

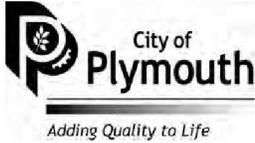
**CITY OF PLYMOUTH
AGENDA
SPECIAL COUNCIL MEETING
FEBRUARY 5, 2013, 5:30 p.m.
MEDICINE LAKE CONFERENCE ROOM**

1. CALL TO ORDER

2. TOPICS

- A. Discuss common issues with area Legislators, County Commissioners, and Metropolitan Council Representatives
- B. Fiscal Impact of Governor's Sales Tax Proposal

3. ADJOURN



**SPECIAL
COUNCIL MEETING**

February 5, 2013

To: Laurie Ahrens, City Manager
Prepared by: Dave Callister, Administrative Service Director
Reviewed by: Laurie Ahrens, City Manager
Item: Legislative Update

1. STATE LEGISLATURE:

On January 28, 2013, Mayor Slavik, Councilmember Wosje and I visited the Capitol to meet with five of our seven member legislative delegation. The purpose of the meeting was to review the City's 2013 Legislative Priorities and obtain feedback from legislators on issues pertinent to Plymouth.

Meetings were held with the following legislators:

Senator Terri Bonoff – District 44	Representative Sarah Anderson – District 44A
Senator Ann Rest – District 45	Representative John Benson – District 44B
	Representative Lyndon Carlson – District 45A

We were unable to meet with Senator Ron Latz – District 46 and Representative Ryan Winkler – District 46A.

All legislators were invited to attend the February 5 Special Study Session to meet the Council and provide legislative updates. At this time we are unsure which legislators may be attending.

2. HENNEPIN COUNTY:

We have received confirmation that both of our County Commissioners, Linda Higgins, 2nd District and Jeff Johnson, 7th District, will be present for our Special Council Meeting on February 5.

In addition, we expect County Engineer Jim Grube to be attending.

3. METROPOLITAN COUNCIL:

We have also received confirmation that the City of Plymouth's representative on the Metropolitan Council, Roxanne Smith (District 1) will also be in attendance.

4. ATTACHMENTS:

Biographies

2013-2014 Biennium, Eighty-Eighth Legislature

Senator Terri E. Bonoff (DFL) District 44



Elected: special election 2005, re-elected 2006, 2010, 2012
Term: 4th
Born: 08/01/1957
Family: Married, Spouse Matthew Knopf, 4 children.
Occupation: Former Business Woman, Homemaker
Education: BA, Clark University

Capitol Office

75 Rev. Dr. Martin Luther King Jr.
Blvd.
Capitol, Room 325
St. Paul, MN 55155-1606
(651) 296-4314
sen.terri.bonoff@senate.mn

Committees:

Finance - Higher Education and Workforce Development
Division **Chair**
Higher Education and Workforce Development **Chair**
Finance
Finance - E-12 Division
Interests: Education policy and finance reform, state
government redesign, business and commerce issue

Home: Minnetonka
3325 East Eldorado Trail 55305
(952) 935-5168

Senator Ron Latz (DFL) District 46



Elected: to the House 2002, reelected 2004
Elected: to the Senate 2006, re-elected 2010, 2012
Term: 3rd

Born: 08/09/1963
Family: Married, 3 children.
Occupation: Attorney
Education: BA, University of Wisconsin-Madison
JD, Harvard Law School

Capitol Office

75 Rev. Dr. Martin Luther King Jr.
Blvd.
Capitol, Room 303
St. Paul, MN 55155-1606
(651) 297-8065
sen.ron.latz@senate.mn

Committees:

Commerce
Finance
Education.

Home: St. Louis Park
8333 W. Franklin Avenue 55426
(952) 545-9065

Business: St. Louis Park, Ronald S. Latz,
P.A.
1660 S. Hwy. 100
508 E. Parkdale Plaza 55426
(952)224-9052

Senator Ann H. Rest (DFL) District 45
President Pro Tem-Designate



Elected: to the House 1984, re-elected 1986, 1988, 1990, 1992, 1994, 1996, 1998

Elected: to the Senate 2000, re-elected 2002, 2006, 2010, 2012

Term: 5th

Born: 1942

Family: 1 child.

Education: BA, Northwestern University
MA, University of Chicago
MAT, MPA, Harvard University
MBT, University of Minnesota

Capitol Office

75 Rev. Dr. Martin Luther King Jr.
Blvd.
Capitol, Room 235
St. Paul, MN 55155-1606
(651) 296-2889
sen.ann.rest@senate.mn

Committees:

Finance - State Departments and Veterans
Division
Finance - Transportation and Public Safety
Division
Transportation and Public Safety
Tax policy, education funding, transportation.

Home: New Hope
3515 Hillsboro Avenue N. 55427
(763) 545-8057

Representative Sarah Anderson (R) District: 44A



Elected: 2006

Term: 4th

Education: B.A., political science and sociology,
University of Minnesota Duluth

Capitol Office

* 237 State Office Building
100 Rev. Dr. Martin Luther King Jr.
Blvd.
Saint Paul, Minnesota 55155
651-296-5511
rep.sarah.anderson@house.mn
* Prefers interim mail at this address

Committees:

Commerce and Consumer Protection Finance and Policy
Rules and Legislative Administration
Taxes
Ways and Means

Home: Plymouth
5050 Holly Lane N. #5 55446
763-383-9504

Representative John Benson (DFL) District: 44B



Elected: 2006
Term: 4th
Occupation: Retired teacher
Education: B.S., language arts and social science, Minnesota State University, Mankato; M.A., political science, University of Minnesota, Twin Cities

Capitol Office

417 State Office Building
100 Rev. Dr. Martin Luther King Jr.
Blvd.
Saint Paul, Minnesota 55155
651-296-9934
rep.john.benson@house.mn

Committees:

Vice-Chair: Rules and Legislative Administration
Education Policy
Environment and Natural Resources Policy
Environment, Natural Resources and Agriculture Finance
Health and Human Services Policy
Taxes

Home: Minnetonka

* 3828 Huntingdon Drive, 55305
952-933-2396
* Prefers interim mail at this address.

Business: Minnetonka

P.O. Box 5508, 55343

Representative Lyndon Carlson Sr. (DFL) District: 45A**



Elected: 1972
Term: 21st
Occupation: Retired teacher, Minneapolis Public Schools
Education: B.S., social studies, graduate work, Minnesota State University, Mankato and University of St. Thomas
Family: Married, spouse Carole, 3 children, six grandchildren

Capitol Office

* 479 State Office Building
100 Rev. Dr. Martin Luther King Jr.
Blvd.
Saint Paul, Minnesota 55155
651-296-4255
rep.lyndon.carlson@house.mn

Committees:

Chair: Ways and Means
Capital Investment
Property and Local Tax Division
Rules and Legislative Administration
Taxes

* Prefers interim mail at this address.

Home: Crystal
8216 35th Ave. N. 55427
763-533-9779

Representative Ryan Winkler (DFL) District: 46A



Elected: 2006
Term: 4th
Occupation: Attorney
Education: B.A., history, Harvard College; J.D., University of Minnesota, Twin Cities

Capitol Office

553 State Office Building
100 Rev. Dr. Martin Luther King Jr.
Blvd.
Saint Paul, Minnesota 55155
651-296-7026
rep.ryan.winkler@house.mn

Committees:

Civil Law
Early Childhood and Youth Development Policy
Elections
Government Operations
Higher Education Finance and Policy

Home: Golden Valley

*505 Ardmore Drive, 55422

763-377-9354

* Prefers interim mail at this address.

Hennepin County Commissioners

Linda Higgins, 2nd District **



Elected: 2012

Term: 1st

Elected to State Senate: 1997 – 2012

Education: Mankato State College, Bachelor of Science in English and a minor in Journalism; Iowa Lakes Community College, Associate in Arts

A2400 Government Center
300 S. 6th St.

Minneapolis, MN 55487-0241

Phone: 612-348-7882

linda.higgins@co.hennepin.mn.us

Home: North Minneapolis

Previous Senate Committees: Capital Investment, Environment and Natural Resources, Finance, and Health and Human Services

Jeff Johnson, 7th District**



Elected: 2008, 2012

Term: 2nd

Elected to State Legislature: 2000, 2002, 2004

Born: 1966

Family: Wife and two children

Occupation: Attorney; President and founder of Midwest Employment Resources

Education: Bachelor of Arts, Concordia College, Moorhead

J.D. Georgetown Law School in Washington, D.C.

A2400 Government Center
300 S. 6th St.
Minneapolis, MN 55487-0241
Phone: 612-348-7887
jeff.r.johnson@co.hennepin.mn.us

Committees:

Chair: Public Safety and Judiciary Committee

Co-chair: Intergovernmental Committee

MN House of Representatives: Assistant Majority Leader and chairman of the Civil Law Committee.

Home: Plymouth

Metropolitan Council

Roxanne Smith, District 1**



Appointed: 2011

Term: 1st

Family: Husband and two sons

Occupation: Director of Social Justice Ministry, St. Joseph the Worker parish, Maple Grove

763-232-6774
roxanne.smith@metc.state.mn.us

Committees:

Community Development and Transportation committees.

Home: Champlin

****Additional Background Information**

Representative Lyndon Carlson Sr. (DFL) District: 45A

Experience:

Member of the Minnesota House of Representatives since 1973.

Author and supporter of education funding, tax reform, protecting privacy, affordable health care, environmental protection, labor relations, and consumer protection.

Recognition:

Distinguished Alumni Achievement Award, Minnesota State University Mankato

Public Service Award, Metropolitan State University.

Distinguished Service Award, U of M Extension Service.

Carroll Award, MN Vocational Association.

Legislator of the Year Award, MN State University Student Association.

COPE Legislative Leadership Award, MN Federation of Teachers.

Legislator of the Year Award, MN Technical College Administrators Association.

Legislative Achievement Award, MN Association of Financial Aid Administrators.

Outstanding Performance Award, MN Community College Student Association.

Representative of the Year Award, MN State University Student Association.

Involvement:

Northwest YMCA, Board of Directors

Robbinsdale School District Volunteer

EDUCATION

Rep. Carlson, the DFL Lead and a member of the Ways and Means Committee, has been a strong supporter of education at all levels. He believes that quality education is not only a right in our society, but also the most important responsibility we have to the next generation. He will continue to work to ensure that every Minnesotan has access to high quality, comprehensive educational opportunities and that educators and parents have the tools they need to impact learning more effectively.

HEALTH CARE AND PRESCRIPTION DRUGS

Rep. Carlson has initiated and supported legislation that has improved health care services for the people of Minnesota. He has supported improvements including: the care of residents of nursing homes, school immunization programs, basic health care coverage for pregnant women and their infants, and programs aimed at reducing the cost of family health care. Carlson is a strong supporter of Minnesota's landmark legislation that makes quality, affordable health care accessible to all Minnesotans. He will continue to work to reduce the costs of health care and prescription drugs without sacrificing the quality of care.

BUDGET AND TAX ISSUES

Rep. Carlson believes that the Legislature must continually re-examine state spending priorities to make sure that we are getting the most for our tax dollars. The Legislature must remain committed to a sound and fair tax system that adequately funds essential services and does not over burden our citizens. He has been a strong supporter of the Homestead Credit and improved

property tax refund programs for homeowners and renters.

JOBS AND ECONOMIC DEVELOPMENT

Rep. Carlson is committed to job creation and economic growth. He believes the economic security of our people is essential to the well being of our state. He has supported legislation to strengthen our economy and to provide good jobs and better job security for our citizens. Rep. Carlson believes the key to economic security is to maintain our commitment to education, which provides a highly trained workforce, and to invest in research in those areas which foster an environment attractive to new industries and employment growth. To support the Minnesota economy, the legislature must put a top priority on the transportation needs of our growing region.

ENVIRONMENT

Rep. Carlson is keenly aware of the increasing need to preserve and wisely manage the state's natural resources. He was chief author of the Metropolitan Open Space Act, legislation that aids local communities in the drafting of ordinances for the protection of our open space and water resources. He believes the Legislature must continue its efforts to assure a healthy environment for the people of Minnesota. Since Minnesota does not have any appreciable energy supplies within its borders, Rep. Carlson supported legislation that requires better planning for future energy needs and makes a significant commitment to develop renewable energy sources.

PUBLIC SAFETY

Rep. Carlson supported Minnesota's landmark anti-crime legislation that set a new standard of tougher penalties and increased prevention in the state. While Minnesota has lower crime rates than two-thirds of the nation, he believes there is no acceptable rate for crime. He will continue to support efforts to assure the safety and security of the citizens of our community.

Linda Higgins Hennepin County Commissioner

Commissioner Higgins

It's an honor to serve the people of the Second District. I'm ready to work with you, steering the kinds of smart public investments that make us all stronger.

As your county commissioner, my priorities are:

- Responsible budgeting – I will prioritize, innovate and work across jurisdictional and political lines to ensure residents get the most for their tax dollars.
- Transportation and transit – I will support infrastructure projects providing multiple options from place to place, such as biking, walking and public transportation.
- Health and Human Services – I will advocate for those in need, and support the county's many programs and facilities, including Hennepin County Medical Center, Heading Home Hennepin and NorthPoint.
- Healthcare reform – I will help advance the innovative and integrated delivery models currently being spearheaded by the county.
- Safe and affordable housing – I will continue to advance stabilizing our neighborhoods and preserving our housing stock.

Projects & Initiatives

Projects and initiatives I'm involved with:

- Bottineau Transitway – This proposed light-rail line will extend approximately 13 miles northwest from downtown Minneapolis through North Minneapolis, Golden Valley, Robbinsdale, Crystal and Brooklyn Park.
- Mortgage Foreclosure Prevention and Response Program – Funding for foreclosure prevention counseling and outreach efforts is one of the many resources provided by the county.

Jeff Johnson Hennepin County Commissioner

Thank you for visiting my website. It is an honor to represent northwest Hennepin County on the Board of Commissioners. I hope you find this site helpful and encourage your input and opinions regarding the county. In particular, as we continue to seek ways to spend your money more wisely in a difficult economy, I welcome your suggestions on how you think Hennepin County can cut costs and operate more efficiently.

Priorities & Initiatives

As your county commissioner, I'm committed first and foremost to being a voice for the sometimes forgotten property tax payer in Hennepin County. We in government at times lose track of the fact that every dollar we spend comes from the constituents we serve. We need to be more careful and responsible with that money and be certain that we are spending it on those things that are most important.

For me, those most important things are public safety, transportation and a safety net for the most vulnerable citizens in the county.

Current Initiative - Water Governance in Hennepin County

Water governance in Hennepin County includes at least six state agencies, eleven watershed organizations, 44 municipalities, the Metropolitan Council, a Soil and Water Conservation District, two park districts and county environmental services. Our laws and policies are piecemeal and siloed; our governance is fragmented and our programs are disjointed across agencies and political subdivisions that often have conflicting statutory mandates. While the system we have in Hennepin County has seen some success in the past decade, many of us believe we can do better.

We have the opportunity to coordinate our approach to prioritize and focus on the improvement of the quality of our waters and better treat water as a system. We can design an improved system and we have started to evaluate the potential for change. Below are resources for your review. One is a report completed for Hennepin County by the Center for Science, Technology and Public Policy at the University of Minnesota that identifies potential opportunities. Based on this study, I have drafted a proposal, a starting point for discussion moving forward. I look forward to your thoughts and suggestions.

- [Jeff Johnson Draft Proposal \(PDF 317 KB\)](#)
- [U of M Water Governance Study \(PDF 2.62 MB\)](#)

Public Safety – There is no more important role of government than public safety. The county funds and operates a very large corrections department (which includes the Adult Corrections Facility in Plymouth and the Juvenile Detention Center in Minneapolis) and funds the County Sheriff's Office, the County Attorney's Office, and part of the Public Defender's Office.

Transportation – County roads and bridges are crucial to the citizens of northwest Hennepin County. We should make certain those roads and bridges are in good repair and able to meet the capacity needs of commuters before spending on expensive transit projects that will only be used by a tiny percentage of citizens.

Safety Net for the Most Vulnerable – Generally, counties are the governmental entities in Minnesota that deliver human service programs. We should focus those programs on the most vulnerable in our county (for example, physically or developmentally disabled citizens, elderly citizens or mentally ill citizens) and, where possible, focus programs on promoting self-reliance.

Other Positions:

- Community Action for Suburban Hennepin Board
- County Extension Committee
- Crow River Joint Powers Board
- Joint Committee on Community Corrections
- Executive Committee, Metropolitan Emergency Services Board
- Metropolitan Mosquito Control District
- MN Association Community Corrections Act Counties

Roxanne Smith, Metropolitan Council District 1

Roxanne Smith was appointed to the Metropolitan Council by Gov. Mark Dayton in March 2011. Smith represents District 1, which includes the Hennepin County cities of Champlin, Corcoran, Dayton, Greenfield, Independence, Loretto, Maple Grove, Maple Plain, Medicine Lake, Medina, Plymouth, and Rogers.

Smith is the Director of Social Justice Ministry at St. Joseph the Worker parish in Maple Grove. She oversees the coordination of social justice ministries for the parish of 2,500 families, develops and mentors leaders both inside and outside the parish, and builds relationships with other congregational leaders to effect systemic change. Previously she served as an accountant for Cargill.

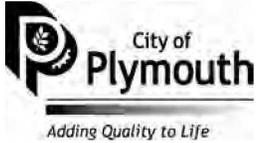
As a Council member, Smith serves on the Community Development and Transportation committees.

Smith said that one of the top issues facing the region is “closing the racial and economic gaps that have harmed our communities for too long.”

“The Met Council can play a significant role in ensuring that our state creates opportunities for everyone,” Smith said. “We need to find ways to ensure that the benefits of public works projects are equitably distributed so that everyone benefits from the increased wealth created by major housing, transportation and commercial projects.”

Smith serves or has served on the board of several nonprofit organizations. A founder and current chair of Housing for All, a community-based coalition advocating for stable housing for people of moderate and low incomes in the northwest suburbs of Hennepin County and former co-chair of the Clergy and Religious Leaders Planning Table for ISAIAH.

Smith lives in with her husband, Gerry. They have two grown sons.



To: Laurie Ahrens, City Manager

**REGULAR
COUNCIL MEETING**

Prepared by: Dave Callister

February 5, 2013

Item: **Fiscal Impact of Governor's Sales Tax Proposal**

1. BACKGROUND:

Governor Dayton has recently proposed modifications to the state sales tax that would have a significant impact on the City of Plymouth.

According to the League of Minnesota Cities, the proposal would be to broaden the state sales tax base and lower the sales tax rate. The governor's plan would reduce the general state sales tax rate to 5.5 percent from the current 6.875 percent. This rate reduction would be offset by including in the definition of taxable items professional services such as legal, accounting, architecture, specialized design, computer, management consulting, advertising, employment, and business support services.

In addition, the governor's sales tax plan would extend the sales tax to auto and other repair services, telecommunications equipment, court reporter documents, advertising materials, and publications.

There would also be new sales taxes on any lessons or services provided by our Park & Recreation Department.

Finance Manager Jodi Bursheim and I have been analyzing the proposal to determine the impact on both our operating and capital budgets. Since no bill has been introduced yet, we have reviewed the available data to determine potential impacts.

Attached are the results of the sales tax analysis. In the left column are items that would be subject to the new expanded sales tax. The right column contains items that are currently subject to the 6.875 percent sales tax that would be taxed at a reduced rate of 5.5 percent under the proposal.

The total net impact of the proposed sales tax changes is estimated to be \$690,488 annually on Plymouth's operating budget. If implemented, these increased costs would force the city to increase property taxes, increase user fees or reduce services.

The impact on capital projects is also unclear at this time. The analysis did include approximately \$8 million in capital projects. As a further example, the city is considering two major street projects in 2014-2016. If a sales tax were expanded to cover contractors, consulting engineers as well as the existing sales tax on materials, the total sales tax for these \$30 million projects could be well over \$1 million.

Late Friday, we were informed that the Department of Revenue had indicated that the City's contracts with Met Council Environmental Services for wastewater services and First Transit for transit services are not subject to the proposed sales tax.

As the proposal moves forward and more specific information becomes available, we will update the fiscal impacts. Once the Council reviews the data, direction can be given to Staff as to whom this data should be shared with.

2. BUDGET IMPACT:

The total annual net impact of the proposed sales tax changes is estimated to be \$864,194.

3. ATTACHMENTS:

City of Plymouth Sales Tax Impact Spreadsheet
Governor's Sales Tax Information

Repair and Maintenance Services Irrigation	\$1,441.59		Repair & Maintenance Supplies Water Mains	\$28,034.19	
Repair and Maintenance Services Electrical	\$29,958.08		Repair & Maintenance Supplies Sewer Mains	\$11,073.56	
Repair and Maintenance Services Plumbing	\$412.34		Repair & Maintenance Supplies Meter Parts	\$152,352.83	
Repair and Maintenance Services Bulldozer Work	\$2,800.00		Repair & Maintenance Supplies Hydrant Markers	\$1,731.11	
Repair and Maintenance Services Tennis Court	\$21,355.00		Repair & Maintenance Supplies Water Valves and Curb Stops	\$76,651.51	
Repair and Maintenance Services Snow Plowing	\$136,573.40		Repair & Maintenance Supplies Hydrant Parts	\$14,626.33	
Repair and Maintenance Services Seal Coating	\$0.00		Repair & Maintenance Supplies Playstructure Repair Parts	\$14,191.20	
Repair and Maintenance Services Street Striping	\$81,253.54		Repair & Maintenance Supplies Recharges	\$3,144.09	
Repair and Maintenance Services Street Cleaning	\$114,792.03		Repair & Maintenance Supplies Mailbox Repairs	\$193.39	
Repair and Maintenance Services Drainway Maintenance	\$69,742.32		Repair & Maintenance Supplies Sprinkler Head Repairs	\$417.03	
Repair and Maintenance Services Curb Raising & Curb Work	\$263,769.02		Repair & Maintenance Supplies Cell phones & accessories	\$1,159.67	
Repair and Maintenance Services Retaining Walls/Fence	\$1,596.54		Miscellaneous Supplies	\$1,039.73	
Repair and Maintenance Services Pull Wells	\$31,732.69		Miscellaneous Supplies Medical	\$8,330.07	
Repair and Maintenance Services Water Samples	\$22,596.83		Miscellaneous Supplies Uniforms	\$32,570.00	-\$32,570.00
Repair and Maintenance Services MN Health Samples	\$7,728.00		Miscellaneous Supplies Safety Equipment	\$79,952.24	
Repair and Maintenance Services Main Repair	\$650,294.05		Miscellaneous Supplies Ergonomic Equipment	\$0.00	
Repair and Maintenance Services Water Withdrawal Permit	\$0.00		Miscellaneous Supplies Chaplain/Sr Corp Communications	\$0.00	
Repair and Maintenance Services Zachary Plant	\$15,035.32		Communications Postage	\$165,992.61	-\$165,992.61
Repair and Maintenance Services Central Plant	\$32,382.68		Communications Data Communications	\$84,875.88	
Repair and Maintenance Services Gopher State One Call	\$33,427.75		Communications Telephone	\$31,623.49	
Repair and Maintenance Services Hauling	\$300.00		Communications Mobile Telephone	\$61,096.78	
Repair and Maintenance Services Guard Rail/Fencing	\$5,032.15		Communications Community Identity	\$3,975.63	
Repair and Maintenance Services Metro Sewer Board	\$4,967,565.72	-\$4,967,565.72	Printing and Publishing	\$51,929.08	
Repair and Maintenance Services Painting	\$0.00		Printing and Publishing Plymouth News	\$20,800.00	
Repair and Maintenance Services Static Testing	\$6,629.00		Printing and Publishing Recreation Handbook	\$47,512.39	
Repair and Maintenance Services Building Maintenance	\$353,062.15		Printing and Publishing Truth In Taxation Notices	\$4,872.68	
Repair and Maintenance Services Body Work and Painting	\$2,892.80		Utilities	\$25,491.18	
Repair and Maintenance Services Transit Facility	\$121,343.40		Utilities Street Lights	\$631,913.04	
Repair and Maintenance Services Millennium Garden	\$0.00		Utilities Traffic Lights	\$67,371.92	
Repair and Maintenance Services Crack Sealing	\$151,822.10		Utilities Natural Gas	\$166,123.60	
Repair and Maintenance Services Building Security	\$355.00		Utilities Water and Sewer	\$152,451.91	
Repair and Maintenance Services Manhole Sealing	\$208,901.44		Utilities Solid Waste	\$781,036.01	
Repair and Maintenance Services Chemical Control	\$572.07		Utilities Yard Waste	\$429.38	
Repair and Maintenance Services Maple Grove Sewer Agreement	\$96,427.98	\$96,427.98	Utilities Water Connection Fee	\$136,227.00	
Repair and Maintenance Services Facility Improvements	\$0.00		Utilities State Summer Water Surcharge	\$0.00	
Repair and Maintenance Services Traffic Signals	\$28,499.42		Utilities Electric	\$1,256,308.46	
Repair and Maintenance Services Well Refurbishing	\$0.00		Rentals	\$215,226.28	
Repair and Maintenance Services SIU	\$1,476.95		Rentals Portable Toilets	\$30,170.99	
Repair and Maintenance Services Median Spraying & Maintenance	\$0.00		Rentals SIU Vehicles	\$0.00	
Repair and Maintenance Services Equipment Maintenance	\$514,485.83	-\$250,000.00	Non-Cap Equip (< 5K)	\$294,642.87	

Repair and Maintenance Services Oak Wilt Tree Testing	\$0.00		Non-Cap Equip (< 5K) CERT	\$0.00	
Capital Outlay (> 5K)	\$524,334.74		Non-Cap Equip (< 5K) SIU	\$2,681.60	
Capital Outlay (> 5K) Land	\$926,949.10	-\$926,949.10	Repair and Maintenance Services Software	\$211,147.41	-\$168,917.93 only taxed on 20%
Capital Outlay (> 5K) Capitalize-land	\$0.00		Repair and Maintenance Services Car Washes	\$4,488.76	
Capital Outlay (> 5K) Infrastructure	\$2,531,945.86		Laundry Services	\$20,747.30	
Capital Outlay (> 5K) Capitalize-Infrastructure	\$0.00		Repair and Maintenance Services Landscape	\$134,951.81	
Capital Outlay (> 5K) Buildings	\$511,487.00		Repair and Maintenance Services Lawn Maintenance	\$13,719.45	
Capital Outlay (> 5K) Capitalize Buildings	\$0.00		Repair and Maintenance Services Janitorial Services	\$113,722.83	
Capital Outlay (> 5K) Improv Other Than Buildings	\$586,063.90		Repair and Maintenance Services Departmental Software Maint	\$92,212.94	-\$73,770.35 only taxed on 20%
Capital Outlay (> 5K) Capitalize Improvements	\$0.00		Repair and Maintenance Services Turn Out Gear Repair	\$8,719.85	
Capital Outlay (> 5K) Machinery and Equipment	\$1,914,077.14		Repair and Maintenance Services Street Tree Maintenance	\$33,933.89	
Capital Outlay (> 5K) Capitalize Machinery and Equip	\$6,028.29		Repair and Maintenance Services Tree Contract Removal	\$89,613.15	
Capital Outlay (> 5K) Software	\$82,466.68		Repair and Maintenance Services Forced Tree Removal	\$6,019.39	
Capital Outlay (> 5K) Capitalize Software	\$0.00				
Capital Outlay (> 5K) Construction Projects	\$2,241,319.38				
Capital Outlay (> 5K) Capitalize Projects	\$0.00				
Miscellaneous	\$7,720.44				
Care of Prisoners	\$40,940.97				
Booking of Prisoners	\$29,593.27				
Scholarships	\$11,382.50	-\$11,382.50			
Historical Society	\$9,825.38				
Research & Development	\$0.00				
Licenses & Permits	\$1,424.57				
Licenses & Permits Yard Waste	\$0.00				
Youth Special Events	\$0.00				
Administration Fees	\$38,849.74				
Bank Fees	\$1,163.44	-\$1,163.44			
Bank Fees Credit Card	\$37,602.11	-\$37,602.11			
Recognition Events	\$6,229.66				
	\$23,798,757.45	(\$9,294,319.18)		\$8,776,551.74	(\$840,348.82)
Net	\$14,504,438.27		Net:	\$7,936,202.92	
Add'l Tax	\$797,744.10		Total Reduction of Tax	\$7,828,946.35	
				\$107,256.57	

\$690,487.54
NET IMPACT OF SALES TAX CHANGES

Removed from expenses: salaries, benefits, allocations, insurance, transfers



Modernizing Our Sales Tax

Consumers Will Pay Less on Many Goods and Services

Governor Dayton's proposal cuts the state sales tax rate by 20%, reducing the rate from 6.875% to 5.5%. Minnesota consumers will pay less in taxes for items previously subject to state sales tax, saving almost \$500 million in the first year. The following are examples of items Minnesota consumers will pay less for.

Personal Care

Shampoo
Soap
Makeup
Vitamins
Nail polish

Athletics

Treadmill
Yoga mat
Weights
Hula hoop
Bicycle
Skis

Outdoor

Hockey stick
Baseball bat
Soccer ball
Fishing pole
Canoe
Kayak
Pontoon
Speedboat
ATV
Snowmobile
Sunblock
Hunting gear
Deer stand
Car parts
Tires
Tents
Camping gear
Tennis racquet
Golf clubs

Recreation

Books
CDs
Magazines
Candy bars
DVDs
Musical instruments

Electronics

Television
Camera
DVD player
iPod
Computer
Tablet
Cell phone
Camcorder
Video games
Computer
Software

Services

Lodging
Dry cleaning
Car wash
Cleaning services
Security services
Pet grooming
Lawn care
Tree trimming
Massage
Parking

Household

Dish soap
Paper products
Cleaning supplies
Trash bags
Laundry soap
Vacuum
Broom or mop
Dishes
Silverware
Crockpot
Pots and pans
Bowls
Tupperware
Coffee pot
Bed sheets
Towels
Furniture
Curtains
Appliances
Lawn mower
Shovel
Snow blower
Rake
Lamp
Rugs
Artwork
Water heater
Furnace & AC
Washer & dryer
Tools
Paint
Lumber
Tile

Miscellaneous

School supplies
Notebook
Paper
Pens
Pencils
Crayons
Glue
Tape
Greeting cards
Pet food
Cats
Dogs
Phone bill
Cable bill
Electricity bill
Water bill
Toys
Jewelry
Watches



Modernizing Our Sales Tax

Goods and Services that Will Remain Exempt from Sales Tax

Governor Dayton's proposal retains sales tax exemptions for some items. Exempting items such as food, clothing items under \$100, and medical care ensures that Minnesota's sales tax remains fair and competitive. The following are examples of goods and services that remain exempt from sales tax under the Governor's proposal.

- » Food
- » Clothing items and apparel less than \$100
- » Medical services, including:
 - Prescription eyeglasses
 - Prescription drugs
 - Hospitals and outpatient surgical centers
 - Chairlifts, ramps, and elevators in homesteads
 - Parts and accessories to make motor vehicles handicapped accessible
- » Nonprofit organizations, including:
 - Fundraising sales
- » Public safety items, including:
 - Firefighters personal protective equipment
 - Public safety radio systems
 - Ambulances leased to private ambulance services
- » Textbooks and personal computers required for school use
- » Residential heating fuels and water services
- » Agricultural items, including:
 - Farm machinery and repair and replacement parts
 - Farm conservation programs
 - Agricultural processing facility
- » Renewable energy systems
 - Wind energy conservation systems
 - Solar energy systems
 - Biosolids processing equipment
- » Veteran's organizations
- » Building materials for residences of disabled veterans
- » Construction materials for low-income housing
- » Mining production materials
- » Capital equipment

Sales Tax Base Broadening

All existing and newly taxed items will be subject to 20% sales tax rate reduction to 5.5%.

Affiliate Nexus

Digital Products

Parallel Taxation of Direct Satellite Services

Parallel Taxation of Remote Access Software

Admission to stadium box seats and suites, exhibitions, and selling events

Repeal exemption for ready to eat meat and seafood

Clothing on items over \$100

Admissions/Memberships

Over-the-counter drugs

Personal services - e.g. barber shops, beauty salons, tattoo and body piercing, nail salons

Other personal services - e.g. wedding planning, dating services, shoe shining, personal shopping

Veterinary Services

Personal instruction - e.g. dance, golf, tennis, etc.

Brokerage & investment counseling - e.g. portfolio management, investment advice

Bank charges & safe deposit box rental

Legal services purchased by consumers

Accounting services purchased by consumers

Auto repair services

Household goods repair & maintenance

Warehousing & storage services (does not include storage of farm products or refrigerated storage)

Taxicabs and Other Ground Transport Services (does not include public transportation or school transportation)

Travel agent services

Legal services purchased by businesses

Accounting and bookkeeping services purchased by businesses

Architectural and engineering services

Specialized design services - e.g. interior decorating, industrial design services, graphic design services

Computer services - e.g. custom computer programming, computer systems design services, computer facilities management services, data processing, hosting and related services

Management consulting services - e.g. administrative management consulting services, human resources consulting services, marketing consulting services, environmental consulting services, scientific and technical consulting services, scientific research and development services

Other consulting and development services - e.g. environmental, sanitation, site remediation, safety, economic, security, and other consulting services

Sales Tax Base Broadening

All existing and newly taxed items will be subject to 20% sales tax rate reduction to 5.5%.

Advertising and related services - e.g. advertising agencies, public relations agencies, media buying agencies, media representatives, display advertising, advertising material distribution services

Office administrative services

Facilities support services - e.g. snow plowing, cleaning

Employment services - e.g. temp help agencies, employment placement agencies, executive search agencies, professional employer organizations

Business support services - e.g. telephone answering services, collection agencies, telemarketing services on contract, secretarial and court reporting services, document preparation services, private mail centers, collection agencies, credit bureaus, repossession services

Other support services - e.g. packaging and labeling services, convention and trade show organizing

Other misc. professional and technical services - e.g. marketing research and public opinion polling, photographic services, commercial photography, translation and interpretation services

Electronic and commercial equipment repair & maintenance

Personal services purchased by businesses

Telecommunications equipment

Court reporter documents

Advertising materials

Publications - e.g. newspapers, magazines, commercial printing