivalent of about a 2% levy increase.

For the transportation sales tax, the county must hold a public hearing and adopt a resolution. The .025% local transit tax for metro counties has been changed to a state-wide optional transportation tax of .05%. The proceeds of the tax must be dedicated to projects or transit and the uses must be identified at the public hearing.

It is estimated that the transportation sales tax would generate approximately \$750,000 in Pine County, which is the equivalent of approximately a 5.5% levy increase.

Engineer LeBrun explained approximately 80% of state aid roads have been built within the last 20 years and over 50% have been built in the last 10 years. LeBrun is concerned with the long-term needs of the roads in the next 10 years.

Current funding will not maintain the 57 miles of county-funded roads. The wheelage tax would be a way to generate revenue dedicated to these roads.

County Auditor Cathy Clemmer explained that the county could issue a bond for the improvements and then pay for the bonds using the wheelage tax to repay the bonds.

The board called a special meeting for July 30, 2013 at 8:30 a.m. in the board room.

The board reviewed fees in the Land Services Department and request a public hearing be scheduled for the second meeting in August.

A levy limit is in effect for 2014. With the limit, the county could increase the levy approximately \$65,000.

Future Budget Committee meetings:

July 30, 2013, 9:00 a.m., Commissioner Conference Room, Courthouse, Pine City.

August 6, 2013, 9:30 a.m., Conference Room, Public Health Building, Sandstone.

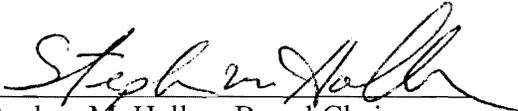
Chair Hallan called a 10-minute recess at 2:40 p.m.

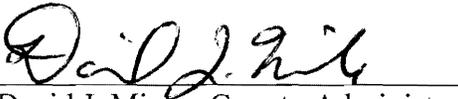
The meeting reconvened at 2:50 p.m.

Commissioner Rossow moved to close the meeting as permitted by Minnesota Statute §13D.03 for the purpose of discussing labor negotiation strategy. Second by Commissioner Hallan. The motion passed 4-0.

Commissioner Pangerl moved to open meeting. Second by Commissioner Rossow. Motion passed 4-0. Meeting was opened at 3:35 p.m.

With no further business, Chair Hallan adjourned the meeting at 3:35 p.m.

  
Stephen M. Hallan, Board Chair  
Pine County Board of Commissioners

  
David J. Minke, County Administrator  
Clerk to Pine County Board of Commissioners