

TUESDAY, JUNE 23, 2015

**APPROVED MINUTES OF THE
COMMITTEE OF THE WHOLE MEETING HELD**

**STATE OF MINNESOTA)
COUNTY OF DODGE)**

**COUNTY ADMINISTRATION OFFICE
MANTORVILLE, MN**

2015-12 C.O.W.

The Dodge County Commissioners met in Committee of the Whole June 23, 2015, in the County Board Room at the Dodge County Government Services Building, Mantorville, MN, at 4:30 p.m. CDT. Chair John Allen opened the meeting at 4:43 p.m. CDT.

Meeting Convened

The Chair acknowledged those present:

Those Present

Members present:	John Allen	District #1
	Tim Tjosaas	District #2
	David Erickson	District #4
	Steven Gray	District #5
Members absent:	Rodney Peterson	District #3
Also present:	Jim Elmquist	County Administrator
	Becky Lubahn	Deputy Clerk
	Paul Kiltinen	County Attorney

Senator Matt Schmit provided the Board with a legislative update.

Legislative Update

Term highlights were listed as follows:

- Structurally balanced budget
- Targeted education funding & property tax relief
- Four-year tuition freeze at state colleges and universities
- Needed funding for rural nursing homes
- Highway 52/County Road 9 interchange & overpass
- Meaningful silica sand mining safeguards
- Improved rural Internet access through Border-to-Border Broadband Fund

Mr. Schmit reported that for the third year in a row, the Minnesota State Senate has finished its work on time and under budget, passing its negotiated budget bills by the constitutionally-mandated deadline of midnight, May 18.

Senator Schmit commented that in most cases, the legislature was able to set aside party differences and work toward meaningful compromise across a variety of issues. Among session highlights, they continue their responsible stewardship of the state budget, targeted much-needed resources to their rural schools and nursing homes, and began an overdue conversation about Minnesota's aging transportation infrastructure. Importantly, the DFL-led Senate and Republican-led House demonstrated an ability to work together.

The Governor's vetoes of the E-12 education, agriculture and environment, and economic development finance bills will give this legislature an opportunity to improve its work. Mr. Schmit indicated that he takes this opportunity very seriously and that he expects a productive conclusion to their extended budget discussions.

Senator Schmit commended the Governor for drawing renewed attention to the importance of early childhood education. While the rural schools prioritize facilities maintenance and basic formula funding, an improved E-12 education finance bill can meet the needs of rural schools and advance the Governor's vision for early education.

Legislative Update -
Continued

Mr. Schmit reported that while the legislative session did not produce a comprehensive transportation funding package, the approach taken by the Senate and House sets the table for a productive 2016 session. With an additional \$1 billion on next year's bottom line, this legislature will have a great opportunity for bipartisan agreement on comprehensive transportation funding and targeted tax relief.

It was Senator Schmit's opinion that they are in a very strong position to build on their recent state budget stability while strengthening rural communities, schools, and economies alike.

Mr. Schmit discussed with the Board building a structurally balanced state budget.

Senator Schmit reported that after a decade of recurring deficits, cuts to local aid and school funding, and increased property taxes, the state's budget is strong and stable.

The legislature's most important job is to maintain Minnesota's budget. In 2015, the legislature continued its responsible stewardship of the budget and resisted temptations to "spend" or "tax cut" their budget back to deficit.

This state Senate took office facing \$3 billion in deficit, shifts, and unaccounted-for inflation. The state Senate didn't want to make rash short-term decisions that jeopardize the state's newfound budget stability. Rather, they recognize the combination of inflation and "one-time" funds reduces Minnesota's projected \$1.87 billion surplus dramatically.

Senator Schmit pointed out when taking inflation into account by looking at the present value of future revenues, the budget surplus shrinks considerably. Proposals to devote significant state general fund dollars to transportation funding or tax cuts risk another state budget deficit.

Experts say Minnesota underfunds its roads and bridges by as much as \$1 billion annually. It's reasonable to tap some of the budget surplus or one-time funds, but this approach only addresses half the problem. And the shift would threaten to create an ongoing hole in the general fund.

In relation to bipartisan transportation, Mr. Schmit noted any long-term transportation funding solution that doesn't risk our state budget stability requires a balanced approach which includes some new revenue. The transportation proposal put forth by the Senate and Governor essentially calls for an increase in the gas tax – a dedicated user fee for roads and bridges that easily can be adjusted annually depending upon the price at the pump.

Dedicated transportation funding outside the state general fund is the most efficient, cost-effective means of maintaining the state's transportation infrastructure. In addition, it would free up needed dollars for education, lead to more stable school budgets, and reduce pressure on local property tax payers.

Legislative Update -
Continued

Given the magnitude of the problem – and the level of interest in this issue among legislators and voters alike, the state deserves a compromise that solves this problem not just for the next year or two but for the foreseeable future. Minnesota's budget surplus should allow for a balanced approach that leverage existing revenue with new funds to provide a real solution for the state's long-term transportation funding needs.

Commissioner Erickson posed the following question regarding transportation: How do you see any movement when both sides have dug in their heels?

Senator Schmit commented he doesn't think heels are entirely dug in and that they need to get the transportation proposal to the House.

Commissioner Erickson wanted to know if mass transit is a big hang-up.

Mr. Schmit stated that mass transit is not a big hang-up and will not hold the transportation proposal up. Senator Schmit commented revenue is the question; he also pointed out there needs to be a compromise somewhere in the middle by both parties.

Commissioner Gray asked Mr. Schmit if he had any thoughts about the future of the zip rail.

Senator Schmit reported he is very skeptical that zip rail will ever be feasible and that they can move forward once they've determined that it's not feasible. Mr. Schmit indicated zip rail is not a viable threat right now and reminded the Board that a zip rail study is being done.

Mr. Schmit discussed with the Board Minnesota's Boarder-to-Border Broadband Fund.

Roughly 40% of homes in greater Minnesota lack broadband at basic speeds and reliability necessary for real-world applications in home-based business or teleworking, distance learning or telemedicine.

The state's new competitive matching-grant program addresses a market failure – in this case, a situation where private investment capital is limited but consumer demand is strong, if not geographically concentrated. This approach is analogous to the incredibly successful effort to extend electricity to rural America a century ago.

Round 1 funding will connect over 6,000 homes, hundreds of businesses, and scores of community anchor institutions – such as libraries, hospitals, and schools – with high-speed Internet access. Seventeen of 60 applications were awarded funding, leveraging over \$45 million of total investment. The level of Round 2 funding will be determined during the special session.

Commissioner Allen reported that according to Fairview Care Center Administrator Jane Sheeran, there will be a 30% increase in funding for nursing homes.

Legislative Update -
Continued

Senator Schmit stated there are significant new funds that will be beneficial to nursing homes. Mr. Schmit indicated he will follow up with the details on this funding and share that information with the Board.

The Board thanked Senator Schmit for the update.

The Chair adjourned the meeting at 4:57 p.m. CDT.

Meeting Adjourned

ATTEST:

**JOHN ALLEN
CHAIR, COUNTY BOARD**

**BECKY LUBAHN
DEPUTY CLERK**

DATED: