

POLK COUNTY Newsletter

June 1998

County battling budget problem

In an attempt to balance operating expenses with its revenues, Polk County has slashed more than \$1 million from the individual department budgets for 1998. In addition, more than \$300,000 in maintenance and construction work on county roads has been put on hold for at least one year.

The cuts were made by department heads in response to a request by the County Board for a 10 percent reduction in expense budgets. The action is the first step toward ending several years of deficit spending that has extensively reduced the county's reserves.

A practice of using reserves to fund increased county operating costs began in the early 1990s during a period of depressed farm prices. "Because of the farm economy at that time, the board was looking for a way to pay for the normal increases in operating costs without raising taxes," veteran board member and current Board Chairman Don

Bakken relates. "There was one year in which taxes were actually reduced and a couple other years in which they were raised only one or two percent.

"Unfortunately, the farm situation didn't really change and the practice of deficit-spending was continued rather than institute a tax increase that would catch up to the cost of operations. As a result a significant gap has developed between the cost of operating the county and the revenues that are collected from real estate taxes and other sources," Bakken says.

"The problem is complicated by the fact that our reserves have been spent down to the point where we can no longer use those funds to make up the difference," he adds.

The full severity of the situation became evident earlier this spring when final numbers from operations in 1997 became available. According to Auditor-Treasurer Gerald Amiot,

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Adjustments made in county service fees

As a part of its ongoing budget-balancing effort, the fees for many Polk County services have recently been reviewed and adjusted.

"Many of these fees hadn't been changed in years and, in view of our current financial squeeze, it was a good time for them to be reviewed," County Board Chairman Don Bakken says. "The board asked all departments that charge fees for their services to review those fees and make recommendations for changes. In many cases, the increases that were approved were way over due."

In addition, the County Board is working with the County Auditor-Treasurer to enforce the collection of "gravel taxes." These are taxes levied on the removal of aggregate materials from pits in the county. Dave Goosen, who retired last fall as the county's road maintenance supervisor, has been retained to head up this program.

Measures are also being taken to have other county services become self-sufficient. These areas include the solid waste-recycling programs and the maintenance of the county ditch system. Stories explaining those efforts are inside this newsletter.



Judge Russell A. Anderson

Judge Anderson chosen for State Supreme Court

Polk County District Judge Russell A. Anderson will join the Minnesota State Supreme Court on Sept. 1.

Judge Anderson, who has been a district judge for the past 16 years, was recently appointed by Gov. Arne Carlson to succeed retiring Justice Esther Tomljanovich on the state's highest court.

A native of Bemidji, Anderson received a bachelors degree at St. Olaf College in 1964 before earning a law

degree at the University of Minnesota in 1968. He also has an advanced legal degree from George Washington University. Anderson served in the Judge Advocate General's Corp in the Navy from 1968 until 1976. He became the Beltrami County attorney in 1978.

Judge Anderson is the recent past chief justice of the 9th Judicial District. He and his wife, Kristin, live in Fertile where she is superintendent of the Fertile-Beltrami Schools. They have three grown children.

Buy-outs of flood-damaged rural homes continuing

"Buy-outs" have been completed for 11 of the 24 rural Polk County homes (as of June 1) that were "substantially" damaged by the flood of 1997.

Buy-outs of the remaining 13 homes eligible for the voluntary program is expected to be completed by late fall, according to Jon Steiner, Polk County planning and zoning director.

Fall is also when demolition of the homes is to begin. The demolition project is expected to be completed in the spring of 1999. "This work will be done township by township as a way to save money," Steiner says. "That way we won't have to send contractors all over the place; they will be able to work their way from place to place."

While the buy-out program in Polk County has not moved as fast as the program in East Grand Forks, Steiner says, it is well ahead of buy-out programs in other counties. Appraisals for all eligible homes have been completed and owners have received buy-out offers, he notes.

The buy-outs have been financed up-front by a \$125,000 advance from the Minnesota Department of Natural Resources (DNR) and by the use of \$150,000 from the county's general fund. This money revolves as drawdowns are received for the individual buyouts as they are completed.

Funding for the buy-out program comes through three Minnesota agencies: The Department of Emergency Management (75%), Department of Trade & Economic Development (12.5%), and DNR (12.5%). The program is supervised by the Federal Emergency Management Agency (FEMA).

Of the homes determined to be eligible for the program, six are in Hubbard Township and five each in Rhinehart and Grand Forks townships. The others include three in Esther Township, two in Huntsville, and one each in Bygland, Sandsville and Tynsid townships.

Local control lost in proposed drainage law

Several northwestern counties have become concerned about a proposed new drainage bill that was introduced late in the 1998 session of the legislature and is expected to resurface in 1999.

"This bill," according to Polk County Commissioner Rupert Syverson, "takes away much of the local control over drainage. It's something that could really be detrimental this area of the state."

The Minnesota Rural Counties Caucus (MRCC) discussed adverse features of the proposed law at a recent meeting in Bemidji. Polk County Commissioner Henry Vasek, who participated in that meeting, notes that one feature of the bill (House File 3882 and Senate File 3420) would allow key small landowner interests to control an entire drainage system.

The MRCC is watching further action and will be working to maintain the

County budget

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year-end totals showed that reserves had been depleted to a point where, if reduced further, the county would have cash flow problems. "We simply have to have these operating monies to get us through the periods when revenues are not coming in," he says. "And, if deficit spending is allowed to continue, we would soon be out of money, period."

While the deficit-spending practices contributed to the reduction of reserves, two other unforeseen factors are significant contributors to the problem. One is that natural disasters (the winter storms in 1995, 1996 and 1997 and the devastating flood of 1997) caused more than \$1 million in damages and unreimbursed expenses.

Even a bigger factor in the budget problem, however, have been the skyrocketing costs for out of home placement of juveniles. The cost of placing juveniles in treatment facilities or foster care homes because of behavioral problems or conditions in their homes has increased more than \$1.1 million in just the past three years.

In 1997, the total cost of the program was \$2.6 million. Of this \$2.6 million total cost, 72 percent (or \$1.9 million) is paid by county tax dollars. Many other Minnesota coun-

ties are experiencing similar cost increases.

Acting on a suggestion by Sen. Roger Moe, Polk County has begun working with the Minnesota Rural Counties Caucus and the Association of Minnesota Counties to initiate a significant change in the way the out of home placement program is funded. The goal is to have the state take over the program. Relief in this area cannot happen until 1999 at the earliest, however, which would leave the county in a position of extensive budget-cutting for at least one more year.

Further complicating the current budget problem is the fact that all county wage contracts have expired and must be renegotiated this year. "We have good employees who have put in a lot of extra effort as a result of storms and the flood. They have really worked hard and they deserve a meaningful settlement," Bakken says.

This year's round of budget reductions was accomplished without eliminating any jobs but that isn't likely to repeat itself if a second round of cuts is needed. "We're in a position now where we have to make expenses and revenues balance," Bakken says. "We just don't have any choice. The board's attempt at avoiding a tax increase in years past, which at the time wouldn't have had to be very much, is really coming back to haunt us."



Kent Johnson

Johnson is county's new director of social services

Kent Johnson is Polk County's new director of social services. The appointment was made as a part of the County Board's June 2 meeting.

A native of Climax, Johnson has been a member of the agency for 14 years, including the past nine months as interim director. He succeeds Bill Kurpius-Brock, who resigned last August.

"As a Polk County native son, I feel a real commitment to the county and to the agency," Johnson says. "I'm looking forward to the challenges of the position and, by working with our very competent staff and service providers, I'm confident that

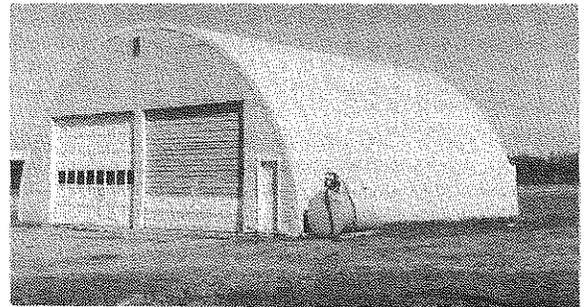
we can provide high quality services for county residents."

The son of Laurence and Muriel Johnson of Climax, Johnson earned a B.S. degree in management and marketing at Moorhead State University in 1984. He joined the Polk County social services agency the same year and served as a financial worker, child support officer, financial assistance supervisor and agency administrative assistant before being named interim director in August 1997.

Johnson and his wife, Fern (Gaalswyk of Erskine), live in Crookston. They have two sons, Khristopher, 7, and Evan, 3.

On the block

The former Polk County Highway Department building in Beltrami is expected to be put for sale to the public later this summer or fall. Originally constructed on tax-forfeited land that had been acquired from the State of Minnesota for "public purpose" use, the property must now go through the process of reverting to the tax-forfeited status before the county has the authority to sell it. The Department of Natural Resources is currently conducting its review of the property as a part of that process. When completed, County Auditor-Treasurer Gerald Amiot will advertise the property and set the sale date.



Polk to test use of ash waste in roads

Polk County Solid Waste Management has been awarded a \$52,842 matching grant to conduct a pilot project to test the use of waste combustor ash in the development of bituminous roads.

The Minnesota Office of Environmental Assistance (OEA) grant will be used to conduct tests on road surfaces created on the grounds of the Polk County Landfill near Gently. In the tests, ash from the incinerator in Fosston will be used in varying mixtures and methods as a gravel substitute in the production of asphalt.

Polk County's "match" responsibility includes \$19,092 in cash and \$33,750 "in kind" services, according to Bill Wilson, manager of the incinerator and coordinator of the project. He notes that Polk County intends to seek financial support from other counties and facility owners that will benefit from the information that is developed. Initial interest in providing support for the county's share of the project has been expressed by various private and public members of the Minnesota Resource Recovery Association.

Besides developing and testing ways to utilize ash in road materials, the project could have a major benefit for the cost of operating the county's landfill. The pilot project will use about 4,000 tons, or 80 percent of the 5,000 tons of solid waste ash produced annually at the incinerator. The use of this amount of ash for road construction would result in an extension of the life of the landfill while providing an estimated annual savings of up to \$100,000 in disposal and management costs of the incinerator, according to Wilson.

A part of the cost of preparing the ash for use will be for screening out the large components such as clinkers and "moon rocks."

"Our primary objective is to convince the Minnesota Pollution Control Agency (MPCA) that this usage is environmentally safe," Wilson says. And he wants to demonstrate to highway officials that asphalt made with ash will perform as well as conventional asphalt.

In the tests, Wilson will work with 10 other solid waste incinerator managers in the state to measure the environmental impact and performance of ash utilization. The Polk County Highway Department and the Minnesota Department of Transportation will participate in the project.

Ash utilization has been successfully tested and used in other areas of the United States in recent years but the most extensive use has been in Europe, Wilson says. The Netherlands uses 40 percent of its fly ash to make asphalt paving and more than 90 percent of its bottom ash for road base, embankments, concrete and asphalt products. Germany uses 60 percent of its waste-to-energy bottom ash as material for road base and highway sound barriers. France makes use of about 64 percent of its waste ash.

"Once the specifics of the environmental monitoring plan and performance plan have been developed and MPCA approval has been received, the project can proceed. We hope to have the test section installed yet this year," Wilson says.

Good news/bad news:

Road cuts are off-set by bridge funding

Polk County's 1998 road construction program has been finalized. Early discussions had included three small county funded projects. However, these were deferred as a result of the financial shortfalls that the county is experiencing.

The three county funded projects that were deferred involved CR 223, CR 231 and CR 243.

The good news is that the Minnesota Legislature authorized the state to sell bonds for replacing local bridges. The bond amount that was approved for the 1998-99 biennium for this purpose was \$34 million. It appears that Polk County will be able to utilize an estimated \$418,000 this year alone. We had been tentatively allocated approximately \$435,000 for the biennium. It is a possibility that other counties will experience difficulty in developing plans for projects. Therefore, we are proceeding with the preparation of additional project plans in hopes of benefiting from the inability of other counties to get timely approval of their plans.

The road projects that have been advertised and awarded or are approved are as follows:

- **CSAH 1** — 10.5 km, grade widening, surfacing and shouldering, \$1,277,000.
- **CSAH 19 etc.** — 9.7 miles, surfacing and shouldering, \$1,141,000.
- **CSAH 20** — 2 miles, bituminous overlay and shouldering, \$127,000.
- **CSAH 51** — 4.1 miles, grading.
- **CSAH 73** — 1.0 mile, aggregate base and bituminous surfacing, \$144,000.
- **CSAH 70 etc.** — 5.0 miles, aggregate base, shouldering and bituminous surfacing, \$698,000.

We have also awarded contracts for hauling our maintenance gravel, stockpiling aggregate for future maintenance graveling and our annual seal coat project.

— Roger Diesen, County Highway Engineer



Colleen Kaste

Kaste is Polk County accounting officer

Colleen Kaste will complete her first year as the Polk County accounting officer in July. Before coming to Polk County, Kaste had worked at the Lutheran Brotherhood office in Crookston for a year and for American Insurance West, Grand Forks, for three years.

She succeeded Deb Blackburn, who after eight years with Polk County, moved to Badger to become the accountant for the Badger Public Schools.

The daughter of Harlow and Gloria Johnson, Thief River Falls, Colleen graduated from Moorhead State University in 1992. She has bachelors degrees in both finance and business administration.

Colleen and her husband, Garth, and their 18-month-old daughter, Cynthia, live near Fertile where Garth farms.

Polk County Board of Commissioners

Don Bakken, Fertile (Chairman)
Warren Strandell, East Grand Forks
Lyle Eisert, Crookston
Rupert Syverson, McIntosh
Henry Vasek, Warren

The board meetings are held at:

- 8:30 a.m. on the first Tuesday
- 1:20 p.m. on the third Tuesday
- 8:30 a.m. on the fourth Tuesday

Meetings are open to the public. For special accommodations or to request a spot on the agenda, call John Schmalenberg, Polk County coordinator, 281-5408.

Amendment could aid county tax losses

If an amendment to the Omnibus Tax Bill works as it was intended, the share of Polk County property tax derived from the tax capacity that was lost when properties were destroyed or damaged in the flood of 1997 will not be "shifted" to the properties that were not damaged.

The provision calls for the State of Minnesota to make up the difference in lost tax collections for a period up to three years while rebuilding takes place. To qualify, for this state support, however, the total value of property destroyed by a disaster must exceed five percent of the county's tax

capacity.

The amendment was guided through the Tax Committee by State Rep. Edgar Olson and it had strong support from the entire northwestern Minnesota delegation of Senate Majority Leader Roger Moe, Sen. Leroy Stumpf and Reps. Tim Finseth, Bernie Lieder and Jim Tunheim.

The flood destroyed more than 500 homes and commercial properties in East Grand Forks and along the Red River while damaging many more. Lost in the process was more than \$58.5 million in real estate value.

'Out of home placement' costs jump \$1.1 million in 3 years

The cost of juvenile out-of-home placements in Polk County has increased from \$1.3 million in 1994 to \$2.4 million in 1997.

Of this cost, 7% was supported by state dollars, 11% by federal dollars and 72% by local dollars. In response to the increase in costs, the County Board directed Social Services, County Attorney's Office, Corrections, and Court Administration to address this complex issue and arrive at potential strategies to reduce cost and increase the services provided to children and families living in Polk County.

While it is expensive, providing these services is very important because it reduces the risk that more serious problems could develop later in life and become an even greater expense for society.

Representatives from Tri-County Community Corrections, Polk County Attorney's Office, County Coordinator, Polk County Social Services, Polk County Nursing, Polk County Sheriff's Department,

Public Defenders Office, Polk County Court Administration, Northwestern Mental Health Center, Fertile-Beltrami School District and Crookston School District have participated in focus group activity/or agency meetings. From these discussions, a report and list of recommendations were formed and presented to the County Board.

Recommendations include that the county develop:

- A truancy program that provides assessment, referral and support services to students and families from 1st through 12th grade levels.
- Comprehensive assessment process including health, corrections, social services, mental health, and schools that provides early identification and intervention for children who exhibit at-risk behavior.
- Consistent, three-tier screening process for all juvenile cases prior to recommendation to court for out-of-home placement.

• A jointly managed child care team operated in collaboration by social services and corrections to work with juveniles identified at high risk of placement.

• Additional capacity and support for family foster care homes and therapeutic foster homes in Polk County.

• Significantly increase the capacity of family-based services and a data base that maintains information on placement activity.

In addition, strong leadership and support is being sought from the Association of Minnesota Counties (AMC), the Minnesota Association of Social Services Administrators (MACSSA) and the Minnesota Department of Human Services (DHS) to reduce the cost of out-of-home placement to local taxpayers and expand services to support children and families.

— Kent Johnson, director, Polk County Social Services

New liquor ordinance is developed

Polk County's new liquor ordinance includes a number of additional requirements for a licensure along with increased license fees.

The ordinance, which was developed earlier this year by a committee of citizens and county officials, was approved by the County Board in April following a public hearing. No one appeared at the hearing to voice either support or objection to new rules.

Among the new requirements is that applications for the "rural" county licenses must include a resolution of support from the township in which the business is to be located. Should the proposed location be within two miles of an incorporated city, a resolution of support would be needed from that city council.

The new ordinance also includes minimum set-backs from property and road right-of-way lines along with a minimum separation of one mile from schools, churches, chemical storage tanks, feedlots and parks and of one-half mile from hospitals, clinics, and platted areas of 10 or more residential lots in rural areas.

Prohibited by the ordinance are activities such as exotic dancing, obscene performance, nudity and actual or simulated sexual conduct.

The new annual fee schedule for licenses includes: On-sale liquor, \$1,200; on and off-sale liquor, \$1,700; Sunday liquor, \$100; set-up license, \$25; wine license, \$100; malt liquor, \$100; off-sale beer license, \$25; on & off-sale beer license, \$125; and 1-7 day license, \$25. Club license fees are set by state statute.

Comparisons with other counties and consultations with the Minnesota Liquor Control Board were used in developing the new ordinance, according to Polk County Planning & Zoning Director Jon Steiner, who organized the effort.

Active members of the committee included: Citizens — Bob Rosenberg and RowAnn Larson, East Grand Forks; Jack Bailey, Erskine; Eileen Rue, Fosston, and Greg Widseth, Crookston. County officials were: Sheriff Doug Qualley; Attorney Wayne Swanson; Coordinator Jack Schmalenberg; Auditor Jerry Amiot; and Steiner.

Fosston Social Service office will move

The Fosston Social Services office will move to 116 East First St. on Aug. 1. The new location is just east of the Ben Franklin store.

The new office will have 2,300 square feet and has been completely remodeled. All social service programs will be provided by seven social service and income maintenance staff members who are permanently assigned to the Fosston office.

This relocation is part of a reorganization by Social Services and approved by the County Board to provide better access to more services at each local social service office.



The Fosston Social Services office will move to this building on Aug. 1

News notes from the Family Service Collaborative:

Truancy prevention identified as a primary need in helping at-risk kids

Note — The Family Service Collaborative (FSC) was organized to identify and work with children who might be at-risk for later problems in society. Currently operational in the Fertile-Beltrami School District, the collaborative hopes to become active next in the Crookston School District and later in all school districts in Polk County.

- The FSC has identified new federal funding sources to support prevention efforts at a community level in Polk County.

- In planning sessions, the schools, social service and mental health providers, Community Action Program agencies, and corrections staff have identified truancy prevention as a primary need in early prevention for at-risk families and children.

- By developing a method to get funding directly into local communi-

ties through school districts, the collaborative has initiated its first project in the Fertile-Beltrami School District. The Fertile Community Collaborative Council has representatives from the business community, school district social services, county nursing service, corrections, parents and the religious community.

Its first agenda item was to recruit and hire a part-time truancy prevention person to work with school building principals in the district in identifying early truancy issues and following up with families on strategies for healthy change. Funding for the project comes directly through the collaborative to district.

- The Crookston School District will be the next location for programming. It is hoped that each community in the county will have an identified Community Collaborative Council that will serve as oversight on projects

like the truancy program and will provide local plans for prevention activities. These councils will also work with juvenile justice issues to restore community involvement in preventing crimes in their communities.

- The Children's Mental Health focus group of the FSC has identified the CAFUS (a mental health assessment instrument) as the assessment tool that will be used for early identification and intervention efforts with youth at risk. Training for human service staff on use of the CAFUS has tentatively been set for June 11. Holly Arvig at Northwest Mental Health Center can be reached for further information on training.

- Recruitment for the collaborative staff person has been completed. The county expects a new coordinator to be on staff by July 1.

— Susan Mills, administrator, Tri-County Community Corrections



Parting Words

This home in the Sherlock Park area of East Grand Forks was used by its former occupants as a billboard to convey their final thoughts. About 500 homes (both in the city and along the Red River in rural Polk County) were destroyed by the flood of 1997, leaving many still without housing and greatly depleting the tax base for local government bodies.

Recycling can cut tax assessments for non-residential waste

Polk County's new non-residential solid waste fee assessments can be greatly reduced by recycling. The rates were a part of the 1998 tax statements that were mailed out in April.

The non-residential fee assessments were adjusted this year as part of the county's ongoing effort to make the solid waste program self-sufficient. Fees for residential properties were adjusted in 1997.

Recycling services are available both at the transfer station in Crookston and at the Polk County/Occupational Development Center (ODC) recycling facility in Fosston. Businesses interested in recycling can participate either on their own or by working with their respective commercial haulers.

One of the benefits of recycling, according to Jon Steiner, Polk County Environment Services interim administrator, is that the amount of burnable garbage used to determine the annual fee assessments is greatly reduced. "As a result," he says, "the fee assessment will be reduced... sometimes very substantially."

Among the most beneficial recycling practices is the separation out of cardboard from the normal garbage collection. Other more common recyclable items include office paper, magazines, newspaper and aluminum. Questions and assistance in practicing recycling can be addressed to the Environmental Services office at the Crookston transfer station, 281-6445.

Tax assessments to eliminate ditch fund deficits, provide for ongoing maintenance program

Following a recommendation by the State Auditor's Office, the Polk County Board of Commissioners recently reviewed its policy on assessments against county drainage systems.

In the past, assessments were placed against county ditch systems after actual expenses were incurred. With the amount of repair and maintenance required on county ditches in recent years, this has resulted in deficit balances in many county ditch accounts. In fact, according to the most recently completed State Auditor's Report (year ending Dec. 31, 1996), more than 100 systems in Polk County had deficit fund balances.

The recommendation from the State Auditor's Office reads:

"That the county improve the financial condition of the ditch systems by eliminating the individual ditch system fund cash balance deficits by borrowing from an eligible fund with a surplus cash balance, and by levying assessments pursuant to Minnesota Statutes 103E.735, subd. 1, which permits the creation of a repair fund to provide for the repair and maintenance costs of a ditch system."

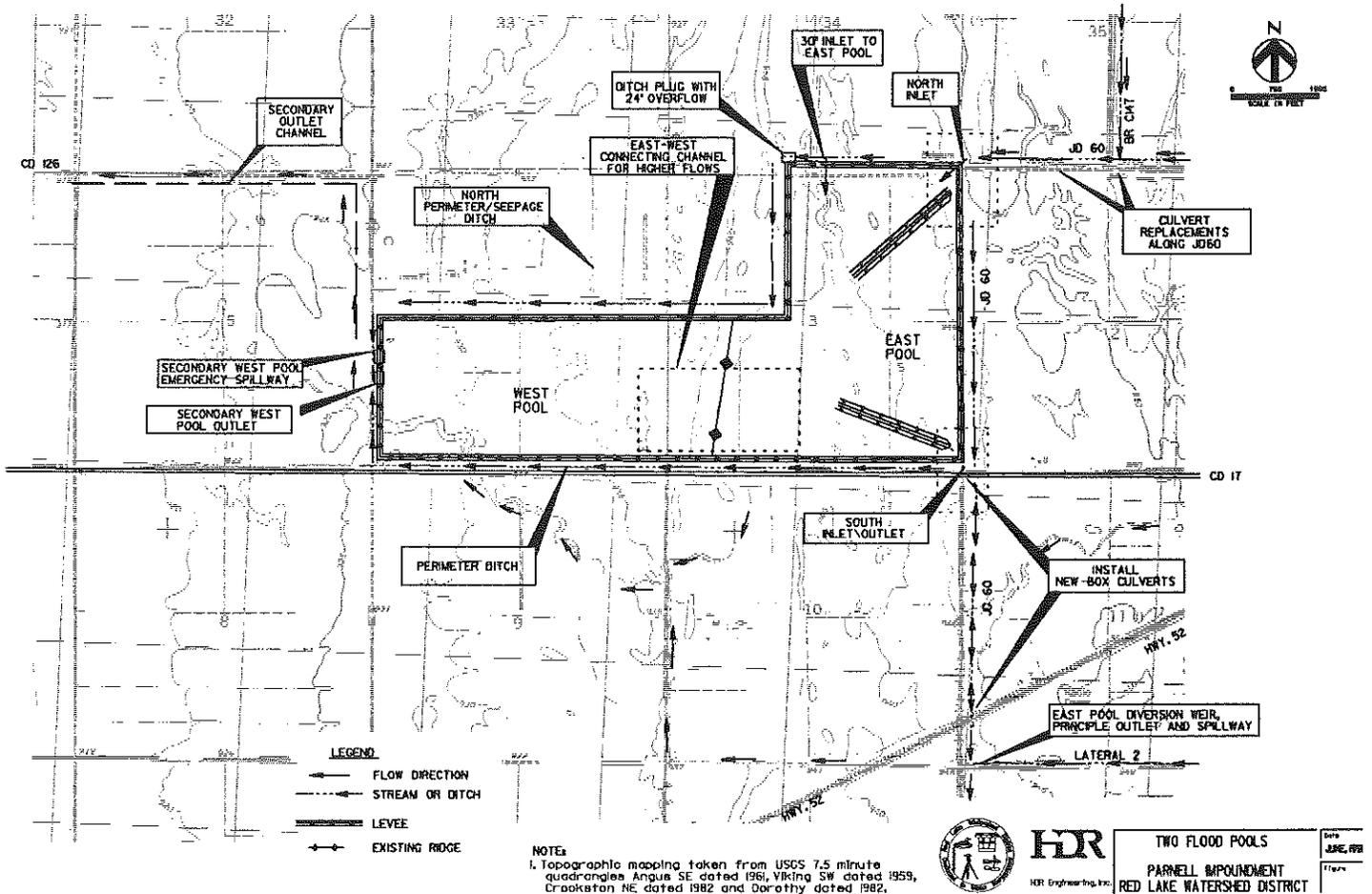
In recent years, temporary loans have been made to the various ditch systems with deficit balances from the county's General Revenue Fund. Due to the large number of ditch

accounts requiring a loan, this has caused a reduction of more than \$1.1 million in the General Revenue Fund balance.

After discussion of the problem at several meetings, the Polk County Board approved a repair fund assessment of \$1,000 per mile for each county ditch system. This is in addition to assessments for ditch system costs already incurred.

This change in county policy not only complies with the recommendation of the State Auditor's Office but also coincides with the policies of most counties in northwestern Minnesota.

— Gerald F. Amiot, Polk County Auditor-treasurer



The Red Lake Watershed District's Parnell Impoundment project will hold 3.26 inches of runoff in two storage pools

Parnell Impoundment...

Another little dam that could?

Last spring as the wall of sandbags placed on top of the dikes in Crookston was about to be overtopped, the gates on the Schirrick Dam on the Black River were closed and its flow into the Red Lake River was reduced by from 1,000 to 2,000 cubic feet per second.

Not a lot maybe... but Crookston officials say it was enough to save their city from the same fate that later befell East Grand Forks and Grand Forks.

By next spring, residents in Crookston, along with those in Greater Grand Forks and on many farms, too, will have one more water retention facility in place.

Funded and built by the Red Lake Watershed District, this new \$2.348 million facility — the Parnell Impoundment — is located in sections 3 and 4 of Parnell Township. It is designed to control water from the 23 square-mile drainage area that enters Judicial Ditch 60... both in the spring and from summer rain storms, too.

The impoundment can hold 4,000 acre-feet of water, or the equivalent of 3.26 inches of runoff. This water can be held in the impoundment's two storage pools and then drained off at a more opportune time.

In recent times, JD 60, which drains into the Red Lake River east of Crookston, has been overflowing every three to five years. These overflows have also contributed to flooding in County Ditches 126, 66 and 2, which run west toward the Red River. By storing the overflow water in the impoundment, problems in these ditches will also be reduced.

"Small control structures like the Schirrick Dam and the Parnell Impoundment are very important to controlling runoff," says Lowell Enerson, administrator of the Red Lake Watershed District. "More of these projects are needed. They would serve two purposes because they would reduce the flood potential in the spring and help save crops during the growing season."

Also under construction this year is the Parnell-Louisville Impoundment. It is located just south of the Parnell Impoundment and will provide similar runoff controls.

Other Red Lake Watershed District water control projects include impoundments on the Moose and Lost rivers and the Baird Beyer, Roy Abraham, Odney Flaot, Pine Lake, and Thibert-Knutson dams.