

City of Litkin

109 First Avenue NW • Aitkin, MN 56431 218/927-2527 • Fax 218/927-1834 www.ci.aitkin.mn.us

FEB 0 5 2013

MEMO January 17, 2013

Legislative Issues / Concerns

This memo and attachments are provided for your convenience, and to help make some points. Please feel free to contact Aitkin City Clerk Kathy Brophy for additional clarification, information, or any assistance.

Fiscal Disparities (FD)

I'm sure you are aware, but just by way of history, please allow me to summarize. A Fiscal Disparities pool was created for the Taconite Area in 1995, modeled after the only other one in the State of Minnesota, which is in the seven-county metropolitan area. 1998 was the first year that the Taconite Area contributed to the pool. Since that time, through 2011, Aitkin County commercial/industrial property owners have contributed a total of \$435,419.80 in fiscal disparities tax (see the enclosed spreadsheet). You can see that the Counties of Aitkin, Cook, Itasca, Lake, and Crow Wing have contributed substantial amounts to this program, with the County of St. Louis being the benefactor.

Basically, the FD tax is created by grabbing 40% of the growth in commercial, industrial, and public-utility tax capacity (using 1995 as the base year) and applying a different, higher tax rate. That portion of the tax is then sent to an administrator (in St. Louis County) who does various calculations to determine how the tax collected will be distributed back to the counties in the pool.

According to a report that was compiled in 2005 by the House Research Department, there was no purpose section in the law regarding the Taconite or Iron Range program, nor was the need for the program spelled out. The program was modeled after the seven-county metro area program; however there are huge differences between the Taconite area and the metro area. The concept of FD is to create a revenue-sharing program so that all communities in the pool benefit from development and growth in one community. However, in the Taconite area, the geographic area encompassed does not constitute an integrated regional economic sphere —

Legislative Issues/Concerns January 17, 2013 Page Three

Perhaps there should have been an opportunity in this case, and in any other case, for the local taxing authority to negotiate for payments in lieu of taxes. The City of Aitkin would support some legislature proposed that would address this issue in the future for all communities throughout the State.

Enclosures: Taconite Pool Breakdown 1998 – 2011

Fiscal Disparities paid by four separate parcels

January 2005 Report on Minnesota's Fiscal Disparities Programs

Fiscal Disparities Taconite Pool - 1998 - 2011

	Aitkin	Cook	Itasca	Lake	Crow Wing	St Louis	Kooch
1998	6,806.47	(37,432.59)	(22,961.29)	(566.88)	98.02	53,900.19	156.09
1999	(6,144.45)	23,775.32	(52,171.58)	117,135.52	4,369.84	(86,894.84)	(69.81)
2000	(10,812.38)	24,688.35	4,945.79	89,576.49	20,700.75	(129,031.16)	(67.84)
2001	(4,148.38)	27,390.72	40,668.15	108,784.71	39,869.26	(212,457.98)	(106.48)
2002	11,899.61	39,028.89	1,082.92	116,183.31	50,892.57	(219,004.21)	(83.09)
2003	18,972.19	38,932.11	(66,946.46)	76,607.59	73,976.98	(141,443.90)	(98.50)
2004	22,498.25	71,187.96	135,100.48	90.706,76	68,521.75	(395,122.26)	(93.25)
2005	34,544.35	102,509.55	89,182.74	115,377.55	90,768.23	(432,281.27)	(101.14)
2006	34,607.36	122,541.29	132,422.07	140,335.19	92,241.45	(522,053.94)	(93.42)
2007	37,941.29	149,961.80	90,072.16	182,794.96	115,754.72	(576,405.26)	(119.67)
2008	46.854.66	169,481.49	97,487.30	207,881.50	126,231.00	(647,810.75)	(125.20)
2009	69.870.23	159,180.21	172,485.09	203,645.96	113,197.95	(718,234.72)	(144.71)
2010	65,781.30	162,382.96	328,975.19	224,364.10	93,716.35	(875,138.12)	(81.77)
2011	106,749.30	200,908.69	28,335.25	284,449.10	94,793.80	(715,144.06)	(92.08)
Total additional taxes paid /					11		
(received)	435,419.80	1,254,536.75	978,677.81	1,964,476.18	985,132.67	(5,617,122.28)	(1,120.87)

RK Midwest Enterprises, LLP Lake States Lumber, Aitkin, MN 56431 Parcel ID# 56-0-159801 Industrial Preferred Class Code Lumber Manufacturing Plant

Tax Year	Total Tax	FD Portion	w/o FD	Difference
2011	14,416.00	2,879.22	2,110.61	768.61
2010	13,344.00	2,060.64	1,458.39	602.25
2009	13,828.00	2,242.93	1,721.30	521.63
2008	14,084.00	1,604.28	1,185.68	418.60
2007	15,338.00	1,683.45	1,408.94	274.51
2006	16,108.00	1,813.62	1,567.71	245.91
2005	16,726.00	2,001.04	1,720.62	280.42
2004	17,654.00	1,364.41	1,196.24	168.17
2003	15,360.00	1,392.77	1,006.10	386.67
2002	15,822.00	761.72	429.81	331.91
2001	20,134.00	241.71	203.15	38.56
Total Additional Tax				
paid due to FD				4,037.24

Aitkin Iron Works 301 Bunker Hill Drive Aitkin, MN 56431 Parcel ID# 56-1-179400 Industrial Preferred Class Code Iron Manufacturing Plant

Tax Year	Total Tax	FD Portion	w/o FD	Difference
2011	91,898.00	18,353.88	13,453.64	4,900.24
2010	84,416.00	13,034.39	9,224.78	3,809.61
2009	83,586.00	13,572.19	10,415.36	3,156.83
2008	85,128.00	9,710.00	7,176.17	2,533.83
2007	92,986.00	10,220.02	8,553.96	1,666.06
2006	97,666.00	11,005.62	9,513.05	1,492.57
2005	101,428.00	12,141.24	10,440.26	1,700.98
2004	107,278.00	8,290.29	7,268.27	1,022.02
2003	93,356.00	8,468.28	6,117.57	2,350.71
2002	98,224.00	4,724.92	2,666.23	2,058.69
2001	126,412.00	1,521.29	1,278.64	242.65
Total Additional Tax		70		
paid due to FD				24,934.19

January 2005

Minnesota's Fiscal Disparities Programs

Twin Cities Metropolitan Area and Iron Range

This publication provides an overview of the state's two taxbase sharing programs, providing information on their backgrounds, policy rationales, program mechanics, redistributive effects, and tax burden impacts.

Contents

Introduction1
The Twin Cities Metropolitan Area Fiscal Disparities Program3
Development of the Metropolitan Area
Fiscal Disparities Program: What Is Its Purpose?
How Does the Fiscal Disparities Program Work?7
Growth in the Fiscal Disparities Program
2001 Property Tax Reform 19
Impact of Fiscal Disparities on Tax Burdens
Changes in the Fiscal Disparities Program
Policy Issues
Iron Range Fiscal Disparities Program35
Why Iron Range Tax-Base Sharing?
Growth in Program
Appendix A: Pictorial Illustration of Fiscal Disparities40
Appendix B: Fiscal Disparities Calculations for a Hypothetical City Without the One-Year Lag43
Appendix C: Growth of Metro Areawide Tax Base48
Appendix D: Metro Areawide Tax Rate and Growth in Areawide Tax49

Introduction

In 1971, the state of Minnesota instituted a program of commercial-industrial tax-base sharing within the Twin Cities metropolitan area. While the program is most often referred to by its nickname, the fiscal disparities program, the official statutory name of the program is the Charles R. Weaver Metropolitan Revenue Distribution Act. Although the concept of tax-base sharing has been discussed in policy and academic circles for many years, Minnesota's implementation is unique within the United States and may be unique worldwide in terms of the geographic area covered and the amount of tax base that is shared. In 1995, a parallel program was established on the Iron Range of northeastern Minnesota.

This report is a primer on Minnesota's two tax-base sharing programs. It is intended for use by at least two different groups of people: those affected by the programs who would like a better understanding of how the programs work, and those in other parts of the state, elsewhere in the United States, or other places in the world who have heard about Minnesota's tax-base sharing program and would like to learn more about it.

In trying to provide some background to these two diverse audiences, the report briefly covers many topics. The report:

- provides some background on the geographic area(s) covered by the program(s), including demographic and economic data;
- discusses the policy rationale(s) for the program(s), and even more briefly, aspects of the program currently being debated in the policy arena;
- · describes in some detail the mechanics of the program;
- provides historical and current data on the redistribution that actually takes place under the program (i.e., the "winners" and the "losers"); and
- looks at the impact of the program on tax burdens by simulating the property tax system in the absence of fiscal disparities (metro program).

Although the report describes the two programs separately, because the Iron Range program is patterned so closely after the metro program, those portions on how the program works are included only in the section describing the Twin Cities metropolitan program, but are applicable to both.

Development of the Metropolitan Area

The Twin Cities metropolitan area of today is quite different from that of the late 1960s and early 1970s when the fiscal disparities program began. Many of these differences result from demographic and developmental factors predicted by planners; many more are due to unforeseen factors.

Table 1:
Total Population of Metro Area by Type of Location:
1970 and 2002

	1970 Population	% of Total	2002 Population	% of Total
Central Cities (Mpls./St. Paul)	744,300	39.7	670,700	24.8
Inner Ring	527,200	28.2	510,000	18.9
Developing Ring	432,600	23.1	1,086,000	40.2
Outlying Area	168,600	<u>9.0</u>	<u>438,100</u>	<u>16.2</u>
Total*	1,872,700	100.0	2,704,800	100.0

^{*} Totals may not add up to 100% due to rounding.

Table 2: Commercial-Industrial (C/I) Property Tax Base of Metro Area by Type of Location: 1971 and 2003

	1971 C/I Net		2003 C/I Net	
	Tax Capacity*	% of	Tax Capacity	% of
	(millions)	Total	(millions)	Total
Central Cities (Mpls./St. Paul)	\$38.0	47.9	\$185.6	23.9
Inner Ring	22.2	28.0	167.6	21.6
Developing Ring	14.9	18.8	355.1	45.8
Outlying Area	4.2	<u>5.3</u>	66.8	8.6
Total**	\$79.4	100.0	\$775.2	100.0

^{* 1971} assessed value converted to net tax capacity.

^{**} Totals may not add up to 100% due to rounding.

- communities less attractive places for businesses to locate or expand in, exacerbating the problem. Sharing of C/I tax base can reduce this effect.
- Communities generally believe that commercial and industrial properties pay more in taxes than it costs to provide services to them. This encourages communities to compete for these properties by providing tax concessions or special services. Tax-base sharing may reduce this competition, thereby discouraging urban sprawl and reducing the cost of providing regional services, such as sewage and transportation.
- Tax-base sharing equalizes the imbalance between some local governments' public service needs and financial resources. The uneven distribution of property tax base, particularly commercial and industrial property, is a major cause of this imbalance.
- Communities may be more willing to accept low tax-yield regional facilities, such as
 parks, to preserve environmental amenities because they know they will share the
 benefits of other communities' commercial development.
- Tax-base sharing can provide additional resources to older areas to finance urban redevelopment.

The formula is based wholly on fiscal capacity, defined as equalized market value per capita. There is no measure of spending need in the distribution formula other than population. This means that:

- If the municipality's fiscal capacity is the same as the metropolitan average, its percentage share of the areawide tax base will be the same as its share of the area's population;
- If its fiscal capacity is above the metro average, its share will be smaller;
- If its fiscal capacity is below the metro average, its share will be larger.

Taxing Jurisdiction Levies vs. Tax Burdens

Tax-base sharing takes place before local jurisdictions levy taxes. The jurisdiction decides what amount it must levy to provide local services. In the absence of tax-base sharing, the levy would simply be spread on the tax base within the jurisdiction. With fiscal disparities, however, the tax burden on taxpayers within the jurisdiction may be more or less than the jurisdiction's levy. The jurisdiction still receives the full amount that it levied. However, if the jurisdiction is a net contributor (i.e., contributes more than it gets back), the properties within the jurisdiction will pay more tax than the jurisdiction's levy. If the jurisdiction is a net recipient (of tax base), the jurisdiction's taxpayers will pay less than the amount levied.

Impact on Individual Parcels

All property except C/I pays a property tax determined by the local tax rate, which reflects the net effect of fiscal disparities upon each taxing district's tax base.

For C/I property, a ratio is computed in each municipality by dividing that municipality's contribution net tax capacity by its total C/I net tax capacity. (Since only 40 percent of the growth over the base year is contributed, that rate will never exceed 40 percent.) This ratio represents the portion of each C/I parcel's net tax capacity that pays a tax determined by the areawide tax rate. The rest of the parcel's net tax capacity pays a tax determined by the local tax rate. Because a portion of each C/I parcel is taxed at a uniform rate, the tax burden on comparable parcels of C/I property will vary less from jurisdiction to jurisdiction than it would without fiscal disparities.

Step-by-step Calculations

The step-by-step calculations under fiscal disparities for a hypothetical city are shown on the following pages. An alternative version of the calculations is shown in appendix B. The basic mechanics are easier to understand in the alternative version, which leaves out the one-year lag that was instituted to facilitate administration of the program in light of the complexity of Minnesota's property tax system.



Step 1: Determine the City's Contribution to Areawide Tax Base

2002 Payable 2003 Commercial-Industrial Net Tax Capacity ⁴	\$8,000,000
Less 1971 Commercial-Industrial Net Tax Capacity	2,500,000
Net Growth over 1971 Base Value Contribution Rate	\$5,500,000 x 40%
City's Contribution to Areawide Tax Base	\$2,200,000

Step 2: Determine the Areawide Tax Base

Net Tax Capacity Contributed from City of Minnesota \$2,200,000

Net Tax Capacity Contributed from All Other Cities and Towns in

the Metro Area

\$297,800,000

Total Areawide Tax Base

\$300,000,000

Step 3: Distribution Index for City of Minnesota

Step 4: Sum of Distribution Indices for All Municipalities

	<u>Index</u>	Percent
City of Minnesota (step 3) All Other Metropolitan Cities and Towns	24,000 1,976,000	1.2% 98.8%
	2,000,000	100.00%

The city of Minnesota's final distribution index is 1.2 percent of 2,000,000; therefore, it receives 1.2 percent of the areawide tax base.

⁴ Laws 1976, chapter 191, provided that the fiscal disparities contribution and distribution values and tax rates would be based on the previous year. This was done for administrative reasons. Appendix B contains an example of how the program works without the one-year lag (i.e., based on current values and rates).

Step 9: Determine the Areawide Tax Rate

The administrative auditor computes the areawide tax rate as follows:

This tax rate is applied to the contribution net tax capacity of all municipalities in the metro area.

The areawide tax rate is a composite rate which provides revenues for municipalities, school districts, county governments, and special taxing districts.

Step 10: County Auditor Calculates the City of Minnesota's Tax Rate

2003 Payable 2004 Total Certified Levy	\$8,000,000
Less Portion Attributable Receivable from Areawide Tax Base (step 7)	-1,260,000
2003 Payable 2004 Adjusted Levy for the City (local portion)	6,740,000
2003 Payable 2004 Adjusted Levy Taxable Net Tax Capacity (step 6)	$\frac{\$6,740,000}{\$20,000,000} = 0.337$
City Tax Rate	0.337 (33.7% of tax capacity)

The city's tax rate of 0.337 is added to the tax rates for the appropriate county, school district, and special taxing districts. That total rate is applied to all taxable property in the city of Minnesota except the fiscal disparities portion of C/I property (see step 11).

Step 11: Property Tax Computation on C/I Parcel

The fiscal disparities contribution net tax capacity of \$2,200,000 is equal to 25 percent of the total assessment district's payable 2004 C/I net tax capacity of \$8,800,000. Therefore, 25 percent of the net tax capacity of each parcel of C/I property in the city is subject to the areawide tax. The remaining 75 percent of the net tax capacity of each C/I parcel is subject to the local tax rate.

The payable 2004 property tax computation for a parcel of C/I property located in the city of Minnesota with a market value of \$300,000 (net tax capacity of \$5,250) is shown on the following page.

Administrative Aspects of the Program

The fiscal disparities program requires additional administrative tasks to be performed annually by property tax administrators. The county officials meet regularly to establish timelines, coordinate data collection and reporting, and to decide how to handle situations brought about by changes in general property tax laws, unique property situations, etc. Department of Revenue staff annually determine the fiscal capacity for each city and town. The administrative auditor (from Anoka County, as elected by the other metropolitan auditors) determines the distribution indices and the areawide tax rate.

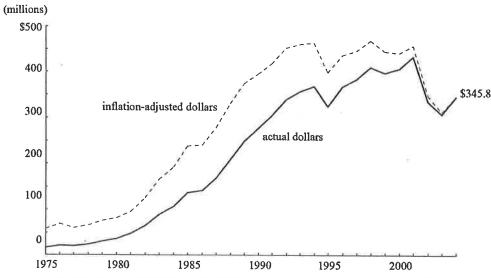
For counties that are not subject to fiscal disparities, the county auditor simply determines each taxing jurisdiction's local tax rate by dividing its property tax levy by its total net tax capacity. However, for countries that are subject to fiscal disparities, the county auditor must also do the following:

- Determine each taxing district's taxable net tax capacity, which is the actual tax base located within its boundaries minus its contribution to the areawide base
- Apportion the levy of each taxing district into an areawide portion and a local portion (The distribution tax capacity times the previous year's local tax rate equals the areawide portion of the levy. The remaining amount of the taxing district's levy is considered its local portion.)
- Determine the local tax rate for each jurisdiction by dividing the local portion of the levy by its taxable net tax capacity

Growth in Distribution Tax

Figure C shows that the total areawide tax has grown significantly since the program began. The program's growth from 1982 through 1994 was remarkable; in most of the years annual increases in the areawide tax were greater than 10 percent. A slump in C/I real estate values in the early to mid-1990s put a stop to the rapid growth. In the late 1990s the legislature embarked on a program of "class rate compression" to reduce the disparity in effective tax rates between C/I property and other types of property, which dampened growth in that period. Then, in 2001 the legislature initiated a major overhaul of the property tax system. The most significant result of the overhaul was the state takeover of financial responsibility for basic educational expenses, transit, and a portion of voter-approved school levies (see pages 19 to 21).

Figure C: Metro Fiscal Disparities Distribution Tax, 1975-2004

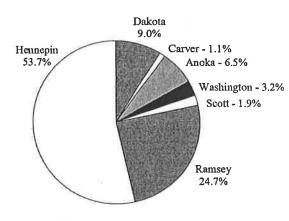


Historical data for growth in the distribution tax amount is presented in Appendix D.

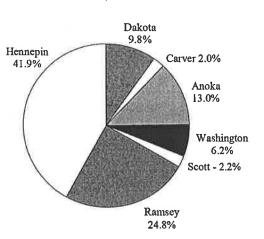
House Research Graphics

Figure D:
Payable 1985 and 2004 Metro Contribution
and Distribution Values by County

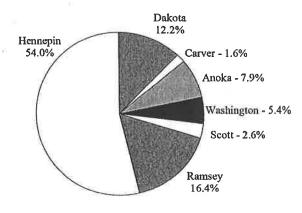
1985 Contribution Assessed Value \$1,264 million



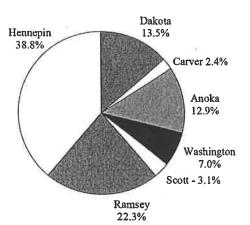
1985 Distribution Assessed Value \$1,264 million



2004 Contribution Net Tax Capacity \$252 million



2004 Distribution Net Tax Capacity \$252 million



House Research Graphics

Transit levy takeover. The state took over the portion of the operating costs of the metro transit system that had been funded by a levy on all metro property taxpayers. The takeover was funded through a dedication of revenue from the state sales tax on motor vehicles. Besides the takeover of the metro transit system, a portion of the motor vehicle sales tax was also set aside to replace property tax levies for transit systems in greater Minnesota.

State property tax. The class rate changes and the general education takeover would have resulted in considerably lower property taxes on C/I property and seasonal-recreational property. To provide more modest relief to these classes of property and to provide funding for other elements of the reform, a new state property tax was instituted to offset the changes in the composition of the local tax base. About 6 percent of the state property tax is borne by seasonal-recreational property, with the remaining 94 percent borne by C/I property. The state tax constitutes approximately one-third of the total tax burden on C/I and seasonal-recreational properties.

State aid changes. State aids to nonschool local governments were reduced and partially reformed, primarily through the elimination of homestead and agricultural credit aid (HACA) for all types of local governments except counties. HACA was generally regarded as untargeted aid when compared to aid programs that consider local service needs and the adequacy of the local tax base to meet those needs.

HACA reductions forced towns and special taxing districts to increase levies or reduce spending. But cities, which collectively lost almost \$200 million in HACA, were given approximately \$140 million in the more targeted program known as local government aid (LGA). Some individual cities, primarily suburbs, were net losers of aid, while some individual cities, primarily larger nonmetro cities, were net gainers.

Fiscal Disparities Impact

Class rate compression causes the areawide pool to be smaller than it otherwise would have been. Generally speaking, compression causes the C/I share of the total tax base to shrink, so the relative relationship between the areawide pool and the total metro tax base is also shrinking. However, compression does not affect the relationship between the size of the areawide pool and the size of the total metropolitan area C/I tax base. Figure B (page 15) and appendix C show that the areawide pool declined from 11.4 percent of the total metro tax base in 2001 to 10 percent in 2002 directly due to the 2001 tax reform. Moreover, the pool had encompassed roughly 13 percent of the total metro tax base in the early 1990s before the general movement toward compression got underway. However, the pool's share of the total metro C/I base increased from 28.7 percent in 2001 to 30.1 percent in 2002, and in fact has continued to climb to 32.3 percent in 2004.

Eliminating the general education and transit levies, and partially eliminating school referendum levies, caused the overall level of local taxes to be reduced by 21.7 percent in the metro area between pay 2001 and pay 2002. Because of the way fiscal disparities is calculated, this caused

Impact of Fiscal Disparities on Tax Burdens

Most fiscal disparities discussions focus on tax base—on how much is being redistributed and how much tax base equalization is achieved. However, it is possible to go one step further and analyze the actual impact on tax burdens using property tax simulation.

The Simulation

The question of greatest interest is: how would tax burdens be different if the fiscal disparities program had never been enacted? That question is impossible to answer because even though the fiscal disparities calculations can be "undone," there is no way to measure, or undo, the effect the fiscal disparities program has had on property values, local government spending and levy decisions, and business location decisions.

Setting those issues aside, the premise of the simulation for this exercise is not that the fiscal disparities program never existed, but rather that it is suddenly eliminated. The simulation is based on taxes payable in 2004. At the time of the simulation, final levies for taxes payable in 2004 were not yet available, but all of the fiscal disparities data and most of the other actual data was available. The simulation uses preliminary levies (also known as truth-in-taxation levies), augmented with data on school district referendum levies that passed after certification of preliminary levies.

The local government aid (LGA) formula was modeled for aids payable in 2004 under two scenarios. The first scenario used the actual tax capacity measures employed in determining 2004 aid distributions, but the LGA formula was run in its "pure" form, ignoring any phase-in components designed to minimize LGA changes for a given city from one year to the next. The second scenario used tax capacities as they would be without fiscal disparities, also using a pure formula with no phase-in components. The LGA change between the two scenarios was used for the simulation, with levy increases offsetting aid reductions and vice-versa. County program aids were modeled in the same way, even though the formula for county program aid does not come into play until taxes payable in 2005. School aids were modeled under the "no fiscal disparities" alternative as well; however, since the major property tax reform of 2001, most school aids and levies are not related to the size of a district's tax base, so the effect on school levies was fairly minimal.

⁸ Under the reformed property tax system, school district referendum levies are highly "equalized," meaning that the levy is tied to the size of a district's tax base, but school district referendum levies are based on an alternate tax base known as "referendum market value," and there is no redistribution of this tax base under fiscal disparities.

Table 3: Factors Contributing to Tax Impacts if Fiscal Disparities were Eliminated

(in millions)

	Metro	Greater Minnesota	Statewide
TIF effect	\$16.6	\$0.7	\$17.4
Metro livable communities levy	-5.0	0	-5.0
School capital improvement aid effect	-2.0	0	-2.0
LGA effect	-9.1	9.1	0
County aid/levy effect	-0.4	0.4	0
Miscellaneous effects	-0.2	0.1	-0.2
Total tax change	\$-0.1	\$10.3	\$10.2

Overall Impact by Type of Property

Probably the most interesting result is that for the metro area as a whole, taxes on C/I property (including public utilities) were reduced by \$52.5 million, or 3.7 percent. Average tax burdens on other property types increased from 2 percent to 4 percent; the average increase for residential homesteads was 2.6 percent. In the abstract, this result would not be expected because "moving" C/I tax base around from one jurisdiction to another would not be expected to lower the tax on C/I property in the aggregate, nor would it increase taxes on other classes in the aggregate. There are three factors that contribute to the reduced overall tax burden on C/I property:

- The first factor is that in the aggregate, the C/I tax base is redistributed from municipalities where tax rates are lower to municipalities where tax rates are higher, so that the average rate of tax levied against C/I property would decrease without fiscal disparities.
- The second factor arises from how the market value tax enters into the equation. For the most part, the market value tax exists outside the realm of fiscal disparities—it is paid by the property physically located in the district levying the tax. However, in 1993 a provision was enacted calling for the tax rates used in fiscal disparities calculations to include the market value tax. This increases the burden on C/I property, since C/I property pays its full share of the market value tax in the jurisdiction where the property is located, but then essentially pays a little more when the levies are also imposed on the fiscal disparities pool.
- Third, there is the explicit \$5 million levy for the Metropolitan Council's tax base revitalization account that is borne exclusively by C/I property through the areawide pool. The simulation assumes that this levy would not exist in the absence of fiscal disparities.

Effects on Individual Cities

Effects are more pronounced when smaller geographic areas are considered. Table 5 shows what the impact would be in Minneapolis and St. Paul, and in the six cities (over 10,000 population) with the greatest impact, in either direction. Homeowners in cities that are major recipients under fiscal disparities would face tax increases between 10 percent and 13 percent; homeowners in cities that are major contributors would see reductions of 2.5 percent to 5 percent. Consistent with the countywide results, C/I properties would face lower taxes in most places, varying from 2 percent to 5 percent in net recipient cities, and from 5 percent to 10 percent in net contributor cities. C/I taxes would actually be higher in municipalities that are currently net recipients, and that would have a relatively high tax rate without fiscal disparities. This effect can be seen for the cities of Minneapolis, St. Paul, and South St. Paul in Table 5.

Table 5:

Tax Impacts for Selected Cities if Fiscal Disparities were Eliminated
(Taxes Payable in 2004)

	Average Total Local Tax Rate			Average Tax Change if Fiscal Disparities Eliminated	
City	With Fiscal Disparities	Without Fiscal Disparities	Tax Rate Change	Residential Homestead	Commercial/ Industrial
Minneapolis	158.6	161.8	3.2	2.2 %	2.6 %
St. Paul	130.4	140.3	9.9	8.8	2.7
Six largest net recipients:	1				
Andover	105.5	118.2	12.7	13.1	(2.1)
South St. Paul	127.8	139.4	11.6	10.5	2.7
Coon Rapids	109.9	120.9	11.0	11.6	(2.9)
East Bethel	100.3	110.8	10.5	12.0	(4.8)
Ramsey	117.3	127.8	10.5	10.0	(2.0)
Anoka	121.7	132.2	10.5	9,9	(8.0)
Six largest net contributors:					ř
Bloomington	122.4	116.2	(6.2)	(5.5)	(9.0)
Golden Valley	145.0	139.6	(5.4)	(3.2)	(5.3)
Minnetonka	125.6	120.8	(4.8)	(3.8)	(9.5)
Eden Prairie	121.1	116.5	(4.6)	(4.0)	(9.6)
Plymouth	119.4	116.4	(3.0)	(2.4)	(9.7)
Edina	113.3	110.9	(2.6)	(2.7)	(9.4)

Table 7 shows the eight cities (over 10,000 population) with the highest and lowest tax rates without fiscal disparities, and what happens to their tax rates when fiscal disparities enter the picture. Somewhat surprisingly, the fiscal disparities program actually causes tax rates to be lower than they otherwise would be in five of the eight low-tax-rate cities shown in Table 7. Things are more as one would expect at the high end of the range, where seven of the eight high-tax-rate cities have lower tax rates with fiscal disparities than they would without, although the differences are fairly modest.

Table 7:

Tax Rate Impacts for Selected Cities under Fiscal Disparities
(Taxes Payable in 2004)

	Without Fiscal Disparities	With Fiscal Disparities (Current Law)	Rate Change due to Fiscal Disparities
Cities with lowest tax rates without fiscal disparities:			
Mendota Heights	89.6	89.8	0.2
Eagan	103.4	102.9	(0.5)
Forest Lake	104.0	100.4	(3.6)
West St. Paul	104.2	102.7	(1.5)
Ham Lake	108.3	98.5	(9.8)
Shakopee	109.6	110.6	0.9
East Bethel	110.8	100.3	(10.5)
Edina	110.9	113.5	2.7
Cities with highest tax rates without fiscal disparities:			
Brooklyn Center	168.7	162.7	(6.0)
Minneapolis	161.8	158.6	(3.2)
New Hope	158.1	154.8	(3.3)
Robbinsdale	154.1	149.0	(5.1)
Crystal	151.5	147.1	(4.4)
Hopkins	151.2	152.2	1.0
Chanhassen	147.8	144.2	(3.6)
Brooklyn Park	146.8	141.7	(5.0)

These results raise some questions about one of the presumed purposes of the program, which is to reduce the range of tax rate disparities across the area. It suggests that some communities that the fiscal disparities program seems to regard as "needy" would have low tax rates even without fiscal disparities. For instance, Ham Lake would have a relatively low tax rate of 108.3 percent without fiscal disparities; its rate with fiscal disparities is an incredibly low 98.5 percent. That may call into question whether redistribution of tax base is necessary to keep tax rates from climbing in low-tax-base areas, and from dropping ever lower in high-tax-base places.

Changes in the Fiscal Disparities Program

There have been few changes in the fiscal disparities program since its implementation in 1975. This section summarizes the two most significant changes made and also describes a proposed change passed by the 1995 Legislature but vetoed by the governor.

Mall of America Surcharge (1986)

In 1986, the legislature made a significant change to the fiscal disparities program for development of the Metropolitan Stadium site in Bloomington (now the location of the Mall of America). Laws 1986, chapter 391, provides that for property taxes payable in 1988 through 1999, the city of Bloomington annually receives an amount from the pool in addition to its "normal" fiscal disparity distribution. The supplemental amount is equal to the amount of interest paid on the bonds that were sold by the city for highway improvements for the mall site. The law requires Bloomington to repay the supplemental distributions over the ten-year period from 2006 to 2015. Approximately one-tenth of the amount will be repaid in each of those years. The repayments will be achieved by artificially increasing Bloomington's contribution value by converting the repayment amount into additional contribution value.

Livable Communities Fund Surcharge (1995)

Laws 1995, chapter 255, article 2, sections 11 to 13, provide that the Metropolitan Council will annually receive a special distribution from the fiscal disparities areawide tax base to finance the tax-base revitalization account within the metropolitan livable communities fund, which is available to municipalities that elect to participate in the local housing incentives program established under the law. This annual "surcharge" on the areawide pool is equal to the amount by which the current level of the Bloomington highway bond interest distribution (see above) is less than the payable 1988 distribution, up to \$5 million. This surcharge was \$4.3 million in 1996, and is \$5 million in each year after that.

A Vetoed Provision: Including Certain Residential Property in the Areawide Tax Base (1995)

A proposal to expand tax-base sharing was passed in 1995 by the House and Senate but vetoed by the governor. H.F. 431 (sponsored by Rep. Myron Orfield) would have captured the growth in value of all residential homestead property over \$200,000 market value and put it into the areawide tax base to be shared by all municipalities in the region. Under the current fiscal disparities law, the areawide tax base is composed solely of C/I value.

¹¹ The 1986 law provided that the repayments would be made from 2000 to 2009, but Laws 1995, chapter 255, article 2, section 10, delayed the start of the repayment period by six years.

value to determine its fiscal disparities contribution. When each TIF district is created, municipalities elect either (a) to limit the tax increment to taxes derived from value which is not contributed to fiscal disparities, or (b) to allow the TIF district to receive all taxes derived from the property, thereby requiring that a higher percentage of C/I value in the rest of the municipality be contributed.

However, property located in Housing and Redevelopment Authority (HRA) districts established before August 1, 1979, is disregarded in computing fiscal disparities contributions regardless of when the actual development occurs. Some argue this exemption is unfair because it allows some municipalities to experience C/I growth without any portion being contributed to the areawide pool.

(b) Minneapolis-St. Paul International Airport

Airport property is taxed by the Metropolitan Airports Commission (MAC), Hennepin County, and various special taxing districts. The airport has always been excluded from participation in fiscal disparities. Some question its exclusion because its roughly \$4.8 million in C/I net tax capacity would increase the pool by nearly \$2 million.

While airport property would seem to be an appropriate tax base for regional sharing, its unique circumstances make its inclusion in fiscal disparities problematic. First, its tax rate is not comparable to that of other jurisdictions because the property pays no school district or municipal taxes. Second, under current law, the airport would receive no distribution from the pool because it has no population. If the airport was required to contribute to the pool, it would not get anything back, unless some alternative formula for determining its distribution were established.

3. Eliminating the 1971 Base Value Subtraction

Some argue the subtraction of 1971 base C/I value before determining the fiscal disparities contribution itself constitutes an unfair exemption. The charge of unfairness stems from the notion that the fiscal disparities program discriminates against those areas that have experienced most of their development since 1971, compared to those largely developed before 1971. Apparently, this subtraction was a legislative compromise to allow jurisdictions to retain the value they had before the program began. Thirty-four years after initial enactment, some ask if this feature of the program is still appropriate.

4. Need-based Distribution Formula

The fiscal disparities distribution formula is based on a single factor: each municipality's aggregate property value per capita compared to the areawide average property value per capita. Some people regard this formula as "need-based," since it looks at a municipality's relative need for tax base to make it more equal to that of other jurisdictions. Others have argued that the distribution formula should try to measure relative needs between jurisdictions more

Iron Range Fiscal Disparities Program

In 1996, a new fiscal disparities program was established on the Iron Range in northern Minnesota. The boundaries for the new program are known as the "taconite relief area" (see map, below). Mechanically, the program was set up to work exactly the same way as the program in the metropolitan area, except using 1995 as a base year. The first year of implementation was for taxes payable in 1998. The program is codified in Minnesota Statutes, chapter 276A.

Figure E: **Boundaries of Iron Range Fiscal Disparities** Koochiching St. Louis Cook БА Lake Grand Marais Virginia Chisholm Itasca o Eveleth o Hibbing Two Harbors Aitkin Aitkin Crow Wing House Research Graphics

Similarities Between Metropolitan Area and Iron Range

Some of the purposes underlying the metro area program described on pages 5 and 6 also apply to the Iron Range. The possibility of low-tax base, high-tax rate areas having difficulty attracting C/I development, leading to ever higher local tax rates, applies to both programs. The generally desirable goal of tax-base sharing reducing competition between municipalities for C/I development also applies to both areas equally. The argument that tax-base sharing may make jurisdictions more willing to accept low-tax-yield regional facilities such as parks may also hold true on the Iron Range, even in the absence of strongly coordinated regional planning.

Growth in Program

Because the program on the Iron Range is so new, not much can be said about growth to date. However, because of the way the program is structured, rapid growth can be expected in the first few years of the program (the areawide tax in the metro program grew by at least 18 percent each year in all but one of the first 11 years of the program's existence). The rapid growth results from a growing base with a fixed subtraction. The hypothetical example below shows how relatively modest growth in C/I property value of about 5 percent per year results in high growth rates in the size of the areawide pool (33 percent to 100 percent).

The example assumes:

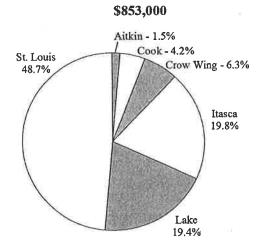
- base year C/I net tax capacity of \$20,000
- C/I net tax capacity increases by \$1,000 per year

	C/I Net Tax Capacity (NTC)	Growth in C/I NTC over base	Areawide pool = 40% of growth	Pct. change in areawide pool
Base year	\$20,000			. 10. 23
First year	21,000	\$1,000	\$400	
Second year	22,000	2,000	800	100%
Third year	23,000	3,000	1,200	50%
Fourth year	24,000	4,000	1,600	33%

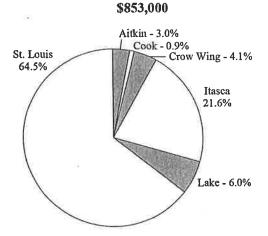
Figure F:

Iron Range Contribution and Distribution Net Tax Capacity (NTC)
by County¹² for Pay 2000 and Pay 2004

by County¹² for Pay 2000 and Pay 2004

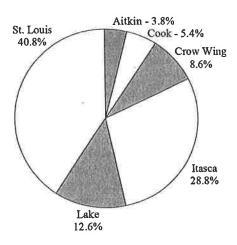


2000 Contribution NTC

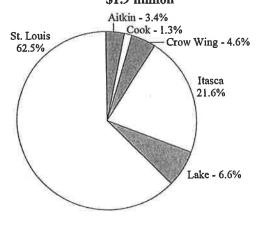


2000 Distribution NTC

2004 Contribution NTC \$1.9 million



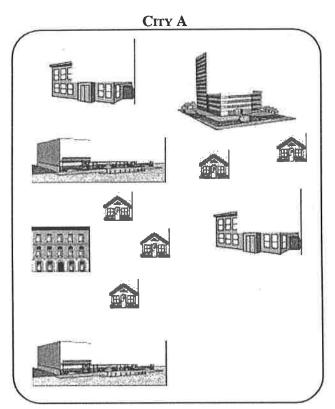
2004 Distribution NTC \$1.9 million

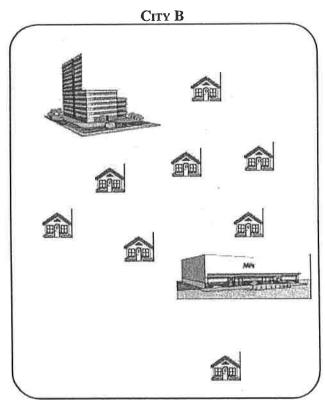


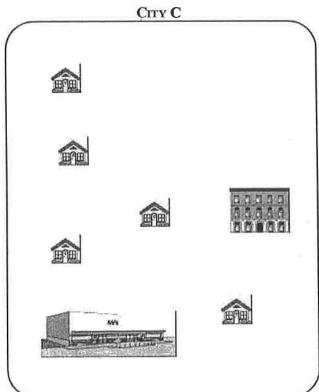
House Research Graphics

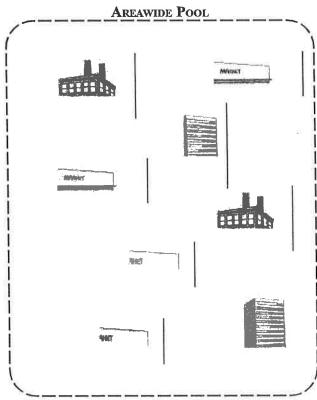
¹² Koochiching County contribution and distribution NTCs are less than 0.1 percent of the total.

2. After fiscal disparities contributions









Appendix B: Fiscal Disparities Calculations for a Hypothetical City Without the One-Year Lag

(Payable 2004)

Assumptions for City of Minnesota	
2002 Population	20,000
2002 Equalized Market Value	\$500,000,000
2002 Fiscal Capacity*	\$25,000
2002 Areawide Average Fiscal Capacity**	\$30,000
2003 Payable 2004 Certified Levy	\$8,000,000
1971 Commercial-Industrial Net Tax Capacity***	\$2,500,000
2002 Payable 2003 Net Tax Capacity	
Commercial-Industrial***	\$8,800,000
Residential	12,000,000
All Other	+1,400,000
Total	\$22,200,000

- * Fiscal Capacity = Equalized market value of all property in the municipality

 Population of municipality
- ** Average Fiscal Capacity = <u>Total equalized market value of all property in all municipalities</u>

 Total population of the metropolitan area
- *** Commercial-industrial net tax capacity includes the tax capacity of public utility property. Since net tax capacity was not in use in the 1971 base year, it has been estimated using available market value records. The 1971 base value is adjusted each year that changes are made in C/I class rates.

Step 5: City of Minnesota's Distribution Net Tax Capacity

The city of Minnesota's distribution net tax capacity is equal to the share determined in step 4 multiplied by the areawide tax base determined in step 2.

> \$3,600,000 1.2% \$300,000,000

This distribution net tax capacity is also taxable by other taxing jurisdictions (i.e., county, school district, special taxing districts) overlapping the city.

Step 6: Determine the City of Minnesota's Tax Base

2003 Payable 2004 Total Net Tax Capacity for City of Minnesota	\$22,200,000
--	--------------

Plus Payable 2004 Distribution from the Areawide Tax Base (step 5) 3,600,000

Less Payable 2004 Contribution to the Areawide Tax Base (step 1) -2,520,000

Total Taxable Net Tax Capacity of City \$23,280,000

Step 7: County Auditor Calculates the City of Minnesota's Tax Rate

\$8,000,000 2003 Payable 2004 Certified Levy

Total Taxable Net Tax Capacity (step 6) \$23,280,000

0.3436 (34.36% of tax capacity) City Tax Rate

The city's tax rate of 0.3436 is added to the tax rates for the appropriate county, school district, and special taxing districts. The total tax rate is applied to all taxable property in the city of Minnesota except the fiscal disparities portion of C/I property (see step 11).

Step 8: Determine Areawide Portion of City of Minnesota's Levy (also called the city's distribution levy)

2003 Payable 2004 Areawide Portion Distribution Tax Capacity X City Tax Rate of Levy

0.3436 \$3,600,000 \$1,237,000 (34.36% of net tax capacity)

Areawide Portion of Tax (Contribution Tax)	Local Portion of Tax		
28.6% of \$5,250 net tax capacity of the C/I parcel is taxed at the areawide rate of 1.333. \$5,250 x .286 x 1.333 = \$2,001	Remaining 71.4% of net tax capacity of the C/I parcel is subject to local tax rates of all jurisdictions where the parcel of property is located.		
	Local Tax Rates		
	City of Minnesota 0.3436		
	School District A 0.2562		
	County A 0.4332		
	Special Taxing District 0.0740		
	Total Local Tax Rate 1.1070		
	$0.714 \times \$5,250 \times 1.1070 = \$4,150$		
Total Payable 20	04 Tax of C/I Parcel		
Areawide Portion of Tax	\$2,001		
Local Portion of Tax	4,150		
State Property Tax (\$5,250 x	0.541)		
Total Tax	\$8,991		

Step 12: Property Tax Settlement of the Areawide Levy

The county treasurer collects the \$8,991 from the taxpayer of the C/I parcel in step 11 and the C/I tax from all other taxpayers with C/I property within the county.

The treasurer compares the sum of the total amount of the contribution levies (e.g., areawide portions of the tax) from all C/I parcels within the county to the sum of the total amount of the distribution levies which all of the taxing districts within the county are entitled to receive from the areawide pool.

If the total contribution levy exceeds the total distribution levy, the county treasurer will remit a check to the administrative auditor for the difference (i.e., amount owed). If the total contribution levy is less than the distribution levy, the county treasurer will receive a check from the administrative auditor.

Appendix D: Metro Areawide Tax Rate and Growth in Areawide Tax

Metro A	reawide Tax I	Rate and Growth in Ai	reawide Tax	
Payable	Areawide	Total Areawide Tax		
Year	Tax Rate*	Amount (in 000's)	% Change	
1975	121.490	\$16,666	NA	
1980	110.552	36,266	**	
1985	108.743	137,396	**	
1990	104.578	277,106	**	
1991	104.970	304,946	10.0	
1992	116.127	340,004	11.5	
1993	123.488	356,998	5.0	
1994	133.229	369,072	3.3	
1995	134.799	325,284	-11.9	
1996	141.441	367,122	12.9	
1997	139.376	383,388	4.4	
1998	155.082	409,697	6.9	
1999	157.373	397,438	-3.0	
2000	146.134	406,882	2.4	
2001	137.987	433,572	6.6	
2002	156.497	335,329	-22.7	
2003	132.885	307,915	-8.2	
2004	137.107	345,835	12.3	

Areawide tax rates prior to 1990 are expressed in mills. Beginning with 1990, tax rates are expressed as percentages of net tax capacity.

For more information about fiscal disparities, visit the property taxes area of our web site, www.house.mn/hrd/issinfo/tx_prop.htm. To see a simulation that shows how property tax burdens would change in each city and town in the metro area if the fiscal disparities program were eliminated, go to www.house.mn/hrd/issinfo/csim4B1.pdf. (Note: This is a 1,158 KB PDF file; it is 189 pages long).

^{**} Not computed since the table contains five-year time periods through 1990.

AITKIN COUNTY HISTORICAL SOCIETY DEPOT HIGHLIGHTS NEWLETTER

JAN 2 8 2013

SPRING 2013 – Volume 18, Issue 1

My term as the Administrator of the Aitkin County Historical Society began with the Cookie Walk in December 2008. Now, four years and two months later, I find myself looking back and analyzing the direction that I have nudged the Society. During that period we have accomplished so much. All four of our buildings have had repairs made, energy efficient lighting was installed, perennial gardens have been planted around museum, many artifacts have been refurbished for display, more artifacts have been added to our displays, numerous displays have been added, new steps and handy-cap ramps were installed at the museum, obituary files are almost complete from 1883 to the present, added a variety of electronic equipment (i.e. computers, microfilm readers and copy machines). Check out the list of 40 projects/needs completed or fulfilled during 2012. My volunteers are completing projects faster than I am able to come up with them. Not a bad problem to have.

It is my hope that we will be able to assemble all four book projects, the historical map of Aitkin County and the GPS walking tour of the City of Aitkin during 2013. A huge undertaking for one year, but one that I believe is possible with the help of the community and volunteers. We would like to make the books as complete as possible including both photographs and historical information. We want to make sure that these projects are done right and not hurried. Many hours of research will have to be completed by going through the records at the Court House, our files and newspaper files. It is my hope that these four book projects will become a comprehensive history of our Aitkin barns, schools, churches and riverboats. Please come to the museum and help us collect all of the information so that we get our history correct. If you have information that should be included in one of these projects please share it with us now!

Not interested in helping us with one of the book or map projects, how about helping us with our photo album project. Our plan is to put together photo albums for most of our displays showing artifacts in those displays being used in Aitkin County. Come to the museum and help us search our photo archives.

The Aitkin County Historical Society needs a **GRANT WRITER** to help us find additional funds through grants to pay for various projects and programs. Do you know someone who writes grants or are you a grant writer? Call me at the museum as soon as possible. As our costs continue to rise and our volunteers mature it becomes more important to find outside money to help fund projects at the museum.

Have you seen something at the museum that needs to be addressed that I have missed? Is there a project that you think we should be working on? Would you like to help with the perennial gardens? Do you have plants that you plan on splitting this spring? Consider donating some to the museum. Come and give us a hand making the museum a more inviting and interesting place to visit. We would like to make the museum a place that locals want to bring all of their visiting friends and relatives to.

Two new displays are currently being built at the museum. The first, which will only be up until next November, has to do with "MUSIC". A variety of musical instruments, sheet music, record albums, players, radios, etc. will be featured. The second display will feature photos, artifacts and information pertaining to "LAND-O-LAKES" that operated in Aitkin. This display will feature both the Creamery and the Turkey processing plant. Five glass display cases that were donated to the museum during the past year and two others will house these displays. Both displays will be located in the Depot building.

We are still looking for that elusive **CABOOSE** that we have been unable to locate to add as a feature display at the museum. If you hear about one that is for sale or could be donated please let us know. Ideally it would still have its wheels/trucks and have an upper copula. If we were able to find one, it would make a huge addition to our museum and help to draw more visitors.

This year's **Annual Garage Sale** will take place on August 2nd and 3rd. We have already started to collect items for this sale. When cleaning out your garage, basement or sheds, downsizing, or getting new furniture please consider donating those unwanted items for our sale. Having a garage sale this spring or summer and do not know what to do with the items left over? Drop the items off at the Depot or give us a call and we can pick them up. **All donations are tax deductible**. Last year we filled two of the large buildings at the fairgrounds and had the best sale in the history of the historical society. With your help we can beat last year's numbers.

Have you been to the museum lately? If you have not, please come in to see all of the new displays and the additional artifacts that we have displayed throughout the museum. Go to the railroad room and check out the **link and pin coupler** that was used in logging railroads or the 1900 map of railroad lands for sale.

During the first five months of the year from 2009-2011 we averaged only292 visitors to the museum. 2012 showed a sharp increase of visitors with a total of 626 during that same period. Part of that was due to four Aitkin preschool classes (4 & 5 year olds) visiting the museum during March and April.

During the calendar year of 2012 we had a total attendance including events of 4610 people. Visitors to our facility came from 145 different communities in Minnesota, 31 other states and 3 foreign countries. We will continue to promote the museum and hopefully our numbers will be close to 6000 this year.

2012 also brought record dollar amounts in donations, memorials and grants. A record number of projects were completed during 2012. (A list of 40 can be found listed in this newsletter) Record sales were also reached in our Annual Garage Sale, Cookie Walk and Raffle Drawing. Our membership of 384 is also a record high. When we reach 400 members this year, our membership will be around 2 ½ % of the population of Aitkin County. None of these numbers would have been possible without the hard work and dedication of our many volunteers. **THANK YOU ALL SO MUCH!!!!!**

Where do we go from here? What do we have planned for the near future? How do we proceed? We have five new board of directors, a new President and Vice-President that will ultimately help make that decision. Things that will or might happen this year are; building two new displays in the Depot building (Land-O-Lakes & Music), doubling the size of the log cabin display in the depot to increase the variety of items on display, adding a 40' addition to building #2 for additional displays, find a caboose for display, complete our obituary project, finish repairing the red cedar strip boat, lending library set up, publish set of books on Aitkin history, publish Historical Map of Aitkin County, GPS walking tour of the city of Aitkin and get research facility running. Many of the items on this list will require finding outside funding to accomplish them. Others will require numerous volunteers and a lot of hard work.

The museum needs additional volunteers. We need volunteers to sit at the front desk, welcome visitors and make sure that they sign in. We need volunteers to help with photo archiving, filing information, and accessioning items into the museum. We need volunteers to type information into the computer. Volunteers are always needed to work our fundraising events. We will need volunteers to welcome guests to our log cabin display during the County Fair, mark and set up our Garage Sale, work our food booth during Aitkin Rendezvous and bake cookies for our Cookie Walk. Help sell Raffle tickets or collect prizes for the raffle. Looking for something to do with your spare time, consider volunteering.

Greg Leach (Administrator)

MODEL TRAINS NEEDED!!!

Looking for model trains to display in our Railroad room. Do you have any old model trains that could be donated to the museum? We would like to start to collect trains and display them on the walls in the Railroad room. Any Northern Pacific or SOO line cars and engines are most desirable for this display as they were the two lines that originally traveled through Aitkin County. The railroad that current travels through Aitkin is BNSF.

2012 COMPLETED PROJECTS

- 1. Replaced Museum Banner on Fence.
- 2. 48 MN History books added to Lending Library through a Minnesota Legacy Grant.
- Energy efficient lighting was installed in Depot storage areas.
- 4. Energy efficient lighting installed in building #3.
- Motion light installed in depot garage area.
- 6. Warren William book signing Stangeland.
- 7. Movie screening of Warren Williams films.
- 12 Flag poles donated by the American Legion were sanded/painted/installed along fence.
- 9. Purchased 12 International Flags for poles.
- 10. Purchased new MIA & Minnesota Flags.
- 11. Aitkin Tourism Grant submitted/received.
- Grants submitted/received for new micro film reader.
- 13. Purchased new ST View Scan microfilm reader.
- 14. Received new Kodak Digital Camera as a donation from Jerry Hedberg.
- Lumber wagon built on metal wheels that had been donated to the museum.
- 16. STS repaired and chinked log cabin (building #4)
- 17. Cobble stone walkway has been leveled.
- 18. Main computer has been replaced.
- 19. Museum now set up with wireless.
- 20. More artifacts now displayed on museum walls.
- 21. All doors and windows in Depot building have been caulked.
- 22. Fence on East side of Depot building has been extended out 15' to help preserve stone walkway.
- 23. 1937 F-12 Tractor with steel wheels has been moved area just fenced in.
- Depot storage area lights are now on separate light switches.
- 25. Old wooden Railroad Luggage cart has been torn apart, repaired and put back on display.
- 26. Artifacts rearranged in garden areas.
- 27. Area North of building #2 has been cleared for future placement of Caboose.
- 28. Grant for new digital scanner has been submitted.
- 29. To accommodate additional storage in building #3 a two shelf unit (24' X 6') 6' off of floor was built.
- 30. Held book signing for "The Oranges are Sweet".
- 31. Hyytinen hardware donated a new air compressor for use at the museum.
- "MARCUS" movie projection equipment has been reassembled for future display.
- 33. Information on our WEB site has been increased.
- 34. Photos of all Aitkin County Barns have been taken.
- 35. Front of building #2 re-stained and sealed.
- 36. Additional Perennials planted in gardens.
- Sanded paint off of 1950's Cedar lap board fishing boat bottom.
- Removed rotten stern of boat. Replaced with new cedar boards.
- 39. Artifacts in building #3 have been reorganized.
- Garage area in building #3 was enlarged to accommodate additional space for work on building projects.

	MUS	EUM \	/ISITO	RS	
	2009	2010	2011	2012	2013
January	30	24	40	40	
February	18	22	22	55	
March	30	61	23	187	
April	28	36	48	153	
May	77	72	50	100	
6 th Graders	84	109	101	91	
June	84	157	472	183	
July	149	229	266	356	
County Fair	1331	1441	1171	0	
August	202	201	214	202	
Garage Sale	0	0	0	1814	
September	42	68	128	118	
Rendezvous	0	0	0	1077	
October	7 7	141	75	72	
November	30	43	93	41	
Open House	77	60	83	71	
December	13	23	48_	50	
TOTALS	2322	2687	2834	4610	

CURRENT PROJECTS

- 1. Completing Obituary files.
- 2. Assembling Barns of Aitkin County book.
- 3. Assembling Historical map of Aitkin County.
- 4. Schools of Aitkin County book.
- 5. Churches of Aitkin County book.
- 6. Riverboats of Aitkin County book.
- 7. Adding additional information on WEB site.
- Repairing lapboard red cedar boat for display. (Strip, repair, paint, stain, clear coat)
- 9. Complete set of AHS yearbooks.
- 10. Increasing membership.
- 11, GPS Walking Tour of the City of Aitkin.
- 12. Developing research facility at Depot.
- 13. Obtaining title to land under Depot.
- Increasing local interest in Museum.
- Create photo albums for each display connecting artifacts to Aitkin County.

2013 GOALS

- 1. Membership over 400 members.
- 2. Complete Obituary files.
- 3. Visitor count surpasses 5000.
- 4. Raffle ticket sales reach 2500.
- 5. Garage sales surpass 6500 again.
- 6. Increase number of displays in museum.
- 7. Lending library set up and running.
- 8. Clean up museum files.
- Organize museum supply areas.
- 10. Complete research on book projects.
- 11. Find a Caboose.
- 12. More grant money to promote museum.

2013 MEMORIALS

Helen Liljenquist -\$10.00

New Members

Carol Wermter Gary Reiter Mary Broome

Hyytinen Hardware
Heard about our
need/request for a
compressor to use
in our shop and
graciously donated
a new one to us.
THANK YOU!!!!

Anyone who was BORN In the 50's, 60's 70's or 80's... We were the last generation who played in the street. We are the first who played video games, the last to record songs off the radio on a cassette tape. We walked over a mile with no worries on being taken... We

learned how to

program the VCR

before anyone else: we

played from Atari to Nintendo... We are the

generation of Tom and

Jerry, Looney Toons,

And Captain Kangaroo.

We traveled in cars

without seat belts or air bags, lived without cell phones. We did not have flat screens, surround sound, iPods, Facebook, Twitter, computers or the Internet... But Nevertheless we had a GREAT time.

SPOON LEGEND

Spoons are considered symbols of affection in many cultures. In Wales for example, in times past, a young man would present a decorative hand carved spoon to the girl he wished to marry. The fine finish and intricate design of the carving reflected his affection for her. If she accepted his gift, they were considered betrothed.

While the love spoon tradition dates back to 300 years, the handle design on this particular spoon is far more ancient. It is an example of Celtic knot work. These interwoven designs, thousands of years old, are etched into stone artifacts and appear throughout Ireland and parts of Britain. The pattern on this spoon forms one continuous loop symbolizing the togetherness and loyalty of the couple.

To Do List

- Make vanilla pudding. Put in mayo jar. Eat in public.
- 2. Hire two private investigators, Get them to follow each other.
- 3. Wear shirt that says "Life." Hand out Lemons on street corner.
- Get into a crowded elevator and say "I bet you're all wondering why I gathered you here today.
- 5. Major in philosophy. Ask people WHY they would like fries with that.
- 6. Run into store, ask what year it is. When someone answer, yell "It worked!" and run out cheering.
- 7. Become a doctor. Change last name to Acula.
- 8. Change name to Simon. Speak in third person.
- Buy a parrot. Teach the parrot to say "Help! I've been turned into a parrot.
- 10. Follow joggers around in your car blasting "Eye of the Tiger" for encouragement.

"Let us not seek the Republican answer or the Democratic answer, but the right answer. Let us not seek to fix the blame for the past. Let us accept our own responsibility for the future."

"John F. Kennedy

The one who follows the crowd will usually get no further than the crowd. The one who walks alone is likely to find themselves in places no one has ever been.

2012 MEMORIALS

F.C. (Kap) & Hazel Kaplan -\$1,000.00 John MacDonald - \$1,230.00 Leota Howard - \$165.00 Tommy Thompson - \$20.00 Nellie Way - \$20.00 John Roger Ferlita - \$100.00 Lowell Rosnau - \$10.00 Eleanor Weitnauer - \$10.00 Mary Lou Gustin - \$10.00 Charles Petersen - \$20.00 Helen Olson - \$10.00 Richard Andert - \$10.00 Luella Sell - \$30.00 Gordon Crosley - \$30.00 Charles Petersen - \$60.00 Lorraine Erickson - \$10.00 John Karelis - \$10.00 Rhoda Baker - \$10.00 Catherine Gabrio - \$10.00

Total 2012 Memorials - \$2,780.00

November Newsletter Corrections

In our November Newsletter I listed a grant from the Kaplan Foundation for \$1,000.00. The money was not a grant, but was a donation given as a memorial in memory of F.C. (Kap) and Hazel Kaplan. Memorial plaques have been installed in the museum.

Also, some of the newsletters went out with Jeannette Zilverberg's name misspelled.

Donations to Museum

Garbage Tickets - Elsie Paulson 2 cases water - Greg Leach Snow blower repaired by Tom Brand Display case – Deepsystems Display case - Nordlake Reflections

2012 Grants Received

Aitkin Tourism Grant - \$530.00 MN Legacy Grant - \$7,000.00 Mille Lacs Roundup - \$1,000.00 Thrivent Matching Grant - \$800.00 **Grand Casino Community Grant -**\$500.00 Blandin Grant - \$16,900

New Books in Our Gift Shop

I Miss My Dog by Bob Erickson **Grandparents Minnesota Style** Hiking Minnesota with Kids Minnesota Rocks & Minerals The Missabe Road Seven Iron Men Vikings in the Attic

Museum Needs

White Copy Paper **Paper Towels Toilet Paper Tickets for Garbage Pickup Bottles of Drinking Water** Wrapped Candy Folgers Coffee (Regular or Decaf) **Coffee Filters** Garbage bags Copier ink

Museum Wish List

2 - Half Barrel Planters 6' Folding Tables Railroad Artifacts **Old Plat Books** Old Maps of Aitkin County Old City Plat maps **Family Histories** Riverboat photos/histories Minnesota History books Native American History books

It is not the strongest of the species that survives, nor the most intelligent that survives. It is the one that is the most adaptable to change.

~Charles Darwin (1809-1882)

Never argue with stupid people, they will drag you down to their level and then beat you with experience. ~Mark Twain

2012 FORTH QUARTER ACCESSIONS

12-110	David Cline	History of Myrtle & Cliff Shisler
12-111	Phyllis Hagquist	2 - Tattings, Rug Hook, 1930's Wall Paper Cleaner in shape of Elephant
12-112	Doris Nordean	3 – Aprons
12-113	Itasca County H.S.	29 – books, 19 – event pins, 20 photographs
12-114	Carol Wernter	Old Store Ledger
12-115	Robert Harder	Marcus Theater Projection Equipment and Sign
12-116	Jennie Hakes	Swedish Candle Holder, Cookie Press, 2 – Wool Sock Stretchers,
		2 – AHS Homecoming buttons, 2 – AHS patches
12-117	Lewann Sotnak	Old Atlas
12-118	Hibbing H.S.	School Photo
12-119	Janet Miller	Unique bread dough maker, family history
12-120	Larry Hayes	Old Wood Furniture Clamp
12-121	Carlton Co. H.S.	Link & Pin Railroad Coupler
12-122	Gary Babcock	Horn Seed Sower, 12 – WWII Pencils, Edison Dictaphone, Court Recorder machine
12-123	Maxine Schroeder	Photo of Hodgedon-McDonald building
12-124	John Almquist	SOO Line Magazine
12-125	Gary C, Reiter	12 photos of Camp Kitchi Kahniss
12-126	Ardis Ivory	Guitar Harp
12-127	Corrine Walker	Military Items
12-128	Unknown	McGregor Oriole Button
12-129	Mike Tetrault	Old Fireman's Coat and Helmet from Tamarack, Various Tools

Over the past year we have received a large variety of artifacts, photos and information that pertain to the history of Altkin County. Many of those items donated have filled gaps in our rich history. We will continue to work hard at filling in the gaps with your help.

Do you have old photos or information in your possession that pertains to the history of Aitkin County? Please share it with the Historical Society. We can easily make copies and return the originals to you. Please, do not let a part of our history get lost forever.

Was your family one of the first families to settle in Aitkin County? Please remember that your family history is also the history of Aitkin County. Share that history with us. Has someone in your family written a family history? Consider donating a copy to the Historical Society.

If you do not know if information you have is important, please call and ask us. (218) 927-3348

Northern Pacific Railway Company Map Showing Railroad Lands for Sale

Corrected to January 1900

The following are excerpts from the back of the map describing Aitkin County.

That portion of Eastern-Central Minnesota represented by Aitkin County, together with the more northerly county of Itasca, has achieved a prominence of late which is destined to command it to the very serious consideration of farmers and stock growers everywhere. The fact that the Aitkin County exhibit secured first prize among all counties at the recent Minnesota State Fair, has served to stimulate public curiosity respecting its resources of that new section, and to cause many inquiries to be made in regard to land there, opportunities for settlement, etc.

Aitkin County is so large that its present population of ten thousand leaves ample room for thousands of other prosperous farmers and for many other thriving communities. It is within easy reach of excellent markets and the larger outlets afforded by Duluth and Superior and Minneapolis and Saint Paul. The Northern Pacific Railway Company owns several hundred thousand acres of the best lands in Aitkin and Itasca Counties.

In addition to this, there is a large amount of government land which can be taken up under the homestead laws.

The soil in Aitkin County is exceedingly fertile, consisting of alluvial clays along the river bottoms, and a considerable quantity of mixed clay soil, which is generally considered the most desirable, on account of its power of absorbing water, and holding it in reservation for the growing of crops while the surface quickly dries, and is therefore easily tilled after rain. Part of it is a sandy loom, containing a large proportion of vegetable substances, which give richness to the soil, as well as warmth early in the spring. Last, but not least, there is a good deal of peaty soil, which for celery and other vegetables cannot be excelled.

No part of agriculture need be neglected in Aitkin County. You can grow enormous crops of cereals: you can grow fruits and vegetables, and you can utilize the unequaled grasses to fatten stock or to make the yellowest and richest butter and cheese which ever pleased human palate or brought to prices in the open market.

Wheat, oats, barley, buckwheat, corn and all the small grains yield prodigiously. Sweet potatoes and the common varieties can be grown for the world. Celery, beets, turnips, cabbage, and all vegetables common to the West and Northwest, grow to perfection and in enormous quantities. Sugarcane does well there, also. If this is not enough, let it be known that Aitkin County is the coming fruit region of this entire section of the country. Apples, plums, pears, grapes, and all kinds of berries, all of the most delicious flavor, thrive there unfailingly and are becoming more and more of a resource every year. Cranberries grow there in great quantities and edible wild rice is found in abundance. The growing season is long enough to permit of these products maturing before killing frosts come.

Aitkin County's State Fair exhibit was remarkable for several reasons, one of which was the wealth of grasses and forage plants displayed. There were twenty varieties. Magnificent samples of timothy were shown from a field from which two crops had been cut, and also a sample of timothy the seed of which had been sown in the middle of April, 1898, the hay having been cut in August. This new timothy yielded two and a half tons per acre — a fact which J.J. McDonald, chairman of the Board of Aitkin County Commissioners, will vouch for. Three growths of red clover from the same fields in one season is not at all unusual. All kinds of grasses grow there luxuriantly. It is a stock country par excellence. In this one county are over 200 beautiful lakes, not to mention numerous rivers and creeks, and there is no trouble to get inexhaustible supplies of pure well water.

It is a paradise for cattle, hogs and sheep. The great variety of juicy grasses, the pure water, the dry air, the wholesome climate, and the adaptability of the soil and seasons to all kinds of crop products for feed as well as for shipment; render it an ideal section for stockmen and farmers generally. Those diseases which kill off so much live stock in other parts of the country are unknown in this land of spring-fed lakes and brooks. There is abundance of timber for shelter against cold and heat as well as for fuel and building purposes, and the big lumber mills of the country, with their ever pressing need of logs, afford constant and profitable occupation for the farm holders during the winter period.

The timber in the northern part of the county consists principally of pine with hardwood belts and occasional growth of tamarack. In the southern part the hardwoods predominate and include oak, ash, hard and soft maple, elm, basswood, butternut, poplar and birch, intermixed with cedar, pine, balsam, fir, spruce and tamarack.

The lumber and timber industries of this region constitute an important element of wealth, and offer a reliable source of revenue to settlers, a large force of men and teams are employed during the winter months, at good wages, in cutting and hauling logs, railroad ties, piling, paving and telegraph poles. In supplying the demand for logs, cordwood, etc., farmers realize good price for their lumber.

Nor is the county lacking in other desirable features. Newcomers would not be moving into a wilderness. One's neighbors would be largely emigrants from the older states, with many sturdy and industrious people from across the ocean. In Aitkin and Grand Rapids, the respective county seats of Aitkin and Itasca counties, are schools and churches, as well as homes and business houses that would be a credit to any place in the land. They are thriving, prosperous young towns. Aitkin has a population of about 1800. Its public buildings, hotels, electric-light plant, water-works system and other modern conveniences, generally, among the best in the state. There are other large settlements, of course, and good district schools are everywhere available. In a few years there will be a largely increased population in the county – farm values increasing at a corresponding rate. It abounds in game of every description from the big black bass to the huge muskellunge and from ducks, geese, grouse, prairie chicken and partridge, to deer, moose, bear and other large animals.

It must be remembered also, that this county, which is so rapidly forcing its way to the front as one of the most highly favored localities in Minnesota, is only 90 miles from Duluth, and the head of Lake Superior, and only 150 miles from the Twin Cities, St. Paul and Minneapolis.

In corroboration of what has been here said regarding this county, the following statements by actual settlers will be of interest.

Joseph Elmhurst, whose post-office address is Aitkin, Aitkin County, Minn., says: "I came from Hunnewell, Shelby County, MO.; last spring was Induced to come here by Mr. B.M. Hungerford whom I had never known or heard of, and I am simply delighted with the county and prospects. I am an Englishman, and have seen much of the world, but have never seen such wonderfully productive soil as her in Aitkin County."

Peter Anderson, whose address is the same says: "I threshed this year from one and one half acres, sixty-two bushels of wheat. My other crops are equally as good. Have not had a failure since I came here fourteen years ago."

Capt. N.C. Honnold, Attica post office, Aitkin County testifies as follows: "I have lived in Aitkin County five years. I have raised corn each year, and it has always matured and has averaged forty bushels to the acre. I have lived in Ohio, Indiana, Iowa and Nebraska, but have never seen such productive soil. It is the coming fruit country of the Northwest."

Here is what S.H. Hodegen says. His post office is Aitkin: "I have 38 acres of corn this year that yields forth bushels shelled corn per acre. I have seventy acres of oats that threshed sixty-eight bushels to the acre. I cut 115 tons of timothy from forty acres. I have lived her twenty-seven years, and have never known a failure of crops, excepting on lands that have overflowed."

County Commissioner E.A. Hanson says: "I have lived in Aitkin County eighteen years. I cut four tons of fine hay per acre from natural meadow this season. I have threshed forty bushels of wheat to the acre. I do not believe Aitkin County soil is surpassed in the United States for productiveness."

Ole Sjodeye, Attica post office says: "I have lived in Aitkin County thirteen years and have never had a failure of crops. I keep twenty-five head of cattle, six horses, twenty sheep, and twenty hogs and have never lost any by disease. I do not believe there is such a stock country in the United States."

C.G. Welton, who has lived in Aitkin County eighteen years, and whose work is as good as gold, says that he has just threshed 169 ½ bushels of wheat from three acres and 400 bushels of oats from four acres, the latter weighing forty-four pounds to the bushel, which makes the actual yield 135 bushels per acre – a world beating record."

Towns in Aitkin County

Altkin, an important town on the Northern Pacific Ry, is situated on the Mississippi and is a shipping point for a line of steamboats running on the river. It has sawmills, planning-mills, a stave mill, a \$20,000 Courthouse, a \$10,000 School house, churches, hotels and a good representation in general business enterprises. It has 1,800 population and is an active trade center.

Cedar Lake, population 500, a fishing resort, and **Rossberg**, **Kimberly**, **McGregor** and **Tamarack** are stations on the Northern Pacific Ry. and shipping points for new farming districts. They offer good openings for new business projects.

Nichols, Hickory, Attica and **Malmo**, reached from **Aitkin** are attractive lake resorts with excellent fishing, hunting, and boating. The climate is exceedingly healthful and the lakes are visited annually by large numbers of people in pursuit of health and pleasure.

2012 RAFFLE WINNERS

- 1. Emily Greens Golf for 4 with cart (\$152.00 value) Jennie Hakes Monticello, MN
- 2. Emily Greens Golf for 4 with cart (\$152.00 value) Brad Landgren Aitkin
- 3. Chanhassen Dinner Theater for two (\$150.00 value) Janet Miller McGregor
- 4. Grand Casino Hotel Package for two (\$125.00 value) Jesse Rian Aitkin
- 5. Wild Mountain Super Day Passes (\$66.00 value) Sara Beckstrand St. Paul, MN
- 6. Minnesota Twins Print #2 (\$50.00 value) Kit Julum Aitkin
- 7. Minnesota Wild Gift Pack (\$50.00 value) Myron Larson Aitkin
- 8. Afghan (\$50.00 value) Cindy Walz Aitkin
- 9. Round of Golf Cross Woods (\$45.00 value) Ray Morris Aitkin
- 10. Rhubarb Leaf Bird Bath (\$45.00 value) Paul Kuiken Aitkin
- 11. Cuyuna Country Auto Oil Change (\$32.00 value) Darlene MacGregor Aitkin
- 12. 36" White Doily (\$30.00 value) Eleanor Lemire Aitkin
- 13. 2 20" Square Throw Pillows (\$30.00 value) Larry Tollefson
- 14. Shawl made by Connie Pettersen Hannah Oliverius Minnetonka, MN
- 15. Rialto Movie Theater (\$25.00 value) Kaitlyn Davies Aitkin
- 16. The Office Shop (\$25.00 value) Mike Hill Aitkin
- 17. Pre-paid VISA card (\$25.00 value) Bonnie Swanson Crystal, MN
- 18. Rialto Movie Theater (\$25.00 value) Doug Collins Aitkin
- 19. 28" White Doily (\$25.00 value) James Kalb Woodbury, MN
- 20. 3' X 5' Afghan (\$25.00 value) Cathy Aykens Crosby
- 21. Pre-paid VISA card (\$25.00 value) Bob Cummings Aitkin
- 22. Sunbeam Plush Heated Throw (\$20.00 value) Margery Howard Aitkin
- 23. 22" Green & White Doily (\$20.00 value) Don Niemi Aitkin
- 24. Kosie's Café (\$20.00 value) Becky Roden Aitkin
- 25. Shakespeare Fishing Set (\$20.00 value) Chuck Armstead Aitkin
- 26. Sunbeam Plush Heated Throw (\$20.00 value) Ron Arvidson Aitkin
- 27. ACHS Family Membership (\$20.00 value) Mary Broome Aitkin
- 28. Folding Chair (\$15.00 value) Mary Henke Aitkin
- 29. 8 GB 2.0 Flash Drive (\$15.00 value) Betty Young Eden Prairie, MN
- 30. Traditions Mini-golf (\$15.00 value) Larry Robberstad Aitkin
- 31. 20" Crème Doily (\$15.00 value) Ardis Ivory Aitkin
- 32. Cuyuna Lanes (\$10.00 value) Cheryl Meld Tamarack
- 33. Shiperio Golf Game (\$8.00 value) Linda Hommes Aitkin
- 34. Northland Subway Value Meal (\$8.00 value) Darlene Maciej McGrath
- 35. Shiperio Golf Game (\$8.00 value) Joe Paakkonen Cook, MN
- 36. Northland Subway Value Meal (\$8.00 value) Connie Pettersen Aitkin
- 37. Whistling Wolf Mini-golf (\$6.95 value) Bob MacGregor Aitkin
- 38. Aitkin County Naturally (\$5.00 value) Chuck Streasick Rockport, TX
- 39. Wood Souvenir Pen (\$5.00 value) Bea Roscoe Aitkin
- 40. Aitkin county Naturally (\$5.00 value) Lael Carlstrom Aitkin
- 41. Red or Blue Bandana (\$3.00 value) Louis Rowell Aitkin

2013 RAFFLE PRIZES

We collected a total of 51 prizes for our 2012 raffle drawings. (early-bird in August and final drawing in December). Our goal is to collect 50 prizes again this year. So far we have collected 14 prizes for this year's raffle. If you have a prize to donate for this fundraiser please contact Greg at the Depot so it can be added to the list.

Board of Directors: Darlene Maciej (President), (Vice-President), Lorraine Liljenquest (Secretary), (Treasurer), Cheryl Meld (McGregor H.S. Rep.), Jon Jacobson, Alice Dotzler, Connie Pettersen, Pat Williams, Arlene McNevin, Susan Benson, Carol Bailey, Ron Kemmett, John Hendrickson, Bob Lake, Colleen Bremner, Mark Wedel (County Commissioner), Sherry Arvidson (Accountant), Greg Leach (Administrator)

AITKIN COUNTY HISTORICAL SOCIELTY MEMBERSHIP

Business Members – 36, Individual Members – 28, Senior Members – 103, Family Members – 198,

Life Members – 17, Perpetuity Members – 2

TOTAL MEMBERSHIP - 384

BUSINESS MEMBERS

Aicota Health Care Center Aitkin Body Shop Aitkin Chamber of Commerce **Aitkin County Abstract Company** Aitkin Family Chiropractic Center Aitkin Flowers & Gifts Aitkin Furniture & Carpet Aitkin Independent Age Aitkin Iron Works Aitkin Lodge #164 IOOF Aitkin Motor Company American Legion Post 86 **Arvidson Tax & Accounting** Blakesly Appliance Service & Repair Christensen Law Office **Enberg TV** Eyecare Center of Aitkin & McGregor **Garrison Disposal Gobles Sewer Service Gravelle Plumbing & Heating** Hasskamp Brox. Well Drilling **Hometown Building Supply Hudrlik Carpet** K & J C-Stores, Inc. KKIN-KEZZ Radio **Lundberg Plumbing & Heating Members Coop Credit Union** Mille Lacs Energy Coopertive Paulbeck's County Market **Peoples National Bank** Jerome D. Poland, MD., LTD. Red Door Resort & Motel R & K Cabinets **Security State Bank** Sunset Bay Resort **Tidholm Productions**

SUPPORTING BUSINESSES

Aitkin Independent Age **Cross Woods Golf Course Cuyuna County Auto** Cuyuna Lanes Cycle, Path & Paddle **Emily Greens Golf Course Enberg TV Garrison Disposal Grand Casino Mille Lacs** Hyvtinen Hardware KKIN AM & FM Radio Kosie's Café Minnesota Twins Minnesota Wild Northland Subway Inc. The Office Shop **RDJ Products** Rialto Movie Theater Shiperio Games Sentence to Serve (STS) **Traditions Mini Golf** Whistling Wolf Mini Golf Wild Mountain

SUPPORTING TOWNSHIPS

FARM ISLAND TOWNSHIP
IDUN TOWNSHIP
LAKESIDE TOWNSHIP
LIBBY TOWNSHIP
NORDLAND TOWNSHIP
RICE RIVER TOWNSHIP
LOGAN COMMUNITY FUND
CITY OF AITKIN

AITKIN COUNTY

2013 PROJECT LIST

- Find a Caboose for display at the museum.
- 40' addition to second display building.
- Set up research area and library in Depot.
- Assemble photo albums for displays showing artifacts in use.
- Clean out building #4
- Cut down trees south of building #3.
- Fill low area south of building #3 with dirt.
- Replace Hot Water Heater
- Transfer videos to DVD
- Create more hands on displays for children.
- Purchase good set of International Flags.
- More information in displays.
- Walking tour of the city of Aitkin (GPS)
- Publish "Barns of Aitkin County" book.
- Print historical map of Aitkin County.
- Create more displays to with local interest.
- Collect info and photos for three other books. (Schools, Churches and Riverboats.)
- Work with local business leaders to create more interest in the museum.

"Life is one big road with lots signs. So when you're riding through the ruts, don't complicate your mind. Flee from hate, mischief and jealousy. Don't bury your thoughts; put your vision to reality. Wake up and live."

~Bob Marley







Aitkin County Board of Commissioners 209 2nd Street N.W. Aitkin, MN 56431

218-927-3348

Email: achs3348@embarqman.com Web site: www.aitkin.com/achs/

CALENDAR OF EVENTS 2013

COLLECTIONS

Next meeting will be on Friday March 1st, at 9:30am.

Aitkin County Fair July 10th thru 13th

Come and check out our display in the Log Cabin

Annual Garage Sale August 2nd & 3rd

Please donate items for this sale so we can once again fill two buildings at the County Fair Grounds. This is our largest fundraiser of the year. All donations are tax deductible. Donate/shop/enjoy

Aitkin Rendezvous

September 17th, 18th & 19th

Annual Open House/Cookie Walk/Raffle

December 7th, 2013

This is the final fundraising event of the year. Come to the museum, enjoy a free cup of coffee or apple cider, eat some cookies, and buy your holiday cookie assortment.

THE PRESERVATION OF YOUR HERITAGE DEPENDSONYOU

JOIN ACHS TODAY

MUSEUM HOURS

JUNE THROUGH AUGUST Tue. & Wed. 10:00 a.m. - 4:00 p.m. Fri. & Sat. 10:00 a.m. - 4:00 p.m.

SEPTEMBER THROUGH MAY Wed., Fri. & Sat. 10:00 a.m. - 4:00 p.m.

Editor: GREGORY LEACH



Measure of Excellence

Like most of us, I have a "work life" and a "home life" with a variety of interests and hopefully some degree of skill in some areas, as well as some challenges in other areas, in both lives. The way my mind works is that when I learn or hear something of importance in one life, I measure it against the other life to see if it makes sense and/or works there. (My way of dealing with brain clutter.) Last week I spent a portion of the week at the Community Action Partnership 2013 Management and Leadership Training Conference. By and large: a great opportunity I felt, and a good conference. I heard a great deal about "Excellence," measures of excellence, outcomes, Certified Community Action Professionals, and mostly organizational standards.

In my home life I do a fair amount of coaching of athletics where measures, standards, professionalism, certifications, and excellence are also key components. Wanting to avoid a great deal of clutter, I tried on my way home to see what I could apply one to the other. So here is how that would work: Given that I am lucky enough to coach in a situation where the facilities are outstanding, the coaching staff is experienced and well trained, the drills are cutting edge to develop skill level and fitness, the athletes are experienced, very skilled and motivated. (I could go into how all of this matches up one to one between proposed agency standards as well as professional certification and the coaching example but will spare you.) Heck, by all measures we should never lose a game!!

BUT, this is not the way it works in the real world. The success or failure of the soccer program I coach is not measured by any of that. In reality, victory is not guaranteed by the top rank in any of those things, nor is defeat assured by their absence.

The real success can only be measured at game time as a result of the battle. Pushing it backward from home life to work life tells me that in all the white noise about standards and excellence and certifications, let us not forget that the true measure of the success of any Community Action Agency has everything to do with "who did you help today?" and less to do with "what standard did we meet?"

Certainly all the work around organizational standards can help set the table, but in and of itself, they are not a measure of success. Each agency has to be game tested and the battles must be won to prevail and bring about real change in the lives of real people before we can say we are successful.

Regardless of the measures others would like to impose upon us (and God forbid those we impose upon ourselves), the real success of Community Action is seen on the ground, on the economic battlefield that is in the lives of the individual clients and communities we serve. Let us not shortchange those we serve in either energy or resources.

Executive Director

Mission Statement

To build prosperous communities by serving local families and individuals in their pursuit of self-reliance.

FLOOD DEADLINE QUICKLY APPROACHING

December 2012 marked the six month anniversary of the Northeastern Minnesota Flooding. Lakes and Pines has been administering Minnesota Housing Finance Agency's Quick Start Disaster Recovery Program and the Multi-Family Flood Recovery Program to assist home owners and rental property owners in Aitkin, Carlton, Crow Wing, and Pine counties, to repair homes and rental homes to pre-flood conditions. Property owners would first have to access insurance proceeds, then the Small Business Administration, and finally as a last resort funding the Quick Start/Multi-Family funding.

Since September Lakes and Pines has accepted over 100 applications and our partner, Lutheran Social Services, believes there are still potential applicants out there. *The current deadline for these programs is January 31, 2013. Applications need to be in the Lakes and Pines office by 4:30 pm.*

If you know of a renter or homeowner whose housing stability was affected by the flooding that occurred on June 19 - 21, 2012 please contact the Community Services Department to find out about eligibility for limited emergency housing assistance to stabilize their living arrangement. While these funds are through Minnesota Housing Finance Agency, they are separate from and different than the Quick Start program.

Key eligibility guidelines:

- 1. The household must be experiencing a housing emergency created by the flooding, such as:
 - *Being at risk of losing permanent housing, or;
 - *Staying with family or friends and no longer will be able to, or:
 - *Camping out or staying in temporary or inadequate housing due to the flood.

Please contact the Community Services Department for additional information.





You may know from experience that low-income youth and families often have trouble navigating the "system" and finding the help they need. For example, they call the County and explain their situation to find out 15-minutes later that they should have called Lakes and Pines (or vice versa). A concept called coordinated assessment aims to fix that problem. It's intended to streamline the way a community assists people who are homeless or may soon become homeless. Everyone who needs help starts with one call to a hotline or a face-to-face interview with someone who can assess what they need and help determine which agency has services available to fit their needs.

The benefits of coordinated assessment to people needing assistance, area service providers, and the community as a whole can be substantial. People needing help don't have to go from agency to agency, repeating their situation and providing copies of all needed documentation to figure out how to access the services they need. Service providers can more efficiently use their limited resources by reducing duplication of effort and are better able to identify and address gaps in needed services. The community benefits because when coordinated assessment works the financial, social and psychological costs of homelessness are reduced, thereby making the community stronger.

The Community Services Department will be contacting area service providers to serve as partners to initiate coordinated assessment in the coming months. This will mean figuring out a way to share client data and determining on a daily basis which agency has what resources available. It won't be an easy process to develop, but it will be vital to reducing homelessness.

Head Start Partners with Volunteer Dentist



Lakes and Pines' Head Start had the privilege of having Dr. Jim Nickman from Metropolitan Pediatric Dental Associates come to Aitkin United Methodist Church on December 3, 2012 to provide oral screenings, oral varnishing and oral education for children and families as part of the Head Start Dental Day. Dr. Nickman served nine Head Start children and siblings from the Aitkin area.

Finding quality dentists willing to provide care to very young children can be a challenge for low-income families. Families experience many barriers in accessing dental care including transportation, lack of insurance, or dentists who will not accept patients on Medical Assistance. Head Start has a federal performance standard that requires all Programs to have a yearly dental exam on file for every Head Start child. Providing dental days for Head Start families, in partnership with volunteer dentists, have been very successful in helping children receive dental care. Lakes and Pines' Head Start wants to thank Dr. Nickman for providing his time, skills, and expertise. He was great to work with and is very passionate and dedicated to children's oral health. The dental day on December 3rd was some children's first experience with a dentist and Dr. Nickman was a great dentist to be serving their needs. We are very thankful to have a strong advocate for children's oral needs. Thank you also to the United Methodist Church for allowing us to use their church to provide this service.

All children who attended dental day went home with a new backpack, fruits and vegetables cookbook, as well as a new toothbrush and toothpaste.



Small Cities Development Program - Is your community interested?

Lakes and Pines helps communities for, and also administers, the Small Cities Development Program (SCDP) using funds provided by Minnesota's Department of Employment & Economic Development. The SCDP offers opportunities for various types of rehabilitation including low to moderate owner occupied homes, rentals, and commercial buildings; there are also funds available for public facility projects such as water treatment projects and sanitary sewer systems. If you think that this is a program that could benefit your community, visit:

http://www.positivelyminnesota.com/Government/Financial Assistance/Community Development Funding/ Small Cities Development Program.aspx or have your council, board, administrator or mayor contact the Energy-Housing Department at Lakes and Pines at 800.832.6082.

Comments from SCDP Owner Occupied Homeowners

- *This is a wonderful program! There is no way I could have ever afforded those improvements myself. It helps our entire community by keeping property values up and maintaining real estate. The staff took great care in making certain it was done properly.
- *We are so thankful! Our house is beautiful. Thanks to everyone who made this possible.
- *We are really happy with our new siding and windows. The house looks so pretty now.

Comments from SCDP Commercial Property Owners

- *Everything was handled professionally and friendly in manner. Would recommend this experience to any city to participate for their residents and businesses!
- *Program works. It enabled us to make improvements to our building that will keep it in service years. This is a really good example of government funding that works.

Every Dollar Saved... MATCHED



We are looking for people interested in applying for the Family Assets for Independence in Minnesota (FAIM) program. The FAIM program is a **matching** savings program that provides \$3 for every \$1 saved, when the savings are going to be used to:

Buy a home;

Go to school; or

Start a business.

There is funding currently available specifically for households with children that meet the following requirements:

Be 18 years of age or older;

Be a resident of Minnesota:

Have assets less than \$10,000;

Have earned income at or below the following income guidelines:

Family Size	Income
1	\$22,340
2	\$30,260
3	\$38,180
4	\$46,100

Complete 12 hours of financial education;

Complete education specific to the asset being saved for, such as home buyer's training if saving to purchase a home, prior to withdrawing their savings & matched savings.

There are additional requirements too, but these are the basics. If you want more information about the FAIM program or would like to apply, contact the Community Services Department.



The Proof is in Success Stories - Head Start WORKS!

A parent of a Head Start child that was enrolled last program year (2011-2012) recently contacted Lakes and Pines in November 2012 to express her appreciation for the Head Start Program. Raquel (mom) called to recognize the Head Start Program and to say a big **THANK YOU** to her Home Visitor, Sandy Fredrickson, because her child Jonathan was recognized by his Kindergarten class this year as the only student who scored an above average score on the literacy exam that the children must take when entering Kindergarten. She explained that the students must score at least a 624 and Jonathan scored a 707!! Raquel said he also is the only student in his class that is able to count to 100 and she wanted to let the Program and Sandy know that without the Head Start Program and all the hard work and dedication put towards helping Jonathan learn, he would not be where he is today. Raquel wanted to share that she knows Sandy put her heart and soul into teaching Jonathan and she is very grateful.

ENERGY-HOUSING DEPARTMENT ADOPTS FAMILIES FOR CHRISTMAS

The Energy Assistance Department provided a Christmas meal with all the fixings and some nice gifts for four families this year! A family of 13, two different single men, and a single lady were selected as recipients this year.

For the past seven years, the members of the Energy Assistance Program (EAP) team worked on a project called "Christmas Families." A potential list of *Christmas Families* is developed from EAP families that are experiencing very difficult situations. Each EAP team member casts a vote for the families they feel should be considered. The final families are contacted to make sure they would like to participate. If they accept, we provide all the food for a special Christmas dinner, and a few gifts for each family member.

Each team member selects a food item they would like to donate from a menu sheet. The menu has included turkey or ham, potatoes, dressing, vegetables, biscuits, dessert, cookies and candy.

Staff can sign up to buy a gift for a specific person and note the type of gift. A donation can is set out to purchase additional gifts to fill in where needed. Everyone shares the gift wrapping fun.

This year's recipients included a large family where the youngest had a major health problem. Also chosen was an elderly woman that is under treatment for cancer. She cried when she received the gifts and was so excited to have "more food in her house than she has had in a very long time." The next household was a young man with a brain injury who was facing major challenges in his life, and the fourth household was a man that is receiving chemo treatments for cancer.

Each year, staff are very happy to help out households by giving support to a few of the wonderful people that are struggling with some very traumatic things in their lives. The spirit that is shared

helps them know that someone cares and to ease their troubles for a little while.

Stockings were decorated and gifts were delivered by department volunteers. They, along with all employees, had a great time; and doing this project made the holiday special for the Energy-Housing Department Staff!



MERRY CHRISTMAS!

COLLATERAL CONSEQUENCES OF CRIMINAL RECORDS AFFECT US ALL

A Community Services Advocate attended a presentation at the 2012 Minnesota Justice Forum on the collateral consequences of having a criminal record. Collateral consequences are automatic after being convicted of many crimes. Felonies, especially related to drug and sex offenses, carry large collateral consequences. People convicted of some misdemeanors also face ongoing collateral consequences. An ex-offender's civil and political rights, community and military service, employment, occupational licensing, housing, public benefits, family related rights, firearms and travel options all face restrictions. Most of these restrictions are unrelated to the original offense. Ex-offenders have paid their debt to society by serving their sentence, paying fines and following the orders of the court. Society, however, still makes indiscriminate judgments against felons. The costs of these indiscriminate judgments to the individual and society are excessive. They

are road-blocks to successful rehabilitation and reducing

recidivism.

Minnesota became the first state to "Ban the Box" in 2009. This law requires all Minnesota public employers to not ask on a job application about the person's criminal history. They must wait until an applicant has been selected for an

interview before asking about or checking criminal records. Another provision of this law limits the admission of an employee's criminal record if: (1) the duties of the position did not expose others to a greater degree of risk; (2) a court order sealed any record of the criminal case; or (3) the record did not result in a criminal conviction. This law does not limit private employers, but does serve as a best practices model.

Limiting the negative impact of collateral consequences will dramatically improve the success rate and is important for the individual, the family, the victims and the community. Felons should be able to establish a productive successful life without unjust barriers. Ex-offenders are spending their lives chasing redemption. People may think they have moved on, but current collateral consequences are with them forever.

The Community Services Department (CSD) is working on educating the public on collateral consequences. For more information or to engage a CSD staff person in a collateral consequences discussion, please contact the Department at 320.679.1800 ext. 115.

Hello from the Building Blocks for Success Program!

For those who may not know who we are, and what we do, I would like to introduce us to you.

Building Blocks for Success (BBFS) is one of the latest programs operated out of the Early Childhood and Family Development Department. Our Program is a school-readiness program for children ages 3-5 years who attend licensed child care sites in Chisago and Isanti Counties who are in partnership with Lakes and Pines and whose family meets the income requirements. Funding for this program comes from Greater Twin Cities United Way. Our income guidelines are slightly higher than the Head Start Program, and parents do not need to be working or going to school to be eligible for this child care option; however, the children must be in attendance in the day care or child care site for a minimum of three mornings a week.

The families receive three home visits and two conferences, plus individualized developmental goals designed especially for their child's needs. Families receive information about parenting and their child's development. Life skills such as poison safety, fire safety and nutrition are done during the home visits also. Building Blocks for Success provides developmental, speech, ages-and-stages social-emotional screenings, vision, and hearing screenings for each enrolled child. If there are concerns in any of these areas, the parent is notified and a referral is made. Our early intervention will detect problems that will impede a child's development and, therefore, can be resolved before it becomes a bigger issue for the child in the learning process.

Staff at the licensed Child Care Centers become trained in Creative Curriculum and receive an enhancement which some sites pass onto their families in a form of a discount for their child care fees. The licensed Family Child Care homes receive training/mentoring in Creative Curriculum, as well as an enhancement which they can use to build more quality in their program. The Child Care Specialist visits sites weekly to conduct developmental screenings on children, work with the children's goals, and does observations to document the children's progress.

At present, we are partnering with Room for Growing Educational Child Care in North Branch, Noah's Ark Preschool/Rainbow Child Care in Cambridge, and Care a Lot Home Daycare, a family child care owned by Billi Jo Peterson in Isanti. We are serving 13 children in 12 families. Building Blocks for Success is not only helping the children get better prepared for school, we encourage parents to take a more active role in getting their children prepared to meet the expectations of school by providing them with ideas of things they can do themselves. Parents are included in planning their child's education by setting goals they feel are important and giving them the knowledge of what is developmentally appropriate for their child.

If you would like more information on the Building Blocks for Success Program, or you know a family that might qualify for our Program, please feel free to contact Sally Ayers, Child Care Partnership Specialist, at (320) 679-1800, extension 143.



stands for **FOR YOUR INFORMATION**. It is a quarterly newsletter provided to the area's seven county officials and personnel of Lakes and Pines CAC, Inc.

We hope our Newsletter will present you with timely, interesting, and sometimes lighthearted

information. In turn, we hope that you will present us with your thoughts and suggestions.

For further information, please contact:

LAKES AND PINES CAC INC 1700 MAPLE AVE E MORA MN 55051 320-679-1800 Toll Free 1-800-832-6082 Visit Lakes and Pines on the web:

www.lakesandpines.org

Like us on Facebook

For the Agency to continue this savings in postage, it is important to maintain current addresses on file.

Please take a moment to review your address label and notify Lakes and Pines of any appropriate corrections. If you are interested in receiving the FYI electronically in the future, please email: lap@lakesandpines.org.

CORRECTION IN MAILING ADDRESS

PLEASE PRINT:

NAME:

ORGANIZATION:

ADDRESS:

CITY, STATE, ZIP+4 DIGITS

Mail to: Agency Administration, Lakes and Pines CAC Inc., 1700 Maple Ave E., Mora MN 55051-1227

րումիկեկեկերիրիրիկերկերութականիկերու

26431#1266 COO1

PATRICK WUSSOW
ADMINISTRATOR
ADMINISTRATOR
ADMINISTRATOR
ATTRICK WUSSOW

S 8 2013

NONPROFIT STD
U.S. POSTAGE PAID
MORA MN
PERMIT NO. 29

MORA MN 55051 1700 MAPLE AVE E LESS AND PINES CAC INC

STATEMENT OF BUSINESS TRANSACTED IN OFFICE OF COUNTY RECORDER, AITKIN COUNTY

DURING January 2013
DEPOSIT OF CHECK OR CASH \$ 25,592.40 TO AITKIN CO TREASURER

NATURE OF BUSINESS TRANSAUTED		AMOUNT OF FEES RECEIVED		
UCC		0.00		
NOTARY		60.00		
NOTARY SURCHARGE	9.2030	Expired 8/1/	10	
TORRENS		0.00		
TORRENS ASSURANCE	9.2031	0.00	***	
COUNTY GENERAL FUND		6931.00		
STATE GENERAL FUND	9.2036	5019.00	***	
RECORDER TECH FEE		4780.00		
UNALLOCATED		5258.00		
STATE WELL CERT.	9.2027	765.00	***	
COUNTY WELL CERT		135.00		
BIRTH CERTIFICATES		281.00		
CHILDREN'S SURCH.	9.2024	96.00	***	
BIRTH/DEATH SURCH.	9.2022	516.00	***(128/388	
DEATH CERT.		320.00		
2010 LEG. SURCH 144.226 SUBD 3 (b) COPIES & C/COPIES		320.00 1111.40	***	
TOTAL		\$25592.40		

WORK DONE FOR VARIOUS COUNTY AGENCIES FOR WHICH NO PAYMENT WAS RECEIVED

RECORDING HONORABLE DISCHARGES AITKIN COUNTY	0.00 460.00
AITKIN CO ROAD & BRIDGE OTHERS	0.00 552.00
TOTAL	1012.00

AITKIN, MN Jan. 31, 2013 Diane M. Laffet Co lecorde

ZIP 505

YEAR TO DATE 505

PREVIOUS YEAR \$24,427.00

		73
	14	

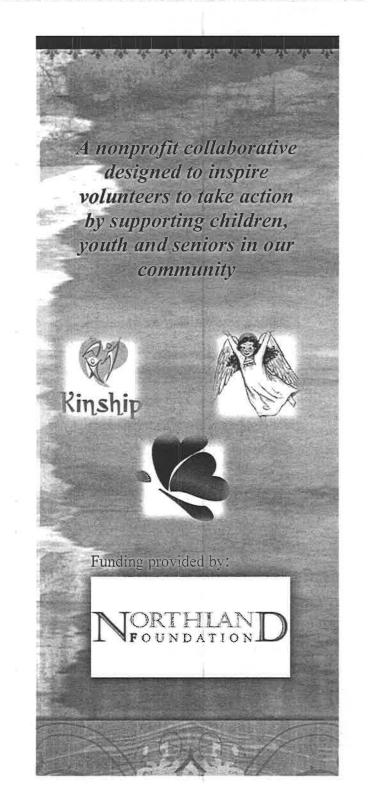
Volunteers Take Action!

The world is filled with many people who take action and help others around them.

Aitkin County CARE, ANGELS of McGregor and KINSHIP are three organizations that help others in need.

Thanks to a grant from the Northland Foundation,
Volunteers Take Action
was created to inspire others to make a difference and strengthen our community

For more information about volunteer opportunities call 218-927-1388.





Connecting caring people throughout Aitkin County

218-927-1388 1-877-810-7776 volunteerstakeaction@gmail.com

Aitkin County CARE Inc.

Coordinating Area Resources Effectively

218-927-1383 www.aitkincountycare.org



CARE's mission is to provide innovative and quality services to older and disabled adults throughout Aitkin County. CARE provides many different services to seniors in Aitkin County through an active volunteer network.

Volunteer Opportunities:

- Friendly visits
- Meals on Wheels drivers
- Transportation
- Seasonal chores
- Minor home maintenance

Volunteers

Kinship of Aitkin County 218-927-4039

www.kinshipofaitkincounty.com



Kinship's role within the community is to provide at-risk children with adult mentors. They introduce character and leadership skills to help youth learn to make good choices. Kinship needs others to help insure that the youth in the community will graduate healthy and drug free.

Volunteer Opportunities:

- Mentors
- Help with after school programs
- Fundraising
- Creating a newsletter
- Mailers

Take

ANGELS LAHIBNP

Area Neighbors Giving Elderly Live-in Services

218-768-2762 www.angelsofmcgregor.wordpress.com



ANGELS is a community based program located in McGregor, where volunteers offer assistance to help seniors live safely in their homes with independence and dignity. Volunteers are needed to provide this valuable and necessary service.

Volunteer Opportunities:

- Transportation
- Home chores
- Socialization
- Friendly visits
- Community events
- Fundraising

Action!

Aitkin County Board of Commissioners Board Meeting Attendance Record

Date: February 12, 2013

	Please check the boxes that apply.			
Name	Aitkin County Citizen	Aitkin County Employee	Company Representative – please list.	
BOB HARWARTH	X		MY SELF	
Marici Sayerbrei	X		Nillen Age	
Brenda Butterfield	×	X		
and Lathelel	X	X 4	MacVille Twp	
An DOTY			MacVille Two Congress Man Nolan's OFFICE	
BORN Miller	X		Northwood Eau'smed	
Bill Thompson	,	. X	Court House Maint	
Mile Dangers relucing		X		
reluccion	X		3	
	*			

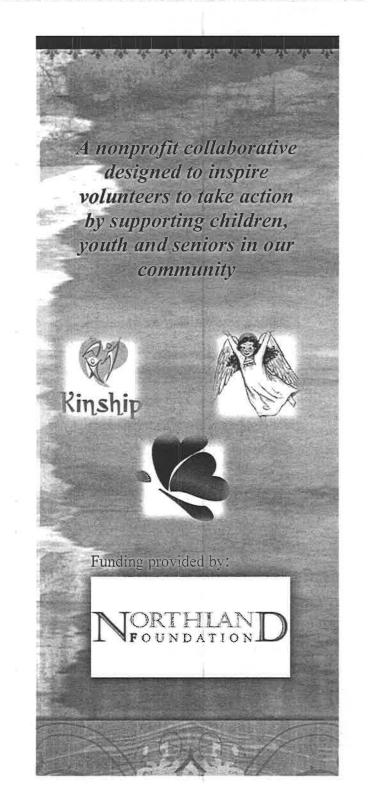
Volunteers Take Action!

The world is filled with many people who take action and help others around them.

Aitkin County CARE, ANGELS of McGregor and KINSHIP are three organizations that help others in need.

Thanks to a grant from the Northland Foundation,
Volunteers Take Action
was created to inspire others to make a difference and strengthen our community

For more information about volunteer opportunities call 218-927-1388.





Connecting caring people throughout Aitkin County

218-927-1388 1-877-810-7776 volunteerstakeaction@gmail.com

Aitkin County CARE Inc.

Coordinating Area Resources Effectively

218-927-1383 www.aitkincountycare.org



CARE's mission is to provide innovative and quality services to older and disabled adults throughout Aitkin County. CARE provides many different services to seniors in Aitkin County through an active volunteer network.

Volunteer Opportunities:

- Friendly visits
- Meals on Wheels drivers
- Transportation
- Seasonal chores
- Minor home maintenance

Volunteers

Kinship of Aitkin County 218-927-4039

www.kinshipofaitkincounty.com



Kinship's role within the community is to provide at-risk children with adult mentors. They introduce character and leadership skills to help youth learn to make good choices. Kinship needs others to help insure that the youth in the community will graduate healthy and drug free.

Volunteer Opportunities:

- Mentors
- Help with after school programs
- Fundraising
- Creating a newsletter
- Mailers

Take

ANGELS LAHIBNP

Area Neighbors Giving Elderly Live-in Services

218-768-2762 www.angelsofmcgregor.wordpress.com



ANGELS is a community based program located in McGregor, where volunteers offer assistance to help seniors live safely in their homes with independence and dignity. Volunteers are needed to provide this valuable and necessary service.

Volunteer Opportunities:

- Transportation
- Home chores
- Socialization
- Friendly visits
- Community events
- Fundraising

Action!

Aitkin County Board of Commissioners Board Meeting Attendance Record

Date: February 12, 2013

	Please check the boxes that apply.			
Name	Aitkin County Citizen	Aitkin County Employee	Company Representative – please list.	
BOB HARWARTH	X		MY SELF	
Marici Sayerbrei	X		Nillen Age	
Brenda Butterfield	×	X		
and Lathelel	X	X 4	MacVille Twp	
An DOTY			MacVille Two Congress Man Nolan's OFFICE	
BORN Miller	X		Northwood Eau'smed	
Bill Thompson	,	. X	Court House Maint	
Mile Dangers relucing		X		
reluccion	X		3	
	*			