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The Official Newsletter of the ND Township Officers Association • NATaT Member

State Executive Board Appoints New Treasurer

By Ken Yantes



State Board member Barb Knutson steps up to the plate for NDTOA again.

Township officers, we needed to get our financial records on computer and to know what our financial position is.

The Executive Board members of NDTOA must be able to accurately explain the incomes and expenses for each service provided by the state organization when our members request this information.

The most asked question at county meetings is what are you doing with our dues money? It is imperative that the question be answered fully and accurately.

The Executive Board recognized this need and on December 5, 2004 authorized the purchase of software for Barb Knutson to put our accounting on the Quick Books system.

After comparing the existing system with the computer generated form of accounting for 18 months, the Executive Board, on June 10, 2006, made the decision to replace Nolan Verwest with Barb Knutson as NDTOA treasurer. Barb has the equipment, knowledge and desire to bring instant, accurate and responsible financial reports to all of us.

For all of the members who have not paid their dues yet, please send your dues checks to the new treasurer:

Barb Knutson
 NDTOA Treasurer
 2600 236th St. NE
 McKenzie, ND 58572

The 2006 dues have come in at a higher rate than usual and we appreciate this but the By-laws state that the 2006 dues are due on December 1, 2005 and are delinquent on April 1, 2006.

Please remit as soon as possible to Barb Knutson
NDTOA Treasurer
2600 236th St. NE
McKenzie, ND 58572

2006 NDTOA Standing Committees

LEGISLATIVE COMMITTEE: Chairperson Joanne Abel, Barb Knutson, Larry Syverson, Ken Yantes. **BUDGET COMMITTEE:** Chairperson Kerry Schorsch, Nolan Verwest, Chuck Thacker, Joanne Abel. **RULES COMMITTEE:** Ralph Olson, Ken Yantes. **AUDIT COMMITTEE:** Chairperson Barb Knutson, Roger Olafson, Larry Syverson, Chuck Thacker. **RESOLUTIONS COMMITTEE:** Chairperson Joanne Abel, Co-Chairperson Max Laird, Larry Syverson, Kerry Schorsch, Dennis Rowe. **NOMINATING COMMITTEE:** Chairperson Barb Knutson, Floyd Miller, Ralph Olson **AWARDS COMMITTEE:** Chairman Bob Forward. **WORKSHOP COMMITTEE:** Chairman Tom Moe, Nolan Verwest, Chuck Thacker. **NATaT DIRECTORS:** Ken Yantes, Steve Ginsbach (Alternate). **CONVENTION COMMITTEE:** Chairperson Barb Knutson, Chuck Thacker, Ken Yantes, Don Malcomb. **Auction Committee:** Chairman Don Malcomb. **NEWSLETTER COMMITTEE:** Chairperson Ken Yantes, Darleen Yantes, Kathy Holte. **NEWSLETTER ADVERTISEMENT COMMITTEE:** Chairman Ken Yantes. **MEMBERSHIP ROLLS:** John Oxtan. **ACIR:** Chairman Ken Yantes, Don Malcomb (Alternate). **DUES COMMITTEE:** Chairman Nolan Verwest, Dennis Rowe. **HANDBOOK COMMITTEE:** Chairman Ken Yantes



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President's Message *Chuck Thacker*

Greetings Township Officers!

Time really flies when you stay busy. It has been a busy time as we had transaction for part time secretary to a full time secretary. Sure hope this will work out for everyone.

There had been a lot of calls coming in the first month. Remember the phone and fax number is (701) 655-3513. Don't be afraid to call with your questions. Ken will answer them or get the answer for you. He will also help you with your updates for the handbooks which are very important as the answers you need are in the book.

We have had another change in the association as Nolan Verwest has stepped down as treasurer after serving for 27 years. Barb Knutson will become the full time treasurer and everything will be on the computer.

At this time, I would like to say thank you Nolan for your many years of faithful service as treasurer and as "Iver" in our workshop skits. You will be missed but not forgotten.

I have had quite a number of calls. I'm pleased to see that township officers are doing a good job. Keep up the good work!

We held a meeting in Brocket at the Ken Yantes home that included a bus tour in the morning around the Devils Lake area. We had a very good guide—Rodney Brown. He did an outstanding job educating us on how many acres the water has taken over. Thanks Rodney! He also drove by the Tired Ranch with the fields all fenced with old tires. What a site!

After the tour, we had our meeting at Ken's house with a barbecue lunch.

We finalized the contract with the Kelly Inn in Bismarck for the upcoming annual meeting.

On June 27th, Barb, Ken, and myself met in Finley to take care of the changeover from Nolan to Barb. We also picked up most of the books and important papers from Nolan. We met with the bank and post office to change names and addresses.

We have a meeting coming up in Minot on July 26th at 2:00-4:00 p.m. in the ND State Fair Center in the Norse Room. If you are at the ND State Fair that day—stop in. It's always nice to have township people at our meetings.

I've been very busy in my township seeing to it that our roads are getting fixed from the flooding we had this spring and getting documentation ready for FEMA. We are hoping we will get some financial help as it sure costs a lot of money.

One thing township supervisors should be on the lookout for is signs that have been knocked down due to farmers haying the ditches or kids driving around the country.

In closing, I hope you all are having a good summer and good crops.

Remember to mark your calendar for December 4th and 5th for the annual meeting. I think you will find it to be an informing meeting as we have been working hard to get some good speakers. Let's make a big effort to attend. I promise you will not regret the time you spend with your fellow township officers and the information you receive from one another.

Enjoy your summer and think safety.

NOTE: Ken will bring you up to date on what's happening in the legislature and NATaT.

"You won't find any 'shiny pants' executives in our organization, just honest, hardworking folks devoted to your success."

—Dutch Kaeser, Kaeser and Blair 1937 company prospectus

Secretary's Corner

Ken Yantes, Executive Secretary



I have a sign on my desk which says... **"Well, what have you done today for the NDTOA?"**

Today I would like to report to you that your office in Brocket has had many calls from the membership and I wish to thank each and every one of you. The high speed Internet connection that the state board insisted on gives me the ability to check the ND Century Code and the most current attorney general opinions on questions raised by our calling members.

May 1st was the first day I began full time work as your Executive Secretary/Director of Governmental Relations. I am trying to keep a constant vigil on happenings in our state that have and are going to affect township government.

The Finance and Taxation Committee actions warrant our attendance. They have many proposals before them; one being to put property taxes on farm homes. A proposal to reduce property taxes may cost us in other areas and the State Board has representatives at each meeting to monitor the proposals.

The opportunity to work for the NDTOA on a full time basis has allowed me to review some of our past organiza-

tional actions. Even though the NDTOA is a tax exempt organization, the treasurer has been paying sales tax on many purchases that he shouldn't have. I contacted ND Tax Commissioner Cory Fong, and he has arranged to allow us to go back three years to try to get refunds for the overpayment of those taxes if we can get access to the records of payments made.

As your representative on the ACIR, I have surfaced the need for a raise in the 18 mill cap to 30 mills but deferred testimony until after some of the tax committee proposals have surfaced. I have asked for help from the membership in presenting testimony before the committee at our next meeting on July 18th.

Establishing the Brocket office took quite a bit of time. The new fax, copier and printer is a good addition to the NDTOA office equipment. A separate phone line for NDTOA at 701-655-3513 is great. The e-mail with DSL connections at ndtoa@polarcomm.com has been working well. The new phone has many new services which help me communicate with our membership better than I have been able to in the past.

State Board action directed Ken to get a cell phone for NDTOA use when he is away from the office and that number is 701-230-4118. We now have a new tape recorder to record the State Board minutes and is a big help to get the minutes accurately written.

On June 10th, the State Board met in Brocket and inspected their newly established office. We had a cookout at Ken and Darleen's house which consisted of a lunch and an evening fish fry on the grill done by Chuck and Joan Thacker, backed up by pork chops on the grill done by Ken and Darleen.

Township officers, I am not an attorney and cannot give you legal advice. Tom Moe is our legal expert and can help you there. I can and will do my best to point you in the right direction and stand ready on a full time basis to help whenever my 24 years of state board experience is needed.

History Committee Established

In order to tell where you are going it helps to see where you have been.

The state board of directors has established a History Committee consisting of Past Presidents Chuck Thacker, Gene Gehrke, Bryan Hoime and Ken Yantes.

They have been instructed to write a history book of the last 15 years of the NDTOA's existence. These past Presidents met at the Bryan Hoime residence in Grand Forks and reviewed past newsletters and minutes of the NDTOA.

A 1991 committee to do a 25 year history book produced a 25th Silver Anniversary book which documented the first 25 years of NDTOA. It dwelled on

the beginnings and the struggles of our forefathers and how hard they worked to get a state organization together.

A list of all past leaders and dates of the times of service was of special importance to the officers that followed them. The organizational accomplishments section sited legislative work and the much needed one cent gas tax effort.

The new proposed history book will retain those first 25 years and add the accomplishments of the last 15 years. Funding for the costs of the book has been secured by ad sales to Fred Meyers of Bismarck, ND. Fred owns FHM Equipment Co. and will have a front and back page ad in the history book.

Handbooks/Updates

If you need a new Township Officer's Handbook or updates please contact: Ken Yantes, P.O. Box 104, Brocket, ND 58321-0104; (701) 655-3513 or fax (call first): 655-3513 or e-mail: ndtoa@polarcomm.com or ken@ndtoa.com

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—Albert Einstein, American physicist, (1879-1955)

North Dakota Public Finance Authority

The North Dakota Public Finance Authority (PFA) is an agency of the State of North Dakota that issues bonds to make funds available for loans to political subdivisions, including counties and townships.

The PFA does this by issuing bonds and using the proceeds to purchase municipal securities issued by the borrowing political subdivisions. (The term “municipal security” refers to any debt obligation issued by a state or a political subdivision in connection with the borrowing of money.)

Generally, a loan can be made by the PFA for any purpose for which a political subdivision has the legal authority to borrow money through the issuance of its municipal securities.

Capital Financing Program (CFP):

Under its Capital Financing Program (CFP), the PFA sells its bonds in the open market through a competitive bid process. The interest rates that the PFA pays on its CFP bonds at the time of issuance are passed through to the political subdivision when the PFA enters into a loan agreement with the borrowing political subdivision.

The CFP has been assigned an “A” rating by Standard & Poor’s, which allows the PFA to provide loans to political subdivisions of North Dakota at attractive interest rates. In some cases, generally for short-term loans (less than 5 years) of less than \$100,000, the PFA may make loans without issuing bonds to obtain the loan funds.

The application and review process is similar to that under the CFP, however there is no underwriter’s discount charged to the borrower. There may be only minimal administrative fees for these direct loans and interest rates are set by agreement between the PFA and the borrower.

CFP Loan Application and Review Process:

Upon receipt of a loan application, the PFA prepares an amortization

schedule showing projected interest rates and the dates and amounts of principal and interest payments, as well as the projected costs, including the underwriter’s discount, administrative fees, bond counsel and financial advisor fees, and reserve letter of credit fees.

This schedule is provided to the political subdivision with the understanding that the actual interest rates are not set until the PFA bonds are sold.

Each loan application is subject to an initial review by the PFA. For loans that exceed \$200,000, the application is then submitted to PFA’s Financial Advisor, Public Financial Management, to prepare a market analysis.

Following this review and analysis, the information is submitted to PFA’s Advisory Committee, which makes a recommendation to the Industrial Commission to either approve or disapprove the loan. The loan is then presented to the Industrial Commission for final approval. For loan amounts less than \$200,000, PFA’s Advisory Committee can provide final approval.

Bond Counsel:

A political subdivision receiving a loan from the PFA must retain the services of recognized bond counsel. The costs associated with this service are the responsibility of the political subdivision. Bond counsel should be retained as soon as the political subdivision considers the option of borrowing money.

Bond counsel will generally be familiar with the requirements a political subdivision must comply with to issue municipal securities and it is important that all applicable state statutory requirements and federal tax law requirements be met in order for the securities to qualify as tax-exempt obligations.

A list of bond counsel firms with offices in North Dakota is as listed.

Contact:

**Tim C. Porter, Executive Director
North Dakota Public Finance
Authority**

700 East Main Avenue, PO Box 5509
Bismarck, ND 58506-5509

Phone: 701-328-7120

Toll Free: 800-526-3509

Fax: 701-328-7130

tporter@nd.gov

www.nd.gov/pfa/

North Dakota Bond Counsel Firms:

Arntson & Stewart, PC

51 Broadway, Suite 603

PO Box 789

Fargo, ND 58107-0789

701-280-0195

jstewart@aspclaw.com

Cook Wegner & Wike PLLP

3801 Lockport Street, Suite 1

Bismarck, ND 58503-5576

701-255-1008

1-888-417-5213

Fax: 701-255-6325

scottwegner@cwwbondlaw.com

jaclinwike@cwwbondlaw.com

Dorsey & Whitney

Dakota Center

51 North Broadway, Suite 201

Fargo, ND 58107-1344

701-235-9969

Ohnstad Twichell PC

901 13th Avenue East

PO Box 458

West Fargo, ND 58078-0458

701-282-3249

Fax: 701-282-0825

bneugebauer@ohnstadlaw.com

dtwichell@ohnstadlaw.com

Vogelpohl Law Office

1120 College Drive, Suite 207

PO Box 7068

Bismarck, ND 58507-7068

701-258-9847

Fax: 701-258-9854

slv@slvlaw.net

Treasurer's Notes

As of June 10, 2006, I have taken over the position as treasurer for NDTOA, I would like to thank the board for the vote of confidence for appointing me to this very important position.

I have worked on the books for the last year and a half with Nolan Verwest and that has been a help in learning what all needs to be done. I will do, to the very best of my ability, the record keeping for the organization.

For the short time that I have had the books, I notice that some Townships are paying dues at various times of the year. I understand that, due to the way that meetings fall in your particular township, this may be handy for you.

Since we are using the fiscal year which is November 1 through October 31, it would be helpful to the organization if all dues could be submitted for 2006 by the October 31st year end. This will enable us to prepare an accurate report for you at the annual meeting in December. Thank you for your help in this matter.

Barb Knutson

Legislative season is coming up again in 2007. Some of us have been attending meetings that pertain to that. It is a big advantage to have our full time Secretary, Ken Yantes on board to take care of these matters. Thanks to all who have paid the extra dues for this purpose. Our organization has grown to the point that this was an absolute must to keep us and our lawmakers abreast of what is going on out in the grassroots of our state.

If you know of anyone on your township board that are not getting the *Grassroots* newsletter, please send names, addresses, and township to us so they can be added to the list. We are constantly updating the list, but this is the only way we will know to add the names.

Anyone having questions about anything I may be able to provide, please feel free to contact me, either by mail, phone or e-mail. Have a great summer!

The Country Lawyer

Thomas R. Moe, Attorney-at-Law

Q. Can a "Quarter line" road be a township road?

A. Yes, if there is an easement given for it. Roads oftentimes were put on the half-mile line because the section line wasn't available because of water or topography. If you're lucky maybe something is written in either old clerk's minutes or filed at the Courthouse. Most of these roads, however, were put in with a "handshake" easement, and everyone involved is long gone. There is a process to have a road declared a "public road by prescription," but that takes a Judge at a Court hearing to do that.

Q. Does a township road have to be graveled?

A. No. Whether to gravel or not is a function of the residents of the township at the annual meeting determining where they want to spend their money, and directing the supervisors to do so.

"By working faithfully for eight hours a day, you may eventually get to be a boss and work twelve hours a day."

—Robert Frost

"One of the symptoms of an approaching nervous breakdown is the belief that one's work is very important."

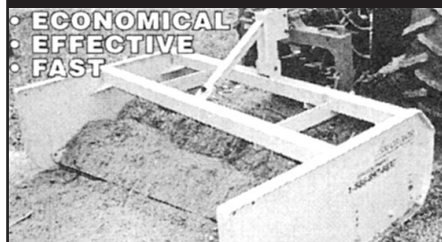
—Bertrand Russell

REMINDER

Are your newly elected township officers receiving this newsletter? Be sure to let us know when to add and/or delete a name from our mailing list. Send the following information to: Ken Yantes, P.O. Box 104, Brouket, ND 58321-0104.

1. Your name, title, mailing address and phone number.
2. Your township name and county.
3. The name of the person you replaced on your township board.

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State Bonding Fund – Legislative Update

For those North Dakota Townships who did not receive or who have not acted on the State Bonding Fund's June 2005 Legislative changes notification, we provide you with this summary that describes the substantive changes to NDCC 26.1-21 (State Bonding Fund):

1. **Section 26.1-21-10** Automatic Insurance of state and political subdivisions.

Each State agency and each political subdivision (this includes townships) must apply to the Fund to be bonded. The application must be filed biennially or when a change in coverage is requested.

The Fund is using a calendar year for the bonding period, meaning January 1, 2006 is the effective date for all bonds. Bonds older than January 1, 2006 have expired. If you have not completed an application for coverage, form (SFN 54369), it is not too late.

You can download a copy from this web address: <http://www.state.nd.us/ndins/programs/details.asp?ID=104>

The following are commonly asked questions when completing the Application for Coverage:

- Who is covered by the Bond? All employees, including the board of supervisor, whether paid or not.
- What kind of coverage does the Bond provide? The bond protects the entity (township) against theft of its money or property by an employee.
- **Section 3 - Audits.** Townships are not audited by an independent CPA or Office of the State Auditor. However, a Township is required to conduct its own audit. You need to explain how your books are audited in the appropriate section under

“Audits” where it states “If an independent CPA or the State Auditor is not retained, who is responsible for auditing the books?”

- **Section 5 - Bank Account Control.** All questions in this section need to be answered. We understand if a “weakness” cannot be corrected. However, we strongly discourage the practice of pre-signing checks for the purpose of a countersignature, the use of signing machines or signatures plates, and recommend a countersignature on all checks.

- **Section 6 - Computer Control.** Townships can just indicate “not applicable” in this section.

- **Section 7 - Money Security and Payroll Exposures.** Under “Checks” enter all revenue, whether it be a direct deposit or automatic transfer, the township received over the previous 12 months. Under “Negotiable Securities” enter any funds you have set aside in a savings account, CD or money market account for road work/repairs, building repairs, emergencies.

- **Section 8 - Coverage Requested.** Enter 25% of the total of Section 7 in “Limits Requested.”

All questions must be answered and must be signed and dated by an official duly authorized to sign such documents.

2. **Section 26.1-21-15** Limitation of time for bringing action against the fund – Interest – Limitation on time for fund liability.

Interest on a claim will not run until the claim is filed with the commissioner and the liability of the Fund is limited to a breach of a condition of the bond which occurs within two years before the date of filing the claim with the commissioner.

Please contact me, Jeff Bitz, Program Director, at 701-328-9606 should you have additional questions regarding completing the application process. Thank you.

NATaT Directors Report

by Ken Yantes

The NDTOA has been contacted by the South Dakota and Minnesota Township Officers Associations and they have indicated the need to meet and join forces to work in Washington in early September.

The South Dakota Executive Director, Gail Brock, has e-mailed us and would like to work with us on the IRS reporting resolution which we adopted at the 2005 annual meeting. Maybe with help from our neighboring states, we can be successful in eliminating the need to fill out the federal payroll reports.

Loren Ingebretsen, President of the Minnesota Township Officers Association, has again accepted our invitation to attend the NDTOA 2006 annual meeting.

President Chuck Thacker has indicated that I should attend a four state conference in Red Wing, MN to lay the ground work for the September NATaT meeting. I have learned that a breakfast meeting with North Dakota Senators and Representative is being planned during the September meeting.

They have all sent congratulations to the NDTOA for their decision to appoint Ken Yantes as Executive Secretary/Director of Governmental Relations.



Grass Roots Report

ND Township Officers Association
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Newsletter Editor Notes...

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