



Thursday, June 8, 2017
10:00 a.m. – 12:00 p.m.
Carlton County Transportation Building
1630 County Road 61
Carlton, MN 55718

MEETING SUMMARY

1. Welcome and Introductions

Meeting called to order at 10:05am. Bill Bennett, Chair, welcomed meeting attendants and noted a slight change to the order of agenda items from past meetings to permit more time for unfinished business.

In attendance:

John Welle	Aitkin County
John Minor	District 1 State Aid
Karin Grandia	Itasca County
Gary Johnson	Blackberry Township
Rex Bordson	District 1 State Aid
Bill Bennett	Chamber of Commerce
Mark LeBrun	Pine County
Krysten Foster	Lake County
Rick Goutermont	Lake County
David Bolf	MIC
Jim Foldesi	St. Louis County
Matt Hemmila	St. Louis County
Cindy Voigt	Duluth
Bryan Anderson	MnDOT
Lisa Austin	MnDOT
Michelle Pierson	ARDC
Russell Habermann	ARDC
Andy Hubley	ARDC
*Others may have been present but did not sign in	

2. Approval of Meeting Summary

A motion to approve the February 23, 2017 RTAC Meeting Summary was made by Krysten Foster/Karin Grandia. Carries unanimously.

3. **Approval of Agenda**

A motion to approve today's meeting agenda was made by Rick Goutermont/Jim Foldesi. Motion carries unanimously.

4. **Comments and Suggestions from Citizens Present**

None brought forth.

5. **Unfinished Business**

a) **Review of Transportation Alternatives (TA) 2016-2017 Application**

Russell Habermann presented the Transportation Alternatives application forms and the scoring rubric used by the Transportation Alternatives Task Force and requested any suggestions for changes to the application form itself, or to the scoring rubric to address concerns. Changes recommended by the RTAC could result in updates to the application and scoring rubric for the Fall 2017 solicitation process. Suggested changes will be discussed at the September RTAC meeting, and be put to a vote. Should the RTAC recommend changes, the full ATP could approve changes at the November ATP meeting with sufficient time to impact the next cycle of solicitations.

This topic has arisen due to questions by John Welle regarding a trail project in Aitkin. With many valuable items prepared, he questioned why the project did not make the cut. It was noted that in recent years, the Transportation Alternatives program has become very competitive. The City of Aitkin has been advised to resubmit this project, and to include better maps to illustrate that this trail segment is part of a bigger state trail scope. Some recommendations that arose from this discussion to alter the scoring rubric included:

- i) Could bonus points be awarded for projects that are shovel ready?
- ii) Can the full application be altered to more closely align to the Letter of Intent application to assist with full application completion?
- iii) Can the deliverability capacity be even more highly ranked in the metric?
- iv) After scoring each project, could the top and bottom score be removed to negate bias and outliers?
- v) Does past practice of asking TA Task Force members who have ties to projects to abstain from voting impact scoring evaluation? Would this still be a concern if top/bottom scores were removed before averaging scores?
- vi) Could changes be made to give less value to trails that have a regional significance, in order to promote local trails?

b) **Geographic Equity of Transportation Funding**

Chair Bennett invited John Welle to present his position that perhaps some changes should be made to address geographic equity regarding transportation funding.

John Welle distributed two hand-outs which will be distributed along with this meeting summary. Data he prepared shows counties that stand to benefit more from the Local Option Sales Tax (LOST) are more likely to implement it as the 'reward' is great enough to offset the 'risk', and only 1/3 of Minnesota's rural counties have instituted LOST because they benefit from this program. Mr. Welle believes this topic is one that the counties and state will ultimately need to look at to see if there is a way to alter this revenue generating capacity since it is not a substitute for long-term sustainable funding that's distributed state-wide and benefits everyone. Mr Welle believes there is potential to recognize disparity created by LOST revenue and direct more of the STIP money to counties who have not benefitted from this option. Discussion centered on how federal funds are distributed now and how the equity distribution based on State Aid needs could follow a model used by other districts. It was noted that areas that have a regional center have higher traffic volume and need. It was noted that there are multiple individual county choice revenue streams (such as wheelage tax, property tax, county bonding) and more moving parts that form a county's strategy to cover needs. Mr. Welle noted that he appreciated having a forum to discuss this issue and hopes there can be ways to address disparities at a state or legislative level in the future. Before that could happen, he suggested thinking about ways the equity distribution formula could better assist counties that cannot effectively implement or benefit from LOST.

Chair Bennett, hearing no motion on this matter, closed this topic to move on to new business.

6. New Business

a) 2017-2018 Meeting Schedule

It was proposed that meeting dates for FY2018 should be established for September 7, 2017; February 14, 2017, and June 13, 2017. A motion was made by Mark LeBrun/Karin Grandia to approve these meeting dates. It was put to a vote, carries unanimously.

b) New Members

Russell Habermann presented information regarding vacancies and proposed new members on the RTAC membership list.

It is proposed that the RTAC nominates JinYeene Neumann to replace Mike Tardy as Carlton County's engineer representative, Maggie Rothstein to serve as the Aitkin-Itasca-Koochiching Community Health Board representative, David Bolf to serve as the Metropolitan Interstate Council representative, and Susan Siemers who is replacing Don Mohawk who has recently retired from MnDOT Transit. The other vacancy relates to replacing Cavour Johnson as the Bicycle/Pedestrian/Trails Representative; different options are being considered. It is proposed that the RTAC's Bicycle and Technical Advisory Committee could nominate a member to fill this vacancy.

A motion was made by Jim Foldesi/Cindy Voigt to approve these nominations. Motion approved by a unanimous vote.

c) **Bicycle Technical Advisory Subcommittee**

ARDC presented a proposed list of bicycle TAC subcommittee list, with a first meeting of the steering group to meet on June 29th. District bicycle planning is happening district by district throughout the state. It follows a recent statewide bicycle plan, and will help the district and state program bicycle funding for placement of bicycle facilities on mostly MnDOT right of way, but some look at connections to local systems. Karin Grandia was suggested as a representative from the RTAC to serve on this subcommittee.

A motion was made to the RTAC approve the development of the subcommittee, and to authorize ARDC to recruit members and set up the committee. A motion was made by John Welle/Krysten Foster. Carries unanimously.

The bicycle TAC will meet and approve a chair.

d) **RTAC Bylaws Revision and ATP Guidelines Subgroup**

i) Changes have been evaluated and staff have made suggested changes. Today, input will be gathered and changes proposed for approval at the September 7, 2017 RTAC meeting. Some small changes were brought forth at this meeting to include:

- Change membership text to reflect 'no more than 30 members' in place of a strict number of members

- Chair Bennett brought attention to terms of membership as cited in the bylaws and suggested changes.

- It was suggested that a small change be made in Article 3 in regard to the election of officers. Suggest a change to approve by voice **vote**, rather than by voice.

- Remove language about strict timelines for the distribution of meeting summaries in Article 5, Section 5.

This will be an action item on the agenda for the September Meeting.

ii) ATP Guidelines Subgroup – Lisa Austin, MnDOT is currently serving in a temporary rotation assignment in District 1. She is working on developing operating procedures for the ATP. She evaluated how ATPs work across the state, has looked at NEMN ATP past practices and has drafted a document outlining guidelines and procedures. Lisa Austin asks today to form a sub-group of RTAC members to review the ATP procedures and prepare this document as a companion to the RTAC bylaws and bring recommendations to the RTAC meeting in September, and bring to the ATP meeting in October. Bill Bennett, Russell Habermann, Jim Foldesi, and Lisa Austin will form the initial steering committee work group, but invitations will be distributed to the full RTAC member list. Process would involve two meetings.

7. RTAC Workplan and Subcommittee Reports

i. FY 2018 RTAC Workplan

Russell Habermann presented updates on workplan projects from FY2017 and proposed FY2018 projects.

i) Scanlon Community Corridor – The City of Scanlon applied for a MnDNR Local Trail Connections program grant in March 2017. City will hear this month if they have been awarded.

ii) Safe Routes to Schools plans have recently been completed in Cromwell, Hermantown, International Falls, and Proctor Public Schools. Work continues at Marshall School in Duluth, Greenway Schools in Coleraine, Laura MacArthur and Piedmont Elementaries in Duluth, and Winterquist Elementary in Esko. FY2018 proposed SRTS planning will be based upon funding recommendations.

iii) Superior National Forest Scenic Byway—ARDC's Justin Otsea is transitioning into role of lead staff working with the byway committee. An IRRRB application to assist with Interpretive Signage at Skibo Vista wayside was awarded. High bids on the Skibo Vista project, the byway committee has been assisting with seeking additional funding sources. Forest Serve is also looking at ways to reduced cost.

iv) North Shore Scenic Drive Council—Developing outreach strategy focused on securing ongoing funding to match MnDOT planning funds. The NSSDC held a ribbon cutting ceremony at Taconite Harbor for the installation of a viewfinder and ADA parking space in Schroeder, MN. A wayside design project near Glensheen Mansion has secured MN Lake Superior Coastal Program funding. Staff continues to work on development of the NSSD Interactive Map Tour.

v) Lake Vermilion Trail Technical Assistance – Goals include the formation of a joint powers board, an update to the trail master plan, and outreach efforts conducted to build local support. In 2018 will look to assemble a trail administrative structure and build local trail support.

vi) Pedestrian and Bicycle Counting—MnDOT has provided each of its nine districts with two portable automated bike/ped counters. ARDC houses counters in MnDOT D1 Counters are currently set up in the City of Proctor as a part of their SRTS program. Counters can be checked out for two weeks at a time on a first-come, first-served basis. Contact Charlie Moore at cmoore@ardc.org if you have questions or areas where you would like to see counts conducted.

vii) Gitchi-Gami State Trail Technical Assistance—Staff has assisted MnDOT with information regarding USBR41, is participating in the Two Harbors Hwy 61 bike routing planning project, developed print materials for kiosks, developed educational presentations and proposes to continue technical assistance, grant writing assistance, and map development in 2018.

vii) Additional 2018 RTAC projects include:

- Aitkin Area Active Transportation Assistance
- Avenue of Pines Scenic Byway Planning
- District Bicycle Plan
- District Freight Plan Preparation—There is not a current district plan, but there is a state plan. John Welle noted that Aitkin County is in multiple MnDOT districts and wants to ensure that the west half of Aitkin County will be included in a plan. Conversation also included questions about how this plan would be undertaken—by MnDOT districts, or by ATP areas. Bryan Anderson noted this will be done on District levels and is aware that not all of these lines align with ATP boundaries in Districts 1, 2, and 3. Initial conversations have been had to streamline these items. This D1 plan will list specific identified needs.

Chair Bennett called for a move to action. A motion was made by Cindy Voigt/John Welle to approve the 2018 work plan. Carries unanimously.

b) NEMN ATP/RTAC Webpage Updates--

Some ATP information has been updated at this site: <https://ardc.org/nemnntp/> Future updates may see this information navigating to its own website.

8. MnDOT Program Updates

a) Area Transportation Partnership (ATP) Updates

i) Statewide perspective – State is trying to determine a target distribution of transit funding soon, with transit funding covered through FY2022. TED (\$18.4M statewide) program (80%/20%) solicitation is announced soon. A workshop will be held on June 28, 10am-noon at Duluth office. Also, in conjunction with the TED workshop, a federal freight funding workshop will be held on June 28th. If interested in these projects, contact Bryan Anderson. Bryan will send out invites to ATP member list.

ii) SRTS – \$1M included in State Bonding bill. A solicitation will occur this fall.

iii) The State Legislature passed a fairly good transportation package. \$300,000,000 (statewide) for commerce program, and a good funding for normal program.

b) 2017 Program Updates – John Minor distributed a matrix of 2017 Local Projects. John Minor will send these out ahead of meeting, and send revised copies following meeting to included noted updates.

9. Procedures Going Forward – Chair Bennett discussed a change of focus to future RTAC meetings, to permit looking at multi-modal issues on a regional perspective. Anticipate a short brainstorming activity at the next meeting.



10. Member Concerns
11. Adjourn – Meeting Adjourned at 12:10pm

LOST Observations/Talking Points

June 8, 2017 RTAC Meeting

1. From the LOST spreadsheet, local option sales tax would generate approximately \$111 million if all 80 rural Minnesota counties implemented it. Rural counties cumulatively receive approximately \$428 million from the annual HUTDF Distribution.
2. LOST revenue has the ability to generate over 25% of the amount generated by the HUTDF. **THIS IS A SIGNIFICANT FUNDING SOURCE!** In the future, it is likely to be an even larger percentage as LOST revenue will increase at a faster rate than HUTDF funding sources.
3. While state-aid apportionment is distributed based on complicated formula that considers equity, system size, motor vehicle registration, population and money needs, LOST revenue distribution is based only on the county in which it is collected, without any consideration of any of the other factors or the origin of the sales tax money paid.
4. The 26 counties that have implemented LOST generate approximately \$61 million annually, which is equivalent to the total amount the 80 rural Minnesota counties would receive from a \$0.17 state gas tax increase.
5. Because of widely variable taxable sales among rural counties, the amount of revenue generated by county varies greatly.
 - o In terms of gas-tax equivalent, some counties may receive as little as an \$0.02 gas tax equivalent while one county is able to earn as much as an \$0.74 gas tax equivalent. In NEMNATP, the range is \$0.06 to \$0.27.
 - o In terms of 2017 state-aid apportionment equivalent, the LOST percentage earned by county varies statewide from 2.8% to 110% of state-aid apportionment. In NEMNATP, the range is 9.2-40.3%.
6. The gas tax equivalent of the 26 counties that have implemented LOST is \$0.21 compared to the \$0.11 gas tax equivalent of the 54 counties that have not implemented LOST.
7. The state-aid equivalent of the 26 counties that have implemented LOST is 31% compared to 16% state aid equivalent of the 54 counties that have not implemented LOST.
8. This indicates that counties that stand to benefit more from LOST are more likely to implement it as the "reward" is great enough to offset the "risk".
9. The ability to earn transportation funding through LOST results in large and unjustifiable disparity among counties and leaves counties with relatively low taxable sales without viable transportation funding alternatives
10. In addition, it is certainly reasonable to believe that the implementation of LOST is contributing to the lack of legislative support for traditional funding sources such as gas tax and license tab fees.
11. To address the disparity created by LOST, a long-term solution could be to collect and distribute LOST revenue something larger than county boundaries, for example, regionally or even statewide. A Joint Powers Agreement involving multiple counties is allowed by the current statute.
12. To provide shorter term relief, annual federal funding distribution could be modified within the region to take LOST revenue into consideration in the region-wide equity calculation.

Local Option Sales Tax (LOST) for Rural Counties

(yellow highlighted counties have adopted LOST)

(green highlighted indicates NEMNATP counties)

County	2017 State-Aid Apportionment	0.5% Local Option Sales Tax Amount	Local Option Sales Tax Revenue as a Percentage of State-Aid Revenue	Approx. Gas Tax Equivalent
Olmsted	\$8,238,258	\$ 9,111,209	110.6%	\$ 0.74
Stearns	\$12,784,911	\$ 9,032,976	70.7%	\$ 0.47
Crow Wing	\$6,812,591	\$ 4,573,329	67.1%	\$ 0.45
Blue Earth	\$8,700,582	\$ 5,686,215	65.4%	\$ 0.44
Sherburne	\$5,595,504	\$ 3,110,338	55.6%	\$ 0.37
Wright	\$10,855,882	\$ 5,466,502	50.4%	\$ 0.34
Douglas	\$5,644,792	\$ 2,715,829	48.1%	\$ 0.32
Isanti	\$4,062,365	\$ 1,797,838	44.3%	\$ 0.30
Benton	\$4,131,574	\$ 1,754,296	42.5%	\$ 0.29
Kandiyohi	\$6,549,897	\$ 2,728,568	41.7%	\$ 0.28
St. Louis	\$29,282,714	\$ 11,814,492	40.3%	\$ 0.27
Lyon	\$4,203,492	\$ 1,587,571	37.8%	\$ 0.25
Rice	\$5,864,307	\$ 2,209,094	37.7%	\$ 0.25
Clay	\$5,647,755	\$ 2,072,782	36.7%	\$ 0.25
Steele	\$5,581,345	\$ 2,040,400	36.6%	\$ 0.25
Mc Leod	\$4,657,351	\$ 1,678,780	36.0%	\$ 0.24
Beltrami	\$6,986,323	\$ 2,513,981	36.0%	\$ 0.24
Winona	\$6,034,137	\$ 1,971,173	32.7%	\$ 0.22
Becker	\$5,748,254	\$ 1,609,767	28.0%	\$ 0.19
Brown	\$4,734,243	\$ 1,290,854	27.3%	\$ 0.18
Goodhue	\$6,432,705	\$ 1,685,247	26.2%	\$ 0.18
Ottertail	\$12,400,667	\$ 3,237,766	26.1%	\$ 0.18
Pennington	\$3,163,477	\$ 777,554	24.6%	\$ 0.17
Freeborn	\$6,016,251	\$ 1,403,768	23.3%	\$ 0.16
Mower	\$5,562,955	\$ 1,198,106	21.5%	\$ 0.14
Wadena	\$3,088,024	\$ 641,085	20.8%	\$ 0.14
Chisago	\$6,397,114	\$ 1,304,147	20.4%	\$ 0.14
Itasca	\$9,943,290	\$ 2,003,318	20.1%	\$ 0.14
Nicollet	\$4,563,542	\$ 874,930	19.2%	\$ 0.13
Carlton	\$5,410,732	\$ 1,035,596	19.1%	\$ 0.13
Meeker	\$3,959,894	\$ 750,494	19.0%	\$ 0.13
Nobles	\$4,886,604	\$ 921,735	18.9%	\$ 0.13
Mille Lacs	\$4,659,008	\$ 861,856	18.5%	\$ 0.12
Cass	\$6,092,877	\$ 1,114,576	18.3%	\$ 0.12
Chippewa	\$3,055,369	\$ 552,792	18.1%	\$ 0.12
Hubbard	\$4,210,744	\$ 754,363	17.9%	\$ 0.12
Cook	\$3,174,963	\$ 508,400	16.0%	\$ 0.11
Morrison	\$6,493,073	\$ 981,128	15.1%	\$ 0.10
Stevens	\$3,055,369	\$ 460,521	15.1%	\$ 0.10
Martin	\$5,383,123	\$ 798,319	14.8%	\$ 0.10
Redwood	\$4,918,540	\$ 680,950	13.8%	\$ 0.09
Waseca	\$3,510,920	\$ 475,931	13.6%	\$ 0.09
Polk	\$8,239,340	\$ 1,006,723	12.2%	\$ 0.08
Fillmore	\$6,309,851	\$ 751,107	11.9%	\$ 0.08
Le Sueur	\$4,990,531	\$ 585,609	11.7%	\$ 0.08
Aitkin	\$4,870,032	\$ 553,450	11.4%	\$ 0.08
Roseau	\$5,306,854	\$ 596,373	11.2%	\$ 0.08
Wabasha	\$4,688,621	\$ 513,689	11.0%	\$ 0.07
Pipestone	\$3,055,369	\$ 334,211	10.9%	\$ 0.07
Dodge	\$4,214,152	\$ 435,716	10.3%	\$ 0.07
Swift	\$3,446,871	\$ 353,471	10.3%	\$ 0.07
Lake	\$4,346,700	\$ 445,121	10.2%	\$ 0.07
Koochiching	\$4,945,809	\$ 502,987	10.2%	\$ 0.07
Cottonwood	\$3,435,417	\$ 330,815	9.6%	\$ 0.06
Lake OT Woods	\$3,272,400	\$ 311,602	9.5%	\$ 0.06
Kanabec	\$3,055,369	\$ 289,338	9.5%	\$ 0.06
Pine	\$7,904,681	\$ 729,057	9.2%	\$ 0.06
Todd	\$4,210,534	\$ 385,142	9.1%	\$ 0.06
Pope	\$3,549,708	\$ 315,029	8.9%	\$ 0.06
Mahnomen	\$3,055,369	\$ 259,687	8.5%	\$ 0.06
Houston	\$4,612,686	\$ 386,904	8.4%	\$ 0.06
Faribault	\$4,949,951	\$ 397,675	8.0%	\$ 0.05
Watonwan	\$3,437,247	\$ 275,088	8.0%	\$ 0.05
Rock	\$3,311,757	\$ 255,237	7.7%	\$ 0.05
Sibley	\$3,475,310	\$ 266,702	7.7%	\$ 0.05
Renville	\$5,635,397	\$ 363,371	6.4%	\$ 0.04
Jackson	\$4,945,061	\$ 315,603	6.4%	\$ 0.04
Yellow Medicine	\$3,790,020	\$ 236,148	6.2%	\$ 0.04
Murray	\$3,784,152	\$ 220,421	5.8%	\$ 0.04
Lincoln	\$3,055,369	\$ 169,340	5.5%	\$ 0.04
Grant	\$3,055,369	\$ 167,708	5.5%	\$ 0.04
Clearwater	\$3,669,808	\$ 193,529	5.3%	\$ 0.04
Norman	\$4,014,109	\$ 178,556	4.4%	\$ 0.03
Lac Qui Parle	\$3,407,360	\$ 145,415	4.3%	\$ 0.03
Marshall	\$5,286,391	\$ 221,446	4.2%	\$ 0.03
Red Lake	\$3,055,369	\$ 127,299	4.2%	\$ 0.03
Big Stone	\$3,055,369	\$ 121,600	4.0%	\$ 0.03
Kittson	\$3,589,300	\$ 122,032	3.4%	\$ 0.02
Traverse	\$3,055,369	\$ 90,585	3.0%	\$ 0.02
Wilkin	\$3,710,548	\$ 103,748	2.8%	\$ 0.02
Total:	\$428,289,068	\$110,846,110		\$ 0.17