



Administrative Services Office

635 2nd Street SE

Milaca, MN 56353

Phone: (320) 983-8218

Fax: (320) 983-8382

Rep. Paul Marquardt
597 State Office Building
St. Paul, MN 55155

Rep. Greg Davids
283 State Office Building
St. Paul, MN 55155

Sen. Carla Nelson
3235 Minnesota Senate Bldg.
St. Paul, MN 55155

Sen. Ann Rest
2217 Minnesota Senate Bldg.
St. Paul, MN 55155

January 29, 2021

To: Senate Committee Chairs, Representative Committee Chairs

Thank you for considering a special legislative sales tax for constructing a public works building. Attached is the signed County Board resolution.

Regional significance for a public works building is as follows:

- Mille Lacs County currently has shared responsibility agreements with four neighboring counties;
- Mille Lacs County maintains a portion of the Soo Line Trail which benefits regional users as it run through several counties;
- Mille Lacs County maintains a Minnesota Department of Transportation (MnDOT) area GPS repeater which benefits adjacent counties and anyone on the north end of the county;
- Mille Lacs County has a mutual aid agreement with MnDOT to assist with snowplowing should there be a situation in which DOT crews become shorthanded;
- The most recent relationship with DOT is to assist potential Covid-19 outbreak for either agency crews.

The estimated total cost for the public works building project is \$ 10,000,000, expected revenue for a ½ of 1 % special legislative sales is approximately \$ 1,500,000 year. The estimated time to raise the projected revenue in order to pay off the bond debt service is 8 years depending on the bond debt service amortization schedule.

Sincerely,

Pat Oman
County Administrator



Public Works Study

12-15-2020

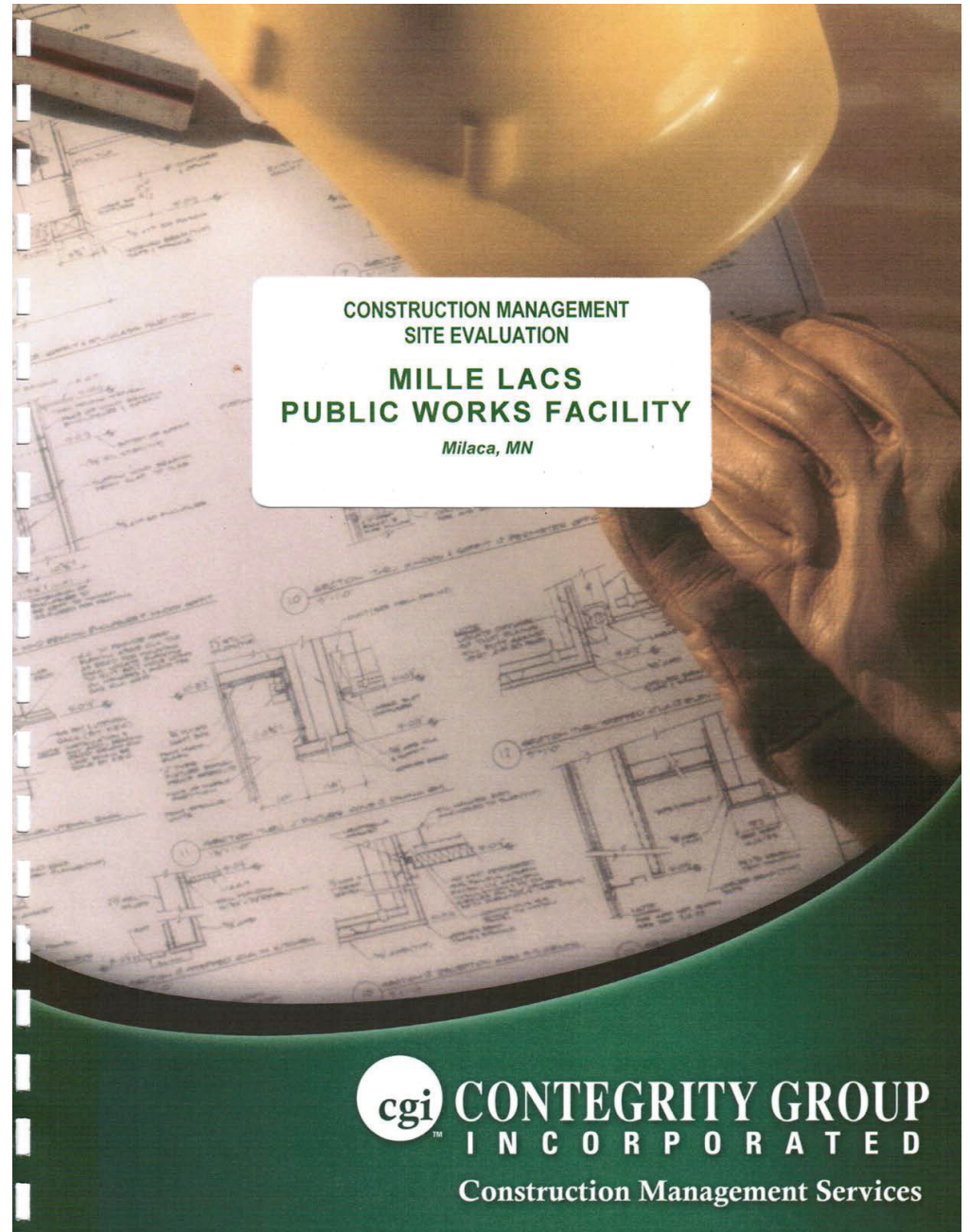


Milaca - Public Works

2014 Facility - CGI

Looked at:

- Existing Facility Deficiencies
- New Facility Adjacent
- Addition to Existing Facility



Milaca - Public Works

2014 Facility - CGI

Looked at:

- Existing Facility Deficiencies
- New Facility Adjacent
- Addition to Existing Facility

MILLE LACS COUNTY PUBLIC WORKS FACILITY

July 15, 2014



Current Milaca Facility

- **Main Building**
Constructed in 1974
Main Shop approximately 14,500 SF
Office approximately 1,640 SF
- **Salt / Cold Storage Building**
Approximately 6,600 SF
- **STS / Testing Building**
Approximately 1960 SF

Deficiencies Noted:

- *Space is needed for current inventory of equipment.*
- *Site Drainage needs to be improved*
- *Exterior envelope of building is showing signs of wear, numerous patches, loose fasteners, rust and corrosion.*
- *Current structure showing signs of corrosion due to salt and water intrusion.*
- *HVAC systems are showing age and not functioning up to standards.*
- *CO/ NO gas detection systems and vehicle exhaust system not functioning to standards.*
- *Building insulation sagging in numerous areas and creating condensation within wall cavities.*
- *General electrical systems need to be upgraded along with energy efficient lighting.*
- *Salt / Sand Storage area showing signs of salt corrosion and structural strain due to front end loader.*
- *Equipment exposed due to elements due to space shortage.*
- *Current building is not ADA accessible*

Milaca - Public Works

2019 Facility - VJA / CGI

- Programmed Space Needs with Staff.
- Toured other MN Public Works Facilities.
- Looked at:
 - Remodeling existing building.
 - Turning existing facility into cold storage & adding new on site.
 - Phasing new construction while keeping existing.
 - New construction on site.
 - New construction on alternative site.
- Presented a recommendation to the Board of Commissioners for the construction of a new facility.
- Provided cost estimates for Milaca site & Alternative Site.



Milaca - Public Works

Location: Adjacent to Industrial Park & Wetlands

Built: 1974 [47 Years Old]

Princeton - County Garage

Location: Adjacent to Residential

Built: 1948 [72 Years Old]

Milaca - Public Works

Building Deferred Maintenance / Space Needs

Exterior Shell

- **Rusted metal cladding / peeling off in places**
- Rusted doors / jambs
- Windows in poor condition
- Rusted purlin bracing between primary structure
- Wet insulation / falling down wall
- Thermal bridging



Milaca - Public Works

Building Deferred Maintenance / Space Needs

Exterior Shell

- Rusty metal cladding / peeling off in places
- **Rusted doors / jambs**
- **Windows in poor condition**
- Rusty purlin bracing between primary structure
- Wet insulation / falling down wall
- Thermal bridging



Milaca - Public Works

Building Deferred Maintenance / Space Needs

Exterior Shell

- Rusted metal cladding / peeling off in places
- Rusted doors / jambs
- Windows in poor condition
- **Rusted purlin bracing between primary structure**
- **Wet insulation / falling down wall**
- **Thermal bridging**



Milaca - Public Works

Building Deferred Maintenance / Space Needs

Heating / Ventilation System

- 60+ Years Old [Purchased used when building built]
- Infrared - Heat sink - Leaves with Trucks
- No Redundancy / Backup - 1 point failure [Exhaust Fan]
- Office space furnace +/- 25 years old
- Absence CO or NO2 detection / no makeup air system

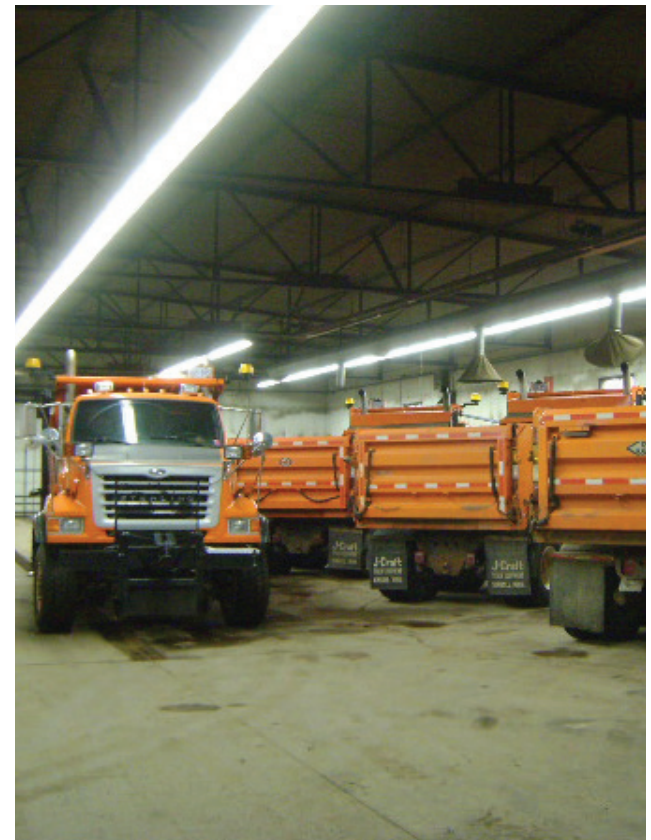


Milaca - Public Works

Building Deferred Maintenance / Space Needs

Vehicle Storage

- Parks 8 large vehicles [6 large vehicles stored outdoors]
- Very tight circulation space [No margin for error]
- Time consuming to shuffle vehicles or send out to roads
- Requires opening both doors for large periods of time [Heat loss]



Milaca - Public Works

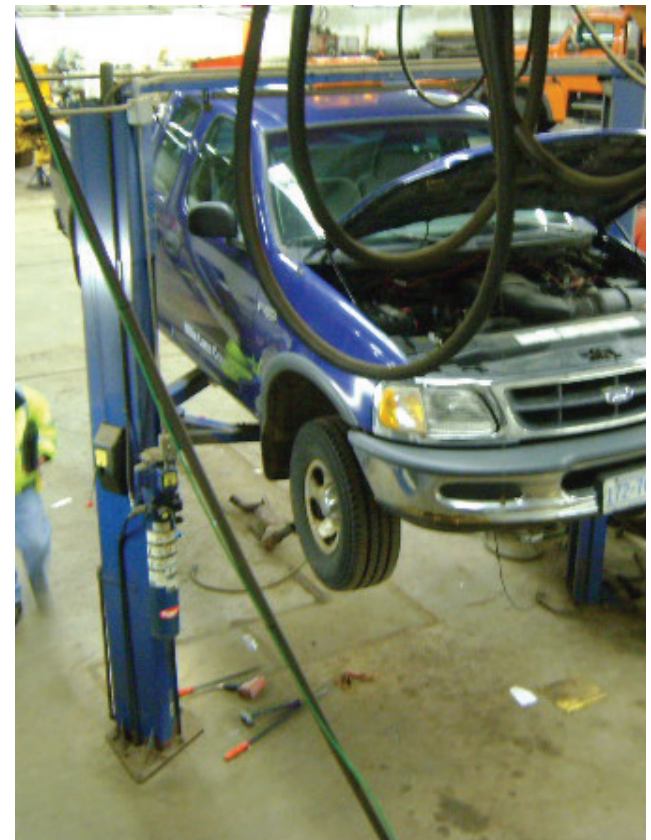
Building Deferred Maintenance / Space Needs

Vehicle Maintenance

- Poor ventilation
- 1 Service Lift [Short service space]
- Absence of curbing for oil spillage
- Absence of explosion proof electrical

Washing Vehicles

- Poor Drainage
- No Moisture Control [2 small exhaust fans]



Milaca - Public Works

Building Deferred Maintenance / Space Needs

Salt Storage / Cold Storage

- Deteriorating Structure
- Lack of adequate storage
- Lack of space / salt / sand mix
- Absense of water retention



Milaca - Public Works

Building Deferred Maintenance / Space Needs

Office Space

- Mostly abandoned due to moisture & rodent issues
- Absense of accessible toilets
- Absense of Locker/Changing Area



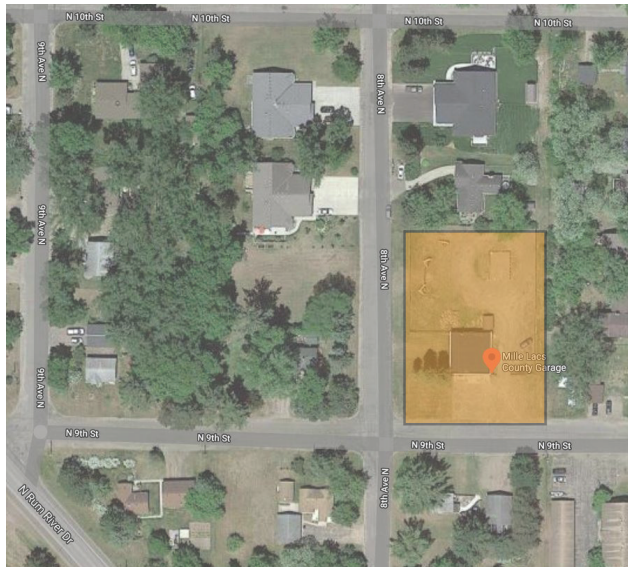
Princeton - County Garage

Site Constraints

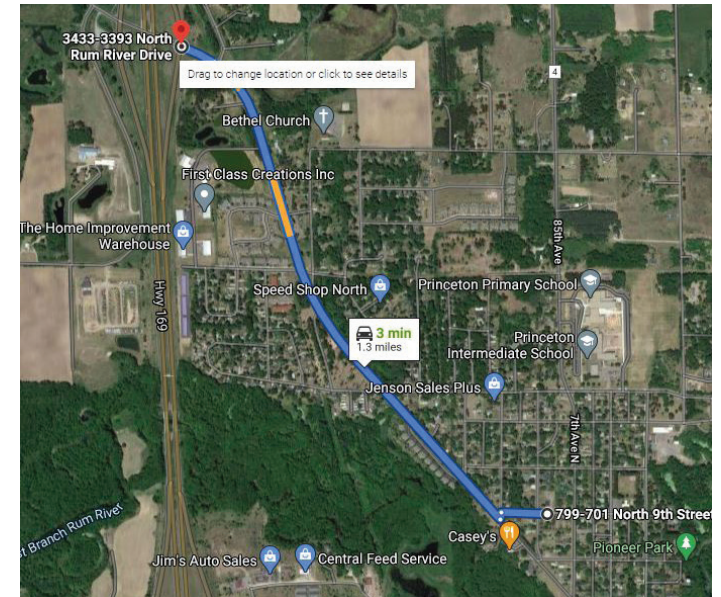
Residential neighborhood

No expansion

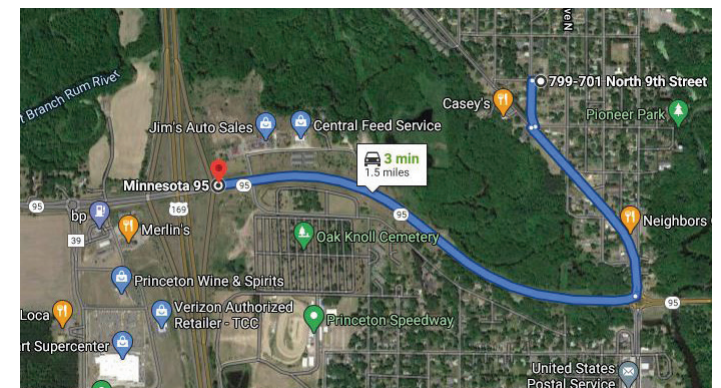
Access to Highway 169



Location: Adjacent to Residential
Built: 1948 [72 Years Old]



Access HWY 169 - North



Access HWY 169 - South

Princeton - Public Works

Building Deferred Maintenance / Space Needs

Exterior Shell

- Moisture in walls / stucco cracking
- Rusted doors / jambs
- Windows single pane & in poor condition / duct tape
- Roof 20+ years old
- Patched up chimney
- Flashing / metal in poor condition



Princeton - Public Works

Building Deferred Maintenance / Space Needs

Heating / Ventilation System

- Primary heat - wood burning stove
- Secondary heat - small natural gas [Needs 200,000BTU]
- Absence CO or NO2 detection / no makeup air system
- No ventilation / make up air
- Absence CO or NO2 detection / no makeup air system



Princeton - Public Works

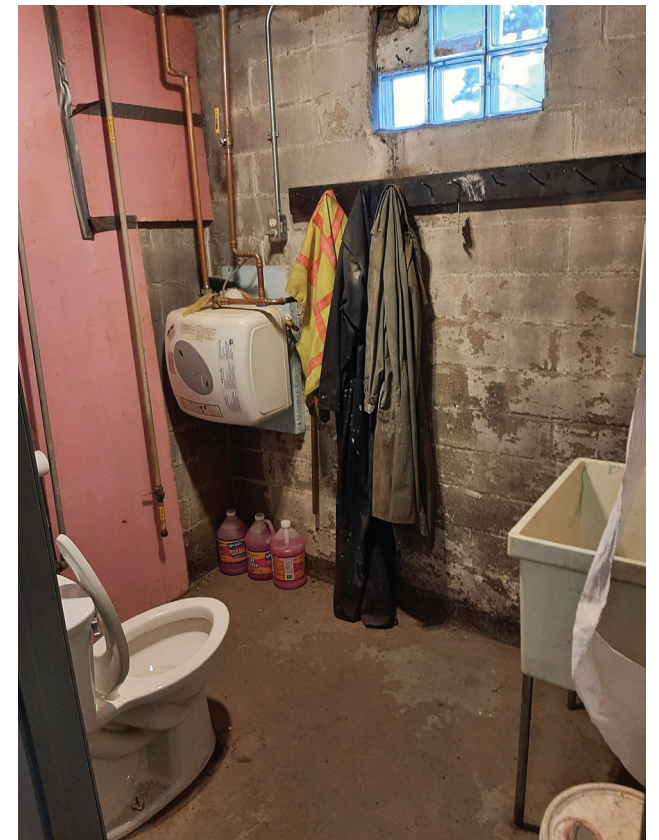
Building Deferred Maintenance / Space Needs

Vehicle Storage

- Parks 2 large vehicles
- Very tight [No margin for error]
- Absense of accessible toilets
- Absense of Locker/Changing Area

Salt Storage / Cold Storage

- No overhead protection
- Lack of space / salt / sand mix
- Absense of water retention



Milaca - Public Works

Site Constraints

Irregular Shape

Adjacent to Wetlands

Site/Equipment Security

Topography

Access to Highway 169



Existing Site - **Arial Photo**

Milaca - Public Works

Site Constraints

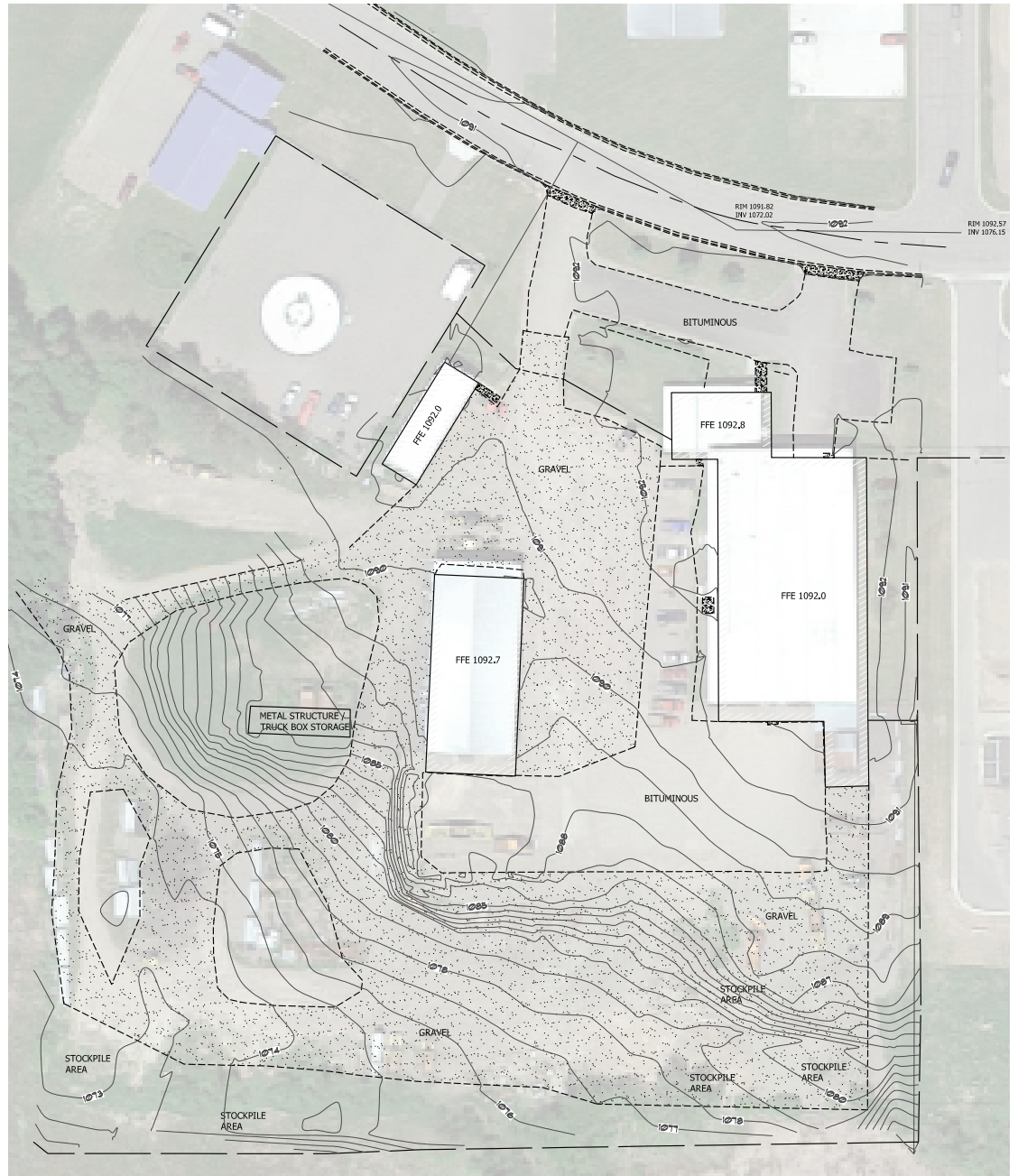
Irregular Shape

Adjacent to Wetlands

Site/Equipment Security

Topography

Access to Highway 169

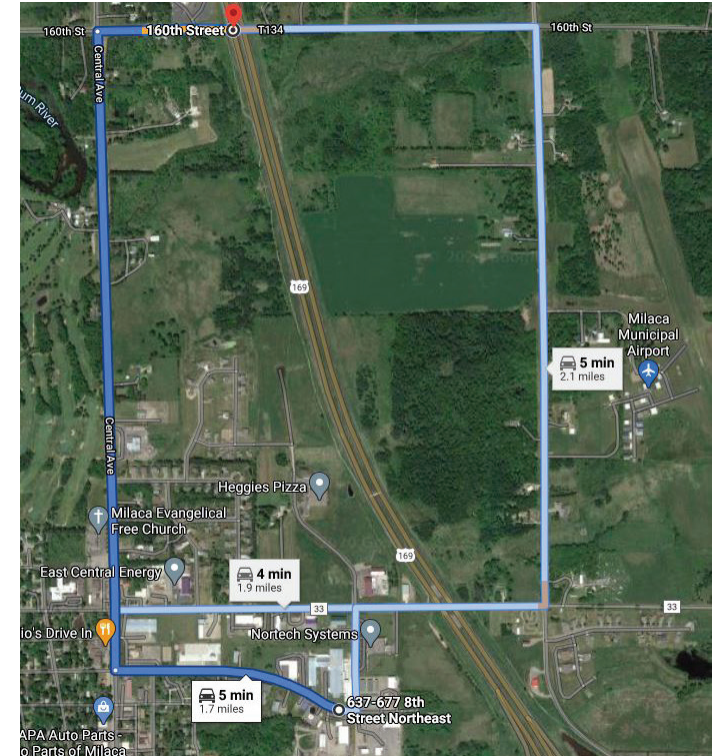


Existing Site - **With Topographic Information**

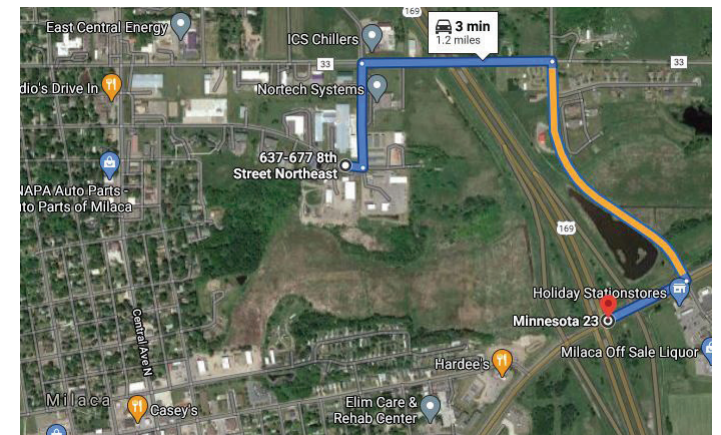
Milaca - Public Works

Site Constraints

Irregular Shape
Adjacent to Wetlands
Site/Equipment Security
Topography
Access to Highway 169



Access HWY 169 - North



Access HWY 169 - South

Milaca - Public Works

Fit Plans - Existing Site

Pro:

- Uses existing building during construction for phasing purposes.

Con:

- Requires a large amount of fill.
- Required to cross vehicle maintenance to access vehicle storage.
- Difficult to secure entire site.
- Building setback far from street.
- Excessive pavement required.



Fit Plan - Concept 1

Milaca - Public Works

Fit Plans - Existing Site

Pro:

- Reduced amount of fill.

Con:

- Required to cross vehicle maintenance to access vehicle storage.
- Difficult to secure entire site.
- Building setback far from street.
- Excessive pavement required.
- Tight Turning Radiuses



Fit Plan - Concept 2

Milaca - Public Works

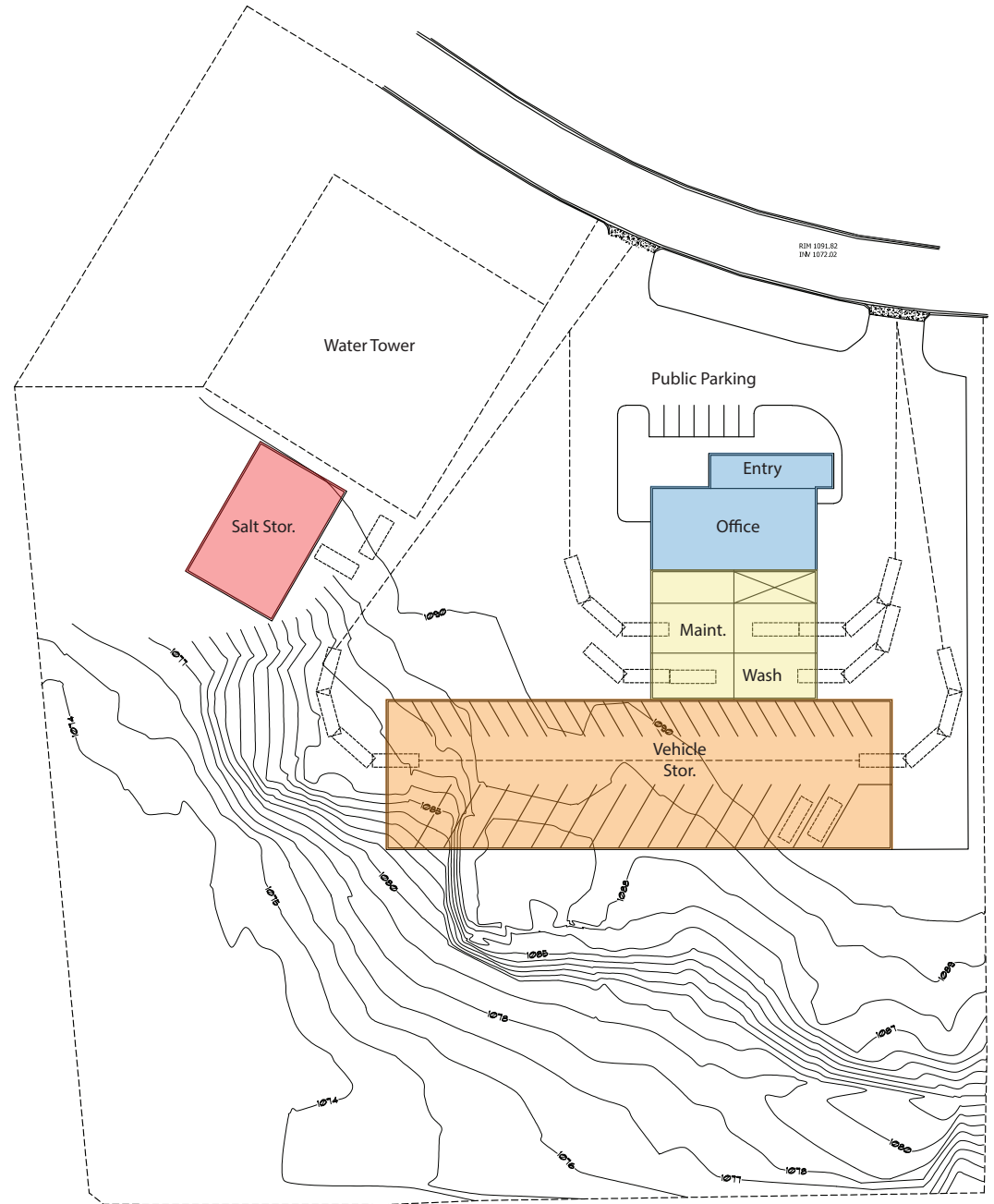
Fit Plans - Existing Site

Pro:

- Building is close to street.
- Reduced amount of fill.

Con:

- Required to cross vehicle maintenance to access vehicle storage.
- Difficult to secure entire site.
- Excessive pavement required.
- Tight Turning Radiuses



Fit Plan - Concept 3

Milaca - Public Works

Fit Plans - Existing Site

Pro:

- Building is close to street.
- Ability to secure entire site.
- Ability to access Vehicle Storage or Maintenance from Office area.
- Good turning radiuses.
- Space to Salt Storage.

Con:

- Requires a large amount of fill.



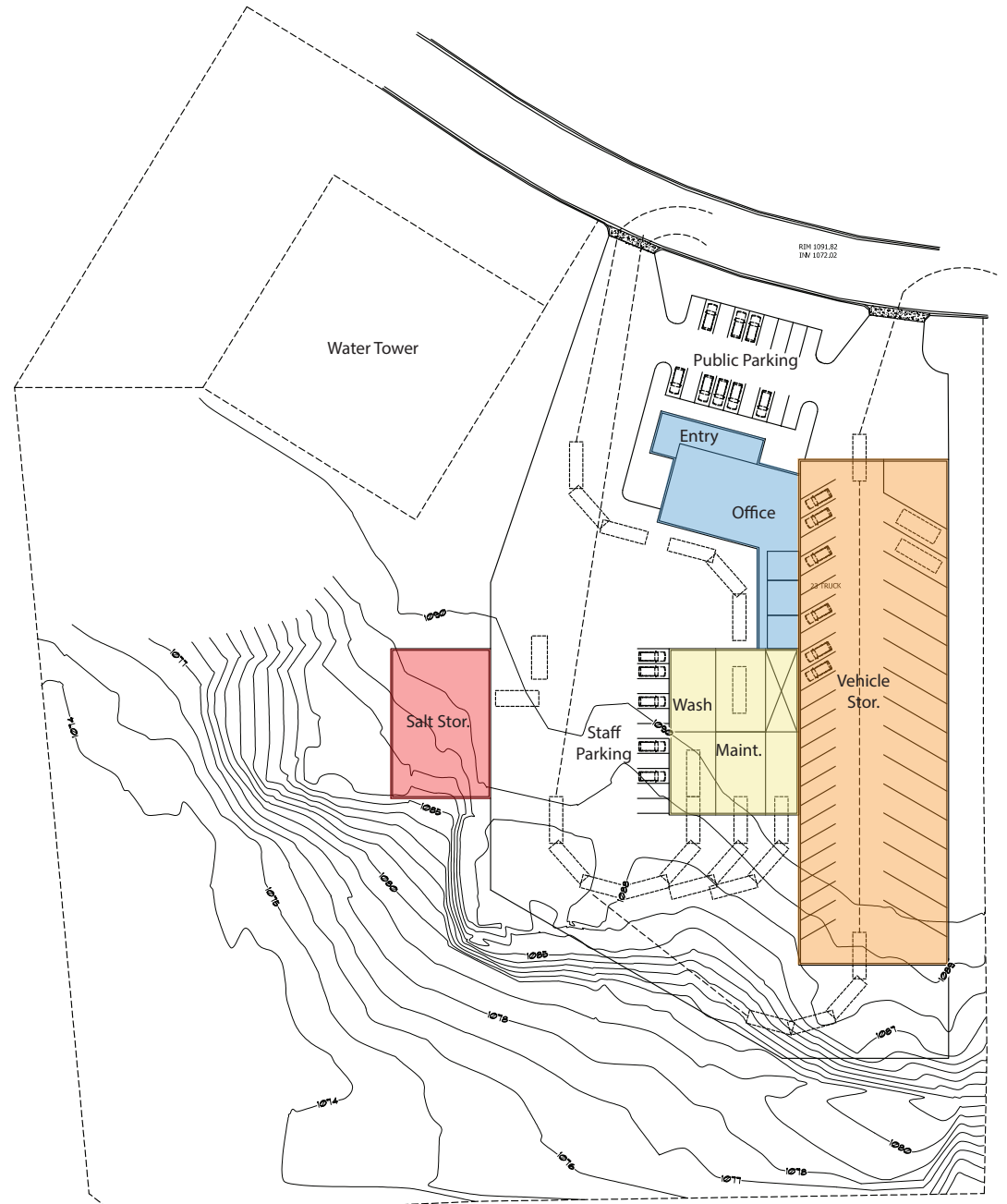
Fit Plan - Concept 4

Milaca - Public Works

Fit Plans - Existing Site

Pro:

- Building is close to street.
- Ability to secure entire site.
- Ability to access Vehicle Storage or Maintenance from Office area.
- Good turning radiuses.
- Space to Salt Storage.
- Minimal Fill.
- Access to southwest portion of site.

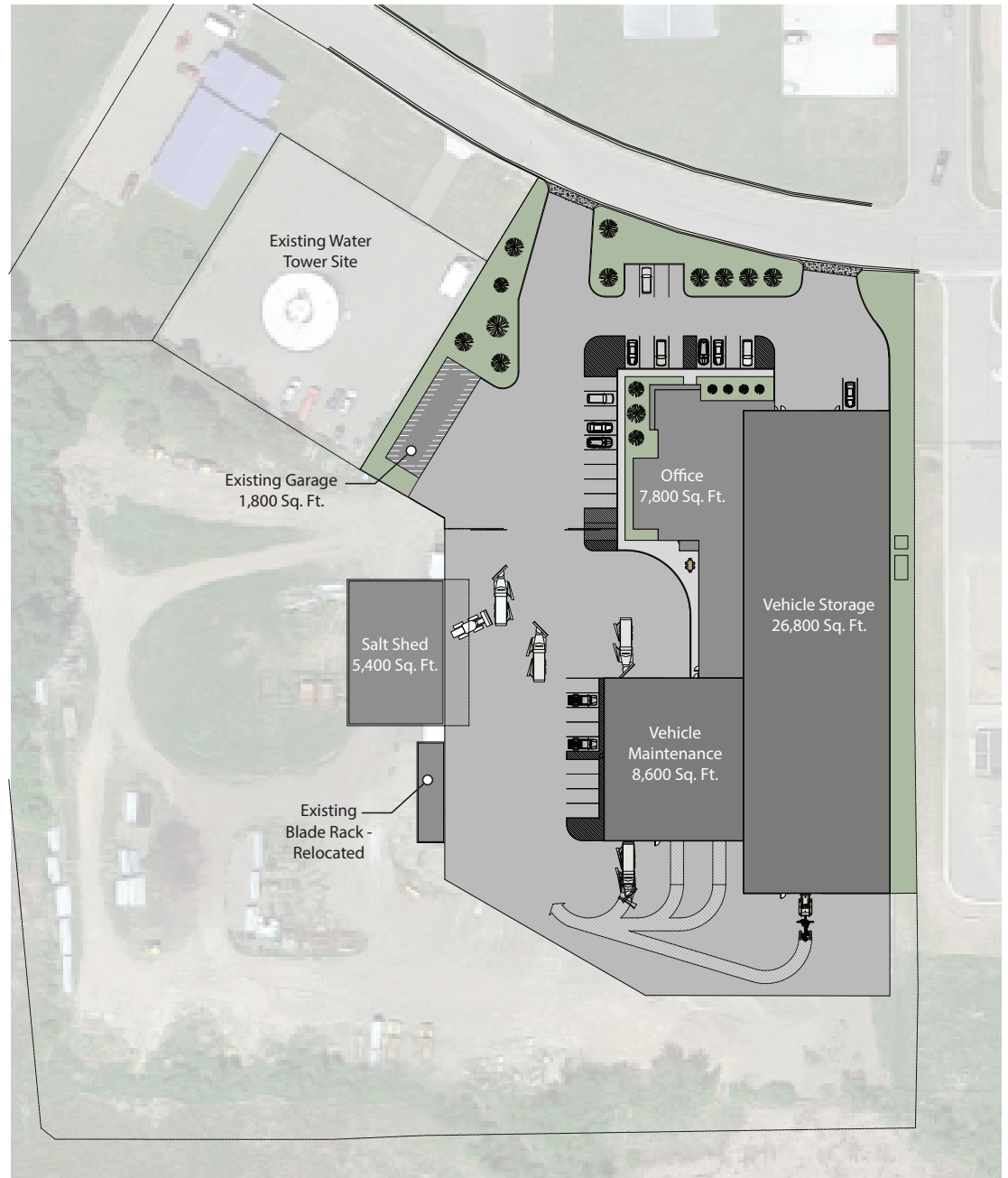


Fit Plan - Concept 5

Milaca - Public Works

Site Plan

- Building tight to street w/ public parking.
- Ability to secure entire site.
- Ability to access Vehicle Storage or Maintenance from Office area.
- Good turning radiuses.
- Space to Salt Storage.
- Minimal Fill.
- Access to southwest portion of site.

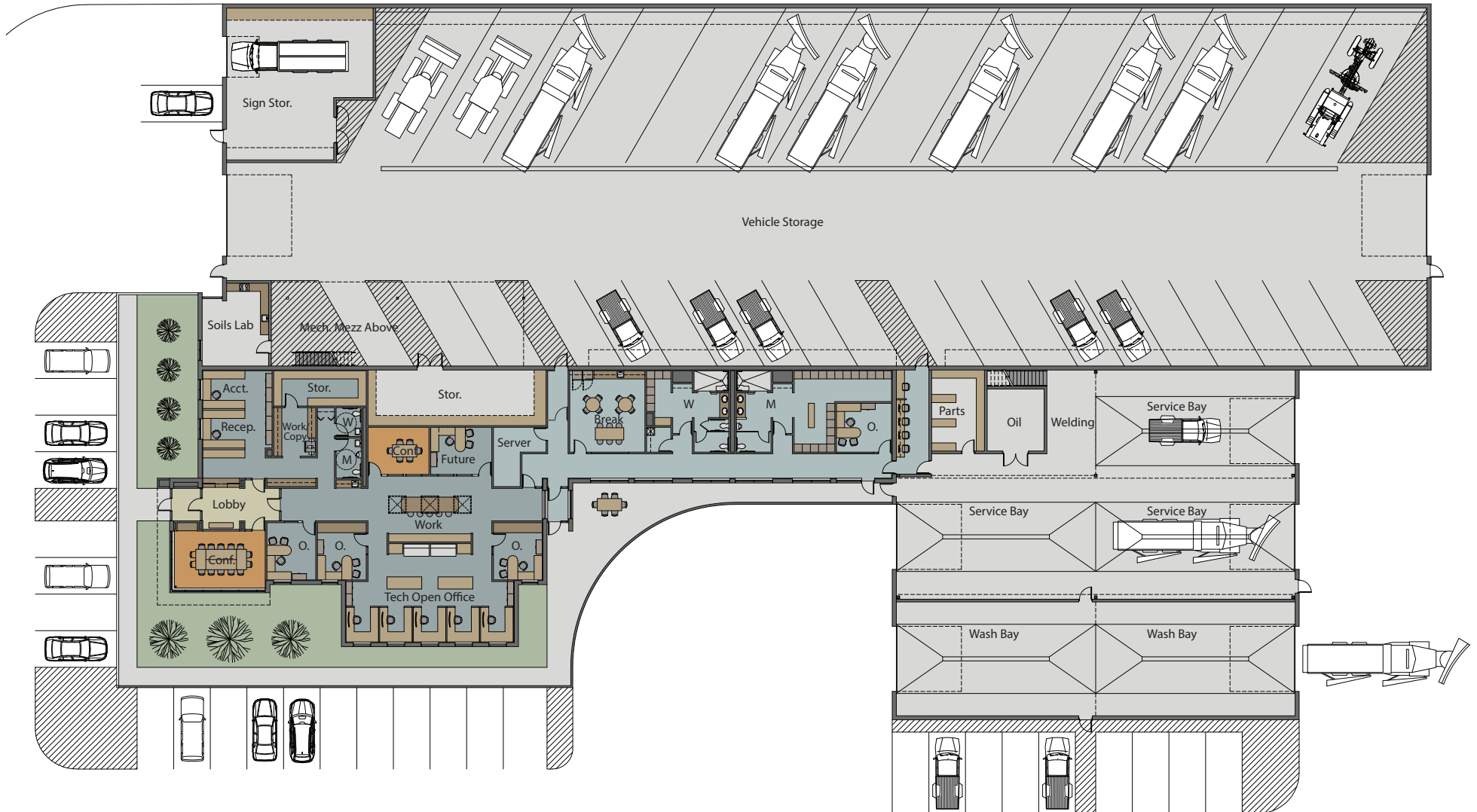


Milaca - Public Works

Floor Plan

- Entry / Public Conference Room
- Office Space
- Locker Rooms
- Vehicle Storage - 14 Large Trucks
- 3 Service Bays
- 2 Wash Bays
- Accessible Spaces

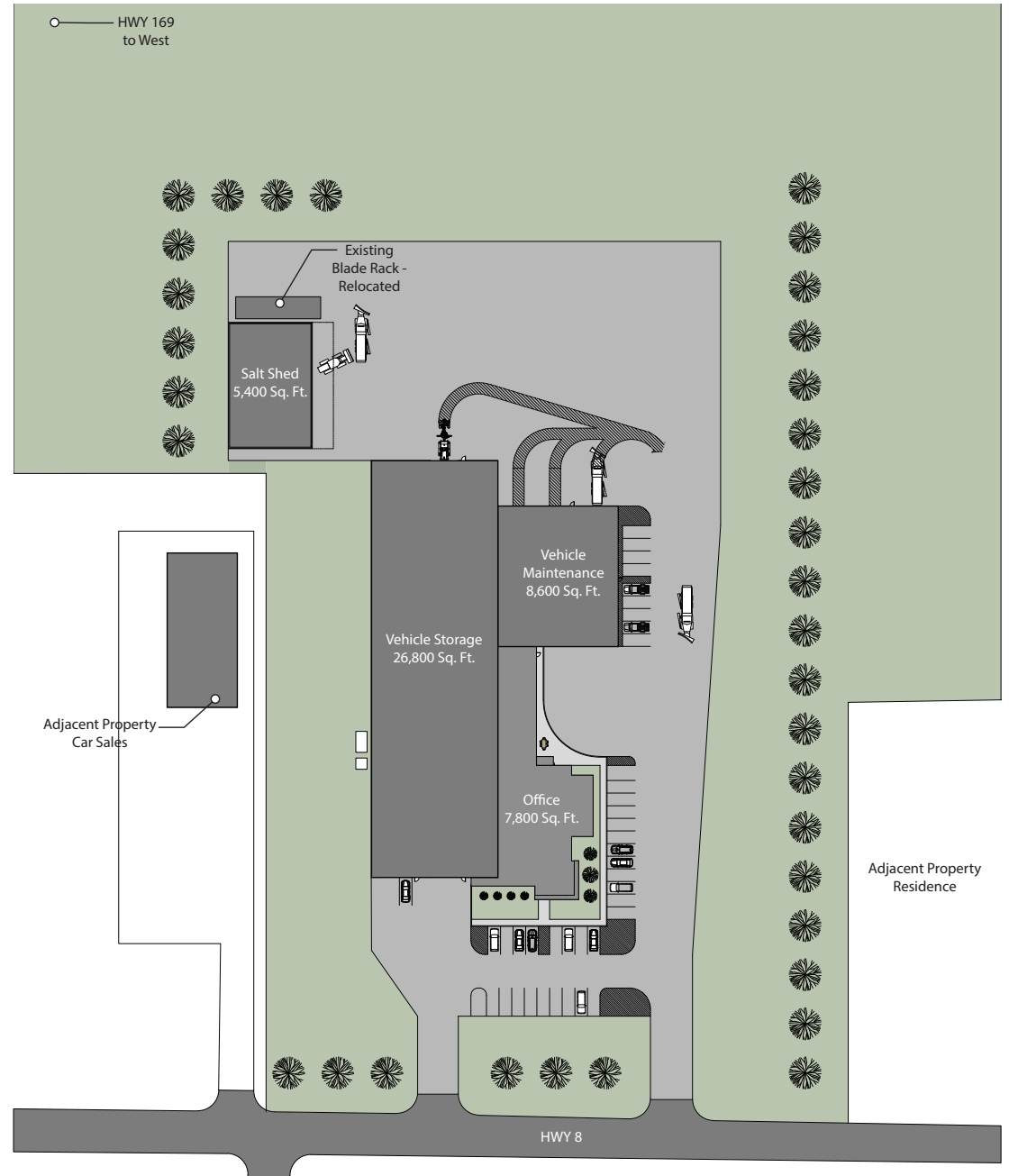
- Separate Mechanical Zones
- Positively Pressurized Office
- Moisture & air control
- Building Automation
- CO & NO2 Detection
- Infloor Heating



Pease - Public Works

Site Plan

- Public parking off highway.
- Ability to secure entire site.
- Ability to access Vehicle Storage or Maintenance from Office area.
- Good turning radiuses.
- Space to Salt Storage.
- Direct access to HWY 169.
- Large site / expansion space to north.



MILLE LACS COUNTY
PUBLIC WORKS BUILDING (Existing Site)
Concept Estimate
6-18-19



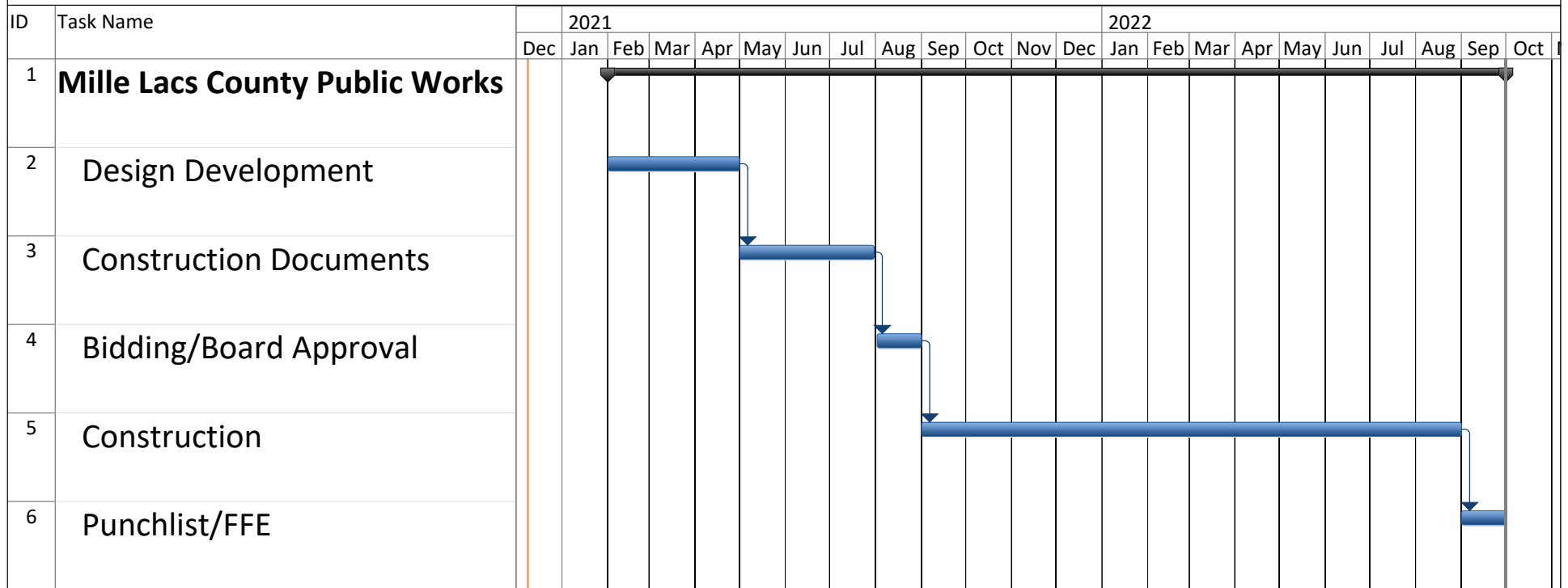
DIVISIONS OF WORK	SD TOTALS	Cost/SF 43,263
Division 02 - Existing Conditions	193,185.65	4.47
Division 03 - Concrete	1,733,837.75	40.08
Division 04 - Masonry	61,660.00	1.43
Division 05 - Metals	651,230.53	15.05
Division 06 - Woods, Plastics and Composites	128,283.00	2.97
Division 07 - Thermal & Moisture Protection	800,239.79	18.50
Division 08 - Openings	235,608.00	5.45
Division 09 - Finishes	312,200.50	7.22
Division 10 - Specialties	40,685.00	0.94
Division 11 - Equipment	125,000.00	2.89
Division 12 - Furnishings	0.00	0.00
Division 13 - Special Construction	0.00	0.00
Division 14 - Conveying Equipment	0.00	0.00
Division 21 - Fire Suppression	116,810.10	2.70
Division 22 - Mech/Plumbing	587,835.00	13.59
Division 23 - Heating, Ventilating & Air Conditioning	683,736.00	15.80
Division 24 - Test and Balancing	21,631.50	0.50
Division 25 - Temperature Controls	194,683.50	4.50
Division 26 - Electrical	887,069.00	20.50
Division 27 - Communication	129,789.00	3.00
Division 28 - Electronic Safety and Security	40,000.00	0.92
Division 31 - Earthwork	274,549.00	6.35
Division 32 - Exterior Improvements	309,661.09	7.16
Division 33 - Utilities	61,292.45	1.42
Sub Total Construction	7,588,986.86	175.42
General Requirements	531,229.08	
Design & Bid Contingency - 3%	227,669.61	
Construction Contingency - 3%	227,669.61	
Salt Storage Building Hoop Design	350,000.00	
Sub Total	8,925,555.15	206.31
SAC/WAC Fee	TBD	
Building Permit	45,000.00	
Construction Management Fee	214,213.32	
Architect/Engineering Fee	780,705.32	
CONSTRUCTION COST TOTAL	9,965,473.80	230.35
OWNER ITEMS		
Hazardous Material Removal (asbestos)	TBD	
FFE (Furniture, Fixture, & Equipment)	TBD	
BASE PROJECT TOTAL	9,965,473.80	230.35
* ESTIMATE DOES NOT INCLUDE ANY LEED CERTIFICATIONS.		
* BASE PROJECT TOTAL DOES NOT INCLUDE COSTS FOR INCIDENTALS TO ONGOING GOVERNMENT OPERATIONS THAT NEED TO BE ACCOUNTED FOR DURING PHASING AND DISRUPTION OF PROJECT.		
* ESTIMATE DOES NOT INCLUDE MINNESOTA STATE PREVAILING WAGES.		
* ESTIMATE IS BASED OFF OF THE COMPETITIVE BID MARKET.		

MILLE LACS COUNTY
PUBLIC WORKS BUILDING (New Site)
Concept Estimate
7-2-19



DIVISIONS OF WORK	SD TOTALS	Cost/SF 43,263
Division 02 - Existing Conditions	0.00	0.00
Division 03 - Concrete	1,733,837.75	40.08
Division 04 - Masonry	61,660.00	1.43
Division 05 - Metals	651,230.53	15.05
Division 06 - Woods, Plastics and Composites	128,283.00	2.97
Division 07 - Thermal & Moisture Protection	800,239.79	18.50
Division 08 - Openings	235,608.00	5.45
Division 09 - Finishes	312,200.50	7.22
Division 10 - Specialties	40,685.00	0.94
Division 11 - Equipment	125,000.00	2.89
Division 12 - Furnishings	0.00	0.00
Division 13 - Special Construction	0.00	0.00
Division 14 - Conveying Equipment	0.00	0.00
Division 21 - Fire Suppression	161,810.10	3.74
Division 22 - Mech/Plumbing	587,835.00	13.59
Division 23 - Heating, Ventilating & Air Conditioning	683,736.00	15.80
Division 24 - Test and Balancing	21,631.50	0.50
Division 25 - Temperature Controls	194,683.50	4.50
Division 26 - Electrical	887,069.00	20.50
Division 27 - Communication	129,789.00	3.00
Division 28 - Electronic Safety and Security	40,000.00	0.92
Division 31 - Earthwork	459,663.00	10.62
Division 32 - Exterior Improvements	455,365.24	10.53
Division 33 - Utilities	260,350.45	6.02
Sub Total Construction	7,970,677.36	184.24
General Requirements	557,947.42	
Design & Bid Contingency - 3%	239,120.32	
Construction Contingency - 3%	239,120.32	
Salt Storage Building Hoop Design	350,000.00	
Sub Total	9,356,865.42	216.28
SAC/WAC Fee	TBD	
Building Permit	45,000.00	
Construction Management Fee	224,564.77	
Architect/Engineering Fee	818,246.57	
CONSTRUCTION COST TOTAL	10,444,676.75	241.42
OWNER ITEMS		
Land Costs	TBD	
Electric Utility To Site	TBD	
FFE (Furniture, Fixture, & Equipment)	TBD	
BASE PROJECT TOTAL	10,444,676.75	241.42
* ESTIMATE DOES NOT INCLUDE ANY LEED CERTIFICATIONS.		
* BASE PROJECT TOTAL DOES NOT INCLUDE COSTS FOR INCIDENTALS TO ONGOING GOVERNMENT OPERATIONS THAT NEED TO BE ACCOUNTED FOR DURING PHASING AND DISRUPTION OF PROJECT.		
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* ESTIMATE IS BASED OFF OF THE COMPETITIVE BID MARKET.		

MILLE LACS COUNTY PUBLIC WORKS - CONCEPT SCHEDULE 12-15-2020



MILLE LACS COUNTY



EST. 1857



MILLE LACS COUNTY, MINNESOTA

RESOLUTION NO. 12-29-2020-02

**A RESOLUTION APPROVING A LOCAL SALES TAX AND
AUTHORIZING ACTIONS TO BE TAKEN BY THE COUNTY IN
CONNECTION WITH SUCH TAXES**

BE IT RESOLVED By the Board of Commissioners (the "Board") of Mille Lacs County, Minnesota (the "County"), as follows:

1. The County has several proposed projects and improvements the capital and operating costs of which cannot be adequately funded with existing resources. The County desires to submit a proposal to the Minnesota Legislature to allow the County to propose a 0.5% local sales tax to be imposed on the gross receipts from retail sales in the County. The proceeds of the sales taxes would be used to pay the capital costs of constructing the projects described below.

2. Minnesota Statutes, Section 297A.99 provides, in part, that a political subdivision may impose a local sales tax if permitted by special law and if approved by the voters of the political subdivision, and that before a governing body requests legislative approval of a special law for a local sales tax, the governing body must adopt a resolution indicating approval of the tax. The resolution must also provide the following: the proposed tax rate; how the revenues will be used; documentation of the regional significance of each project, including the share of the economic benefit to or use of each project by persons residing, or businesses located, outside the jurisdiction; the total revenue that will be raised before the tax expires; and the estimated length of time the tax will be in effect.

3. The Board hereby approves a local sales tax in the amount of 0.5%, if approved by the voters of the County.

4. The revenues derived from imposition of the sales tax will be used to pay the capital costs of constructing a public works building.

5. The public works building has regional significance due to the fact that the County completes plowing and road maintenance in all seven counties that are adjacent to the County through mutual aid agreements or similar agreements. In addition, the County is a party to various mutual aid agreements with the State of Minnesota to conduct road maintenance and plowing on state roads located outside the County.

6. The total revenue that will be raised before the sales tax expires is estimated to be \$10,000,000 for the length of time the sales tax will be in effect. The sales tax will be in effect until the capital and operating costs of the projects referenced above are paid or ____ years after imposition of the sales, whichever is earlier.

7. The Administrator of the County is hereby authorized to take all actions which the Administrator determines to be necessary or appropriate, and in accordance with applicable laws of the State of Minnesota, to prepare and submit to the Minnesota Legislature for enactment a special law authorizing the local sales tax referred to in this resolution.

Approved by the Board of Commissioners of Mille Lacs County, Minnesota this 29th day of December, 2020.



Roger Tellinghuisen
County Board Chairman



Pat Oman
County Administrator

ML240-9 (JAE)
695292v.1

MILLE LACS COUNTY, MINNESOTA

RESOLUTION NO. 12-29-2020-02

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Approved by the Board of Commissioners of Mille Lacs County, Minnesota this 29th day of December, 2020.



Roger Tellinghuisen
County Board Chairman



Pat Oman
County Administrator

ML240-9 (JAE)
695292v.1

UNIVERSITY OF MINNESOTA

University of Minnesota Extension

Center for Community Vitality

*405 Coffey Hall
1420 Eckles Avenue
St. Paul, MN 55108-6068
612-624-2811
612-624-7165
www.extension.umn.edu*

February 9, 2016

To: Pat Oman
Mille Lacs County Administrator

From: Liz Templin
Extension Professor, Community Economics

Bruce Schwartau
Retail Trade Program Manager and
Community Economics Program Leader

Re: Estimate of Local Option Sales Tax paid by Residents of Mille Lacs County,
MN

Per your January 19th request, this memo outlines our estimate of the total tax that might be raised by a Local Option Sales Tax (LOST) dedicated to designated highway projects and the percentage of that tax likely to be paid by permanent county residents as compared with visitors.

Bruce Schwartau has completed similar estimates for other communities considering a LOST. This is in addition to over 200 retail analysis reports he has completed in the last decade.

In preparing this analysis, we used 2013 sales tax data, the most current available from the Minnesota Department of Revenue.

Total Tax Collected

There are two sources of LOST revenue: 1) the taxable sales made by businesses in the county and 2) the taxable items delivered to Mille Lacs County addresses. This analysis estimates the LOST revenue made by businesses in the county because sales data are available.

In 2013, there were over \$159.5 million in taxable sales made in Mille Lacs County businesses. This includes over \$128 million in retail and service sales and nearly \$31 million in other businesses (detailed in the non-retail sales section below).

A simple calculation of 0.5 percent suggests that about \$797,500 in local sales tax would have been collected in 2013. The trend in Mille Lacs County through 2013 had been an increase each year of \$10 million in taxable sales. That means a \$50,000 increase in the tax collected each year IF the trend continues. Therefore, estimated revenues for full year 2016 would be nearly \$950,000. We suggest, however, using a range of \$900,000 to \$950,000 for planning purposes until a pattern is established.

Businesses and residents that order taxable items to be delivered to a Mille Lacs County address will be charged the LOST even though it wasn't purchased from a Mille Lacs County business. If a business purchases supplies in another county and brings it to Mille Lacs County themselves, they need to submit a use tax unless the county where the purchase was made had a LOST (the Minnesota Department of Revenue Fact Sheet 164 lists locations with local sales tax). Until you have a LOST history, a reasonable estimate is \$1 million total taxable sales, resulting in about \$5,000 in LOST revenue.

Retail and Service Sales Methodology

Using the 2013 actual sales made by the 530 Mille Lacs County retail and service businesses reported to the Minnesota Department of Revenue, we made the following adjustments:

- Potential sales: This estimated the total retail and service sales based on the year round population of the county. This was calculated by multiplying the county population by the Minnesota average per capita sales and adjusting for county income.
- Adjusted Potential sales: This narrowed expected sales to ones made in the county by residents. Adjustments were made for the percent of rural per capital sales compared to the state average. (For example, there are more clothing sales in Twin Cities than rural counties, suggesting that residents travel to metro areas for some clothing shopping or metro residents spend more per capita on clothing.)
- Variance: Spending by visitors was estimated by subtracting adjusted potential sales from actual sales.

The resulting estimated retail and service sales to non-residents of \$38.4 million, calculated by totaling the variance in all retail categories except accommodation. Because accommodation businesses almost exclusively host visitors, we added 100% of their sales as coming from non-residents (accommodations sales account for 7.6% of retail and service sales in Mille Lacs County).

Seasonal residents of Mille Lacs County occupy 14% of your housing. Sales to these residents are already calculated in the numbers we are providing. Where actual sales were less than the adjusted potential sales, we estimated and added 3% of the actual sales coming from seasonal residents.

Non-Retail and Service Sales Methodology

We estimate 90% of the taxable sales in crop production, construction, manufacturing and wholesale trade are made to non-residents. These categories generated nearly \$30.8 million in total taxable sales in 2013, with an estimated \$27.7 million coming from non-residents.

The other non-retail or services taxable sales are in categories like truck transportation, real estate, and health care. We estimated 25% of sales in those categories are to non-residents. Total taxable sales in those categories in 2013 totaled nearly \$4.7 million for an estimated \$1.2 million in non-resident sales.

Best Estimate of LOST Collection from Residents and Non-Residents

Taking the factors listed above along with the experience of community economics team members, a reasonable estimate for the sales tax collection from people and businesses that are not in Mille Lacs County on a permanent basis is 42 percent or \$335,000.

Therefore approximately \$462,500 of a local sales tax would have been collected from residents in 2013. Using the 2013 county population number of 25,817 residents, this calculates to \$18 per year-round resident. To account for a reasonable margin of error of 10%, we estimate the upper amount at \$20 per year-round resident in 2013.

Impact on Mille Lacs County Sales

Records available from the Minnesota Department of Revenue website shows the tax collected from 23 Minnesota jurisdictions that have enacted some type of local sales or use tax within the last ten years. Most of these jurisdictions show continued sales growth.

Conclusion

Based on the above calculations, a conservative estimate of LOST revenue in 2017 would be \$900,000 - \$950,000. Our analysis suggests 58% would be paid by residents, and 42% by visitors.

CROSS-JURISTICTIONAL MAINTENANCE AGREEMENT
BETWEEN CROW WING COUNTY AND MILLE LACS COUNTY

This Agreement is made and entered into this day of December 15, 2015, by and between the County of Crow Wing, a political subdivision of the State of Minnesota, 326 Laurel Street, Brainerd, Minnesota, 56401, hereinafter referred to as "Crow Wing", and the Mille Lacs County Board of Commissioners, 635 2nd Street SE, Milaca, MN 56353, a political subdivision of the State of Minnesota, as represented by its Department of Public Works, 565 8th Street NE, Milaca, MN 56353, hereinafter collectively referred to as "Mille Lacs"

WHEREAS, in 1982 Crow Wing agreed to perform routine snowplowing operations to 1.1 miles of Mille Lacs CSAH 25/460th Street in Mille Lacs east of the Mille Lacs/Crow Wing county line to State Highway 169; and,

WHEREAS, for the snowplowing operations performed, Crow Wing currently invoices Mille Lacs on a monthly basis at a time and material rate; and,

WHEREAS, it is in the best interest of both entities to collaborate in a manner that improves efficiency and level of snowplowing services provided to the residents of Crow Wing and Mille Lacs Counties.

WHEREAS, Crow Wing and Mille Lacs wish to mutually agree on the maintenance of Mille Lacs CSAH 25/460th Street: and,

NOW THEREFORE Crow Wing and Mille Lacs agree to the following:

1. SNOWPLOWING

Snowplowing on the portion of CSAH 25/460th Street described in Attachment A and depicted in Appendix B shall be performed by Crow Wing by plowing as needed and depositing the snow into the road ditch. Adequate salt/sand application shall be placed by Crow Wing after the road is plowed when determined to be necessary to improve traction.

The road shall be inspected periodically and if any concerns or inherent problems are discovered that could lead to damage either entity reserves the right to inform the other entity of the concern, giving either entity time to correct or mitigate the concern or problem. Crow Wing reserves the right to refuse or suspend operations if the concern or problem could lead to damage or jeopardizes safety.

The level of service provided by Crow Wing to Mille Lacs roads shall be the same as to similar roads of equal function in close proximity to those listed in this agreement.

2. COSTS

Crow Wing shall invoice Mille Lacs monthly for snowplowing operations, at a time and material rate.

3. EXCLUSIONS

Maintenance does not include engineered construction or road reconstruction. Mille Lacs will not be responsible for repair of damage caused by Crow Wing.

4. **TERM**

This Agreement shall remain in effect until May 1, 2020. At that time the terms of this agreement will be reviewed and, if necessary, modified to suit the current conditions.

5. **TERMINATION**

Either entity may terminate this agreement by providing a 30 day written notice to the other party. Upon termination, Crow Wing will invoice Mille Lacs for snowplowing from the prior January 1st until the day of termination. Payment of said invoice will be due 60 days from invoice date.

6. **NOTICE/AUTHORIZED REPRESENTATIVE**

The authorized representative for Crow Wing is the Crow Wing County Engineer or their designee. The authorized representative for Mille Lacs County is the Mille Lacs County Engineer or their designee. Such representatives shall have the final authority for acceptance of any services. For purposes of delivery of any notices hereunder, the notice shall be effective if delivered to the Crow Wing County Engineer, 16589 County Road 142, Brainerd, Minnesota, 56401, on behalf of Crow Wing County, and the Mille Lacs County Engineer, 565 8th Street NE, Milaca, MN 56353, on behalf of Mille Lacs County.

7. **INDEMNIFICATION/INSURANCE**

Crow Wing and Mille Lacs mutually agree to indemnify and hold harmless each other from any claims, losses, costs, expenses or damages resulting from the acts or omissions of the respective officers, agents, or employees relating to activities conducted by either party under this Agreement where such claims are not based on negligence. Each party agrees that in order to protect itself including their commissioners, officers, employees, and agents and indemnify the other under this indemnity agreement provision, to, at all times during the term of this agreement, have and keep in force the insurance coverage(s) at limits no lower than the limits set forth in MN. Stat. § 466.04 or as may be amended. Adequate, or otherwise required, insurance coverage obtained through the Minnesota Counties Intergovernmental Trust satisfies the insurance requirements of this section.

8. **AUDIT CLAUSE**

Pursuant to MN. Stat. § 16C.05, Subd. 5 (or as amended), Crow Wing agrees that the books, records, documents, and accounting procedures and practices that are relevant to the contract or transaction, are subject to examination by Mille Lacs County and either the legislative auditor or the state auditor, as appropriate, for a minimum of six years.

9. **ENTIRE AGREEMENT**

It is understood and agreed that the entire agreement of the parties is contained herein and that this Agreement supersedes all oral and previous written agreements and all negotiations between the parties relating to the subject matter hereof, as well as any previous agreement presently in effect between the parties to the subject matter hereof. Any alterations, variations, or modifications of the provisions of this Agreement shall be valid only when they have been reduced to writing and duly signed by the parties. This constitutes the entire agreement between the parties with respect to its subject matter and constitutes and supersedes all prior agreements, representations and understandings of the parties, written or oral.

10. PURPOSE

The purpose of this Agreement is to establish a clear set of responsibilities and expectations with respect to the future road snowplowing operations of Mille Lacs CSAH 25/460th Street. This agreement updates and formalizes the long standing agreement between Crow Wing and Mille Lacs.

11. BACKGROUND

Prior to this agreement there was a letter written by Mille Lacs Engineer Richard Larson to Crow Wing Engineer Duane Blanck (*See Attachment C*) asking Crow Wing to perform snowplowing on Mille Lacs CSAH 25/460th Street. Both parties have proceeded with the understanding that Crow Wing performs snowplowing operations only on Mille Lacs CSAH 25/460th Street from the Mille Lacs/Crow Wing county line east to State Highway 169 (*See Attachments A & B*).

IN WITNESS WHEREOF, the parties of this Agreement have hereunto set their hands on the dates written below:

COUNTY OF CROW WING

COUNTY OF MILLE LACS

By: _____

By: _____

Crow Wing County Board Chairperson

Mille Lacs County Board Chairperson

Date: _____

Date: _____

By: _____

By: _____

Timothy Bray, P.E.
Crow Wing County Engineer

Pat Oman
Mille Lacs County Administrator

Date: _____

Date: _____

ATTEST:

ATTEST:

APPROVED:

APPROVED:

By: _____

By: _____

John Sausen
Asst. Crow Wing County Attorney

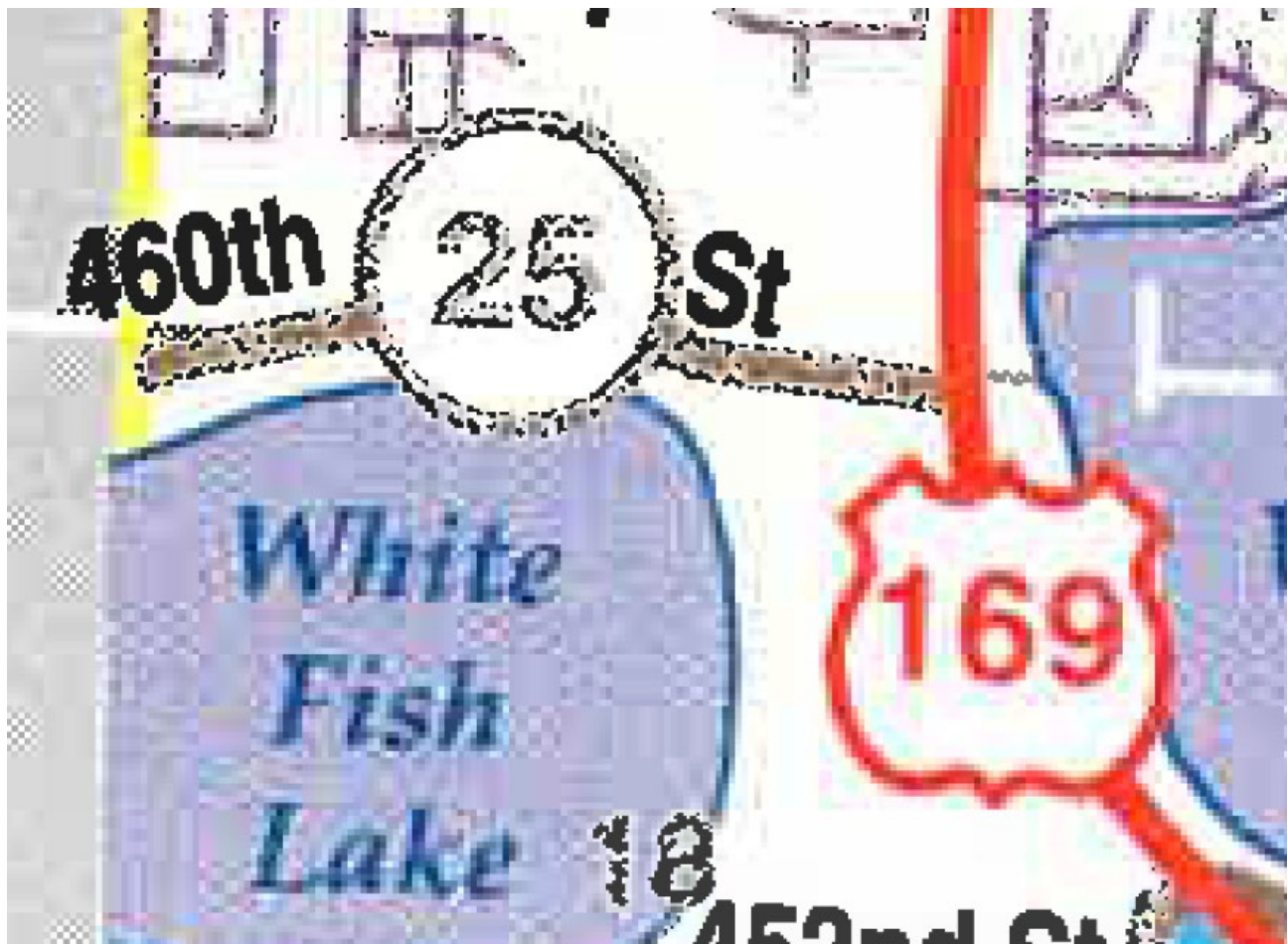
Joe Walsh
Mille Lacs County Attorney

Date: _____

Date: _____

Mileage Chart

Road	Total Road Mileage	Mille Lacs County	Crow Wing County
Mille Lacs CSAH 25	1.1 miles	1.1 miles	0 miles



DEPARTMENT OF HIGHWAYS
MILLE LACS COUNTY

665 - 8th STREET N.E.
P.O. BOX 95
MILACA, MINNESOTA 56353

RICHARD E. LARSON
COUNTY HIGHWAY ENGINEER
1-612-983-2561, Ext. 290

RLB

January 4, 1982

Duane A. Blanck
Crow Wing County Highway Engineer
Box 308
Brainerd, Minnesota 56401

Dear Duane:

Please plow the Pine Center Road (Crow Wing C.S.A.H. No. 2, Mille Lacs C.S.A.H. No. 25) to T.H. 169 in order to provide better service to the motorists using the road. It appears your crew is in the area much quicker than ours and the unplowed section of road has caused some problems. As I discussed with Bob on January 4, 1982 you can bill us for this work.

Thanks,

Richard Larson

Richard Larson
Mille Lacs County Highway Engineer

RCL:tmw



AN EQUAL OPPORTUNITY EMPLOYER

MILLE LACS COUNTY, MINNESOTA, PUBLIC WORKS DEPARTMENT
BRIEF OF ACTIVITIES, COMMENTS AND RECOMMENDATIONS
Year Ended December 31, 2019

Spring Load Restrictions

Mille Lacs County followed the lead of the Minnesota Department of Transportation with respect to posting and removing spring load restrictions. Restrictions were placed on March 19, 2019 and removed on May 14, 2019. There was one Exception CR 126 was extended to June.

CONTRACT SERVICES FOR OTHER PUBLIC ENTITIES

In 2019, Mille Lacs County continues to share services with four of our neighboring counties: Crow Wing, Sherburne, Kanabec, and Benton.

Crow Wing County provides snowplowing services on a portion of CSAH 25 for a fee. Mille Lacs County and Sherburne County trade responsibilities on two roadways near the common county line for mutual benefit of both counties. Mille Lacs County provides snowplowing and roadside mowing services for a fee to Kanabec County. Mille Lacs County and Benton County trade maintenance responsibilities on a shared gravel road on the common county line.

WORK FOR OTHERS

The Public Works Department provides assistance to neighboring counties and departments within Mille Lacs County. The services are provided at no charge; a summary is listed below:

Milaca Township/City	1.50	Hrs
Sherburne County (plowing and sanding)	29.00	Hrs
County Surveyor (assist finding section corners, setting monuments, and surveying)	874.00	Hrs
Historic Courthouse (plowing, pothole patching, crackfilling, install signs & posts, equip repair)	212.75	Hrs
Snowplow Cemeteries	4.00	Hrs
911 Address Sign Posts (Land Services Office)	23.50	Hrs
Soo Line Bike Trail (beaver dams & clean culverts)	33.50	Hrs
Fleet Car Maintenance	92.75	Hrs
Work for Others Total Hours --	1271.00	