

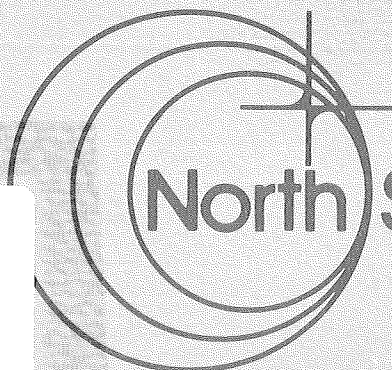
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FINAL REPORT

on

A STUDY OF ECONOMIC, SOCIAL AND
ORGANIZATIONAL FACTORS ASSOCIATED
WITH PARTITIONING ST. LOUIS COUNTY

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STATE OF MINNESOTA



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FINAL REPORT

on

A STUDY OF ECONOMIC, SOCIAL AND
ORGANIZATIONAL FACTORS ASSOCIATED
WITH PARTITIONING ST. LOUIS COUNTY

to

DEPARTMENT OF IRON RANGE RESOURCES AND REHABILITATION

LEGISLATIVE REFERENCE LIBRARY
STATE OF MINNESOTA

from

NORTH STAR RESEARCH INSTITUTE
3100 38th Avenue South
Minneapolis, Minnesota 55406
26 July 1974

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INTRODUCTORY STATEMENT

This study was commissioned to find the answers to two questions.

1. Is it feasible to divide St. Louis County into two counties?
2. If it is feasible, where should the line of partition be drawn?

These two questions are, of course, closely interrelated, because the feasibility of partition depends to some extent upon where a partition might be made. These questions are also ones which are subjects of intensive commentaries, widely varying opinions, and highly charged emotions. Therefore it is important to make clear that this study is not an opinion survey. While opinion shall probably be the ultimate determinant in the question of partition, it would make itself most strongly felt if and when the question would be put to a popular vote. The reason why it is important to stress this point is that there may be a number of highly knowledgeable and concerned persons in many walks of government, business, and industry who may feel that their opinions should have been solicited for the purposes of this study. In fact, no opinions were sought from any quarter. The thrust of the study is to accumulate as much relevant data as possible, given the budget constraints, and to arrange it into useable form for purposes of decision-making.

It is also important to understand that it is not the intent of this study to recommend a line of partition. The data gathered are arranged in such fashion that wherever a line of partition might be drawn, it is possible to determine how resources would be divided, how tax revenues would be divided, and how demand for county services would be divided. In order to demonstrate how the data may be utilized, three hypothetical partition lines are examined. Inasmuch as the Minnesota Statutes indicate that a partition line dividing a county shall not come closer to within twelve miles of the

existing county seat, one of the hypothetical lines is drawn along Township boundaries roughly twelve miles out of Duluth. The second hypothetical line is the so-called Cotton Line, and the third is along Township boundaries at the southern edge of the Range area.

It is found that the southern area has approximately 10 percent greater potential demand for county government services than potential resources available to support this demand. It is found that the southern area currently receives about 10 percent more in county government services than it contributes in taxes to the three major funds analyzed, namely, General Administrative, Road and Bridge, and Welfare funds. It is also found however, that the southern area has 57-60 percent of the county population, depending upon which line is used, and contributes 52-55 percent of the ad valorem taxes. In general, there appears to be no overwhelming subsidization of the Duluth area by the Range area, or vice versa.

It is also found that the additional direct payroll costs for governing the hinterland area between Duluth and the Range would be approximately \$1.1 million per year. This is roughly 7 percent of the present direct payroll. It is concluded, therefore, that it makes very little difference where a line of partition might be drawn, as long as it is somewhere between the Duluth metropolitan area and the southern edge of the Range Townships.

Addressing now the question of the feasibility of partition, it is concluded that it is feasible to partition the county based upon the following findings.

1. There is a precedent inasmuch as counties have been divided twice before in Minnesota history.
2. The resulting counties would be large enough geographically and in terms of population, to be viable.
3. It appears that the current expenditures per capita for county government are highest for those counties

having small populations and for those having large populations, and that these costs are lowest for counties having populations of about 100,000. This means that partitioning the county may result in more efficient county government in terms of this one indicator.

4. There would be no serious violation of existing jurisdictional boundaries as a result of partition, except of course, that the County Commissioner Districts would have to be realigned.
5. The resulting counties would have adequate resources to support their respective demands for county government services.
6. The resulting counties would have adequate tax bases to support the levels of government services which they now enjoy.
7. The additional expenses of county government organization which would result from partition do not appear to be excessive.

In sum, then, partition of St. Louis County does appear to be feasible, and the line of partition may be drawn anywhere between the Duluth metropolitan area and the southern edge of the Range Townships.

The advantages of partition seem to be stronger for the Range than for the Duluth area. It would appear, however, that if a partition were to be made as close to Duluth as possible, it might be feasible to consolidate the Duluth county government and the Duluth municipal government. The efficiencies which may be forthcoming from such a consolidation may more than compensate for those slight losses in resources and revenues which would result from a partition of the county.

Throughout this study, limitations of the data are pointed out. Among the most important are the following.

1. All of the data utilized are historical data. No projections are made, either of population or of

any of the other factors used to construct demand and resource indexes. It is also pointed out, however, that such projected numbers may be utilized in these indexes if it is deemed desirable to do so.

2. The data for constructing the indexes is taken from the 1970 Census of Population. When broken down on a Township basis, as is done in this study, there may be large sampling errors. When the data are aggregated on the basis of counties resulting from partition, however, this sampling error is greatly reduced.
3. There is no treatment given to the copper and nickel deposits because the decision was made not to develop projections for any of the resources, and there is no current revenue coming into the county funds as a result of mining operations associated with these deposits.
4. Little treatment is given to the School District budgets because there would appear to be very little change in these budgets as a result of partition. The School Districts are operated on a basis largely independent of the county government.

While it is important to bear these limitations in mind, it is thought that they do not detract significantly from the usability of the data presented.

CHAPTER I

THE PARTITION QUESTION

CHAPTER I

THE PARTITION QUESTION

Of the 3,106 county units in the United States, St. Louis County, comprising 6,092 square miles, is the 40th largest. Map 1 shows that there are four distinct economic regions in St. Louis County; the Duluth metropolitan area in the southeast corner; the Iron Range region through the center of the county; a large rural-village region lying between Duluth and the Iron Range; and the northern forest region lying between the Iron Range and the Canadian border. Each of these regions has vastly differing resources and development patterns. The 1970 population of each region is as follows:

<u>Economic Region</u>	<u>1970 Population</u>	<u>Percent</u>
Duluth Region	119,817	54.3
Iron Range Region	84,291	38.2
Rural Village Region	11,445	5.2
Northern Forest Region	<u>5,140</u>	<u>2.3</u>
	220,693	100.0

Thus, the population is largely concentrated in Duluth and on the Iron Range, with a large, sparsely-settled rural-village area dividing these concentrations.

The economic bases and development patterns are sufficiently different so that Duluth and the Iron Range may be viewed as two different socio-economic cultures. Over the years these differences have resulted in rivalries which are expressed from time to time in terms of separation into two county governments. Proponents of separation argue that separation would have the desirable consequences that each region would be supported by its own resources, and would not be called upon to subsidize the other, that the resources of each would be under the political control of the respective populations, and that another county seat would be more convenient for the northern residents of the county. Opponents of separation argue that the differences between Duluth and the Iron Range are not serious enough to warrant such a change, and that taxes would go up as a result of supporting two county governments instead of one.

A sampling of opinion regarding separation was taken at a meeting of Township Officers in Cotton on March 27, 1974. Of the 33 responses obtained, 8 favored, 22 opposed, and 3 had no opinion. These responses

are plotted on Map 2. While the survey results cannot be defended on the basis of a scientific sampling procedure, and many townships were not represented at the meeting, it is interesting to note that those favoring separation are in the northern half of the county, while those opposing are generally in the southern half. A letter received from a southern township indicated that a split would be favored if that township were to be included in the northern county. At that same meeting a suggestion by Rep. LaVoy to the effect that those townships contiguous to Duluth should be annexed by Duluth was discussed. The affected townships voted unanimously against such annexation at their respective township meetings. There appears to be a strong sentiment in the townships against a stronger alignment with the City of Duluth.

If the issue of separation is to be resolved in a democratic fashion, it is desirable that information be placed before the voters which is based on something other than historically determined sentiments and opinions. The purpose of this study is to provide such information.

The Nature of County Government

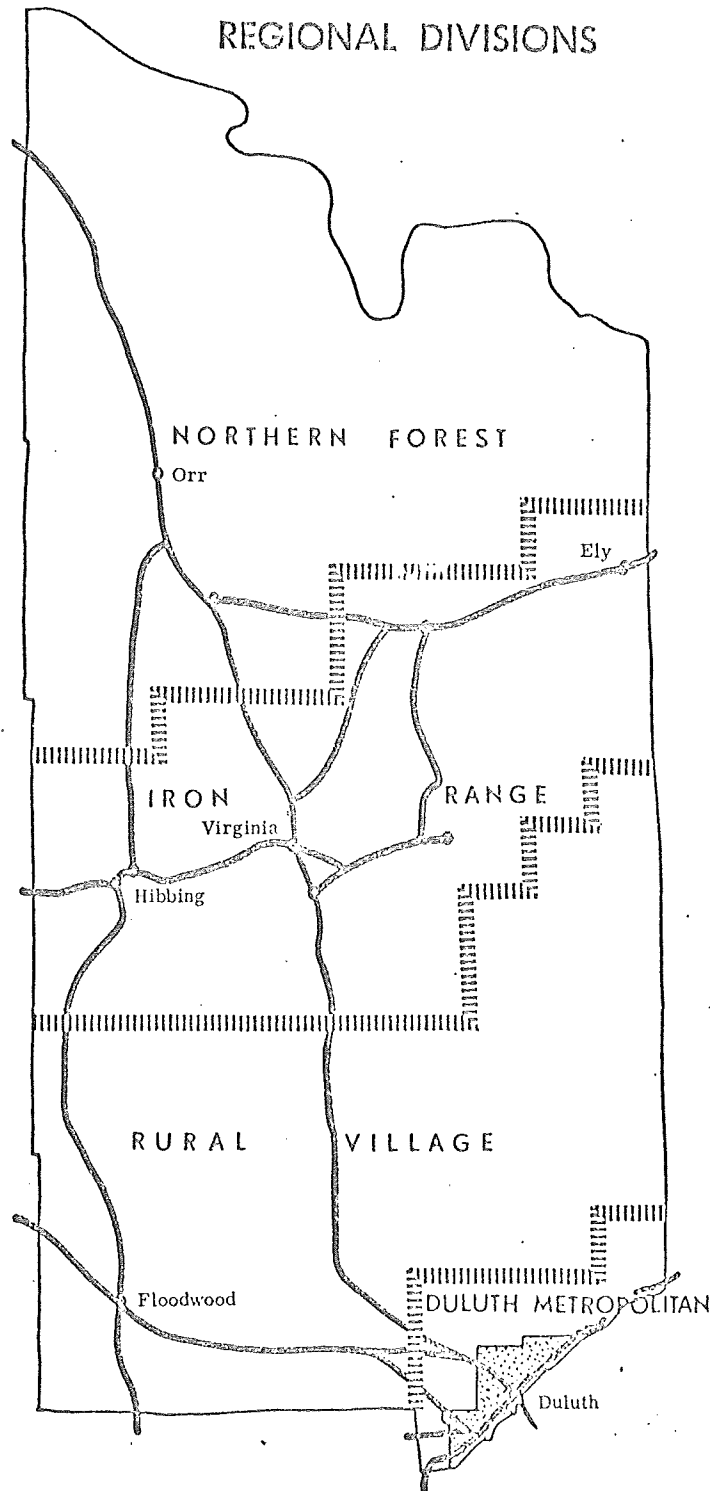
The county is essentially an agency of the state, and carries out the laws of the state pertaining to persons and properties within its territory. The State Statutes regulate the county organization and determine to a large extent the types of activities which are to be carried on by the county organization. Counties and their officers act as officers of the state in: ⁽¹⁾

1. the enforcement of ordinary civil and criminal laws through the offices of the sheriff, the county attorney, and the courts,
2. the collection of state and local taxes and in the equalization of assessments,
3. the conduct of elections within the county,

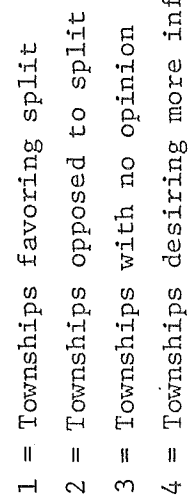
(1) County Government in Minnesota, p. 16.

Map 1

St. Louis County Economic Regions



SOURCE: Land Use Survey and Analysis, St. Louis County, Minnesota, Architectural Resources, Duluth, Minnesota, 1967.



4. the registration of titles and other legal documents by the Registrar of Deeds,
5. superintending the schools within the county through the Superintendent of Schools,
6. the relief of poor and dependent classes,
7. the construction and maintenance of certain highways,
8. the control of the boundaries of villages, towns, and school districts.

The National Association of Counties conducted a survey of county governments and found that the ten functions most frequently provided by counties having a population of 100,000 or more, in order of frequency of mention, are:⁽²⁾

1. Jails and detention facilities
2. Coroner's service
3. Courts
4. Tax assessment
5. Public health
6. Prosecution
7. Probation and parole
8. Police protection
9. Roads and highways
10. General assistance - public welfare

Those counties having populations of less than 100,000 show a slightly different rank order of functions.

1. Tax assessment
2. Jails and detention facilities
3. Police protection
4. General assistance - public welfare
5. Coroner's service
6. Roads and highways
7. Agricultural extension services
8. Public health
9. Courts
10. Medical assistance

⁽²⁾ From America's Counties Today, National Association of Counties, Washington, D. C., 1973, p. 30.

Table 1 shows the functions performed by county governments in 1971.

It is apparent from this listing that county governments have wide discretion in the services which they render, so that they may be responsive to the special needs of their citizens. In fact, public opinion looks upon the counties, not purely as agents of the state, but largely as local corporations for building roads and accomplishing other useful works. The county officers usually perform their duties without a great deal of supervision from the state.⁽³⁾

Those functions performed by the St. Louis County officials are listed in the annual financial report. A review of the 1973 annual report shows the following activities:

1. Judicial and court services
2. Tax assessment and equalization
3. Register of deeds and titles
4. Veterans' services
5. Planning and zoning
6. Superintendent of schools
7. Coroner's services
8. Corrections and probation
9. Mine inspection
10. Agricultural extension services
11. Soil conservation
12. Road and bridge building and maintenance
13. Public health and health education
14. Public assistance - public welfare
15. Nursing homes
16. Civil defense
17. Libraries
18. Public employment
19. Sanitation

The wide range of services offered reflects the diversity of economies in St. Louis County.

⁽³⁾ County Government in Minnesota, p. 17.

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FUNCTIONS PERFORMED BY COUNTY GOVERNMENTS
1971

Function	All counties		Metro		Nonmetro	
	No.	% of total	No.	% of total	No.	% of total
Total, all counties responding to questionnaire	1,026	100	150	100	876	100
Jails & Detention Homes	874	85	145	97	729	83
Tax Assessment & Collection	853	83	125	83	728	83
Police Protection	836	82	117	78	719	82
Coroner's Office	816	80	130	87	686	78
General Assistance						
Public Welfare	805	79	114	76	691	79
Roads & Highways	780	76	117	78	663	76
Courts	775	76	130	87	645	74
Agricultural Extension						
Services	764	75	112	75	652	74
Public Health	772	75	120	80	652	74
Medical Assistance	693	68	105	70	588	67
Prosecution	672	66	120	80	552	63
Mental Health	615	60	104	60	511	58
Probation & Parole Service	607	59	119	79	488	56
Elementary Schools	583	57	56	37	527	60
Libraries	575	56	86	57	489	56
Secondary Schools	552	54	58	39	494	56
Planning	536	52	114	76	422	48
Crippled Children	507	49	78	52	429	49
Veteran's Affairs	500	49	86	57	414	47
Fire Protection	453	44	47	31	406	46
Zoning	439	43	82	55	357	41
Soil Conservation	418	41	59	39	359	41
Special Education Programs	415	40	57	38	358	41
Hospitals	401	39	61	41	340	39
Ambulance Service	387	38	34	23	353	40
Parks & Recreation	387	38	83	55	304	35
Animal Control	334	33	75	51	258	30
Airports	332	32	36	24	296	34
Public Defender	320	31	77	51	243	28
Subdivision Control	308	30	77	51	231	26
Solid Waste Disposal	298	29	55	37	243	28
Sewers & Sewage Disposal	263	26	150	33	213	24
Refuse & Garbage Collection	234	23	31	21	203	23
Flood & Drainage Control	231	23	51	34	180	21
Code Enforcement	219	21	63	42	156	18
Cemeteries	217	21	24	15	194	22
Water Supply	207	20	31	21	176	20
Livestock Inspection	201	20	34	23	167	19
Personnel Services	196	19	52	35	144	16
Central Purchasing	180	18	60	40	120	14
Auditoriums	170	17	26	17	144	16
Industrial Development	169	17	32	21	137	16
Mosquito Abatement	166	16	55	37	110	13
Junior Colleges	165	16	40	27	125	14
Fish & Game	153	15	12	8	141	16
Air Pollution	139	14	55	37	84	10
Public Housing	135	13	28	19	107	12
Museums	134	13	25	17	103	12
Power Supply	132	13	3	2	129	15
Data Processing	130	13	65	43	65	7
Water Pollution	122	12	45	30	77	9
Parking	93	9	17	11	76	9
Irrigation	64	6	5	3	59	7
Urban Renewal	52	5	13	9	39	5
Cultural Affairs	45	4	11	7	34	4
Ports & Harbors	38	4	13	9	25	3
Four-Year Colleges	35	3	13	9	22	3
Mass Transit	14	1	7	5	7	1

Source: U.S. Advisory Commission on Intergovernmental Relations, *Profile of County Governments* (Washington, D.C., 1971), page 23.

The Feasibility of Partition

The question of the feasibility of partition is explored in five particulars.

1. What are the precedents for such a partition?
2. How will the resulting counties compare in size and population to others in the nation?
3. How will the resulting counties compare in terms of expenditures per capita for various services?
4. Do any existing governmental boundaries in the county preclude a reasonable partition?
5. Can the resulting counties support the services now provided without increasing taxes?

Precedents for County Partition

Since 1900 two new counties have been created in Minnesota. Pennington County was created from Red Lake County in 1910 and Lake of the Woods County was formed from the northern part of Beltrami County in 1922. Of these two examples of new county formation the latter is more instructive for the purposes of this report for the following reasons:

1. It is the more recent case and although it took place over 50 years ago county development and other factors were more similar to present factors than in the earlier case.
2. The shape and geographic orientation of the original Beltrami County is much like St. Louis County. It was originally 153 miles long and about 55 miles wide. Its northern border (like St. Louis County) was a lake on the Canadian border. It was long and narrow and sparsely populated.

3. As with St. Louis County the areas of dense population and development were widely separated, even more so than in St. Louis County. The county seat, Bemidji is located near the southern border of the county. As one moved north population and development diminished until the area adjacent to the northern border was reached where population and development again became denser. Between these two belts there was little development. This is similar to the separation of belts between Duluth in the south and the Iron Range communities of the north central areas of St. Louis County.

A number of arguments for and against the split were presented to the public by interested parties. One major argument concerned the distance from Bemidji, the county seat, to the towns of the northern border. It was pointed out that for people from Baudette (the major town in the north and subsequently the county seat of Lake of the Woods County) to do county business in Bemidji required a journey of 3 to 3-1/2 days. This was not only expensive, but delayed business and real estate operations substantially. The registration of a deed by mail took a week or more. A further expense was involved in carrying out county business in the remote and extensive county. Court costs, for example, were high since witnesses, jurors and others from the one region had to be paid mileage and overnight expenses. It was estimated that the average case cost between \$500 and \$1,000, a considerable sum for those days. Other costs such as for the sheriff and trips by county commissioners were also cited as reasons for splitting the county. Opponents of the split argued, however, that though the costs of administering Beltrami County were among the highest in the state, the cost to the taxpayer of establishing an entirely new county, making the necessary capital investments, organizing and paying officials, etc., would be much higher. These are similar arguments to those expressed in St. Louis County today.

The decision was made in the election of November 1922 with 3,390 voting for separation and 2,883 against. Apparently the vote was not regional as pro and con votes occurred in both north and south. The Governor proclaimed the formation of the new county in January of 1923.

One benefit that resulted from the split affected highway costs. Because a purely intra-county road from Bemidji to Baudette became an inter-county road the State of Minnesota assumed responsibility for maintenance, repair and improvement under the "Babcock Law" thus relieving the county of these costs. Other payments by the state to the county became available as well with greater net effect to both of the counties. On this both pro and con advocates agreed.

No other effects were detected from a review of the Bemidji Sentinel (weekly newspaper) through 1923. The new county, Lake of the Woods, had an estimated population of 5,409 and a land area of 1,311 square miles. Beltrami County had a population of approximately 22,000 and an area of 2,507 square miles.

Thus there is some precedent for dividing counties in Minnesota, so that on this basis at least, a partition is feasible. There are, of course many other more important considerations to be explored in the present case.

Size and Population of the Resulting Counties

If there were to be a partition which would divide the land area in half, so that each resulting county would have 3,000 square miles, each county would rank about 147th in the nation. Each would be about the size of Koochiching County in Minnesota, which has 3,127 square miles. At present, the smallest county in the nation, in terms of land area, is Bristol, Rhode Island, with 25 square miles, while the largest is North Slope Borough, Alaska, with 88,281 square miles. The largest county in the contiguous United States is San Bernardino, California, with 20,117 square miles. It is apparent that there is great variation in geographical size, and that this by itself would not preclude the partitioning of St. Louis County.

If there were to be a partition which would divide the population in half so that each of the resulting counties were to contain approximately 100,000 persons, the resulting counties would rank about 333rd in the nation compared to a ranking of 179th for the present county. At

present, the smallest county in the nation in terms of population is Loving, Texas, with a population of 164, while the largest is Los Angeles County, California with a population of 7,032,075. Table 2 shows the ten largest and the ten smallest counties in the nation. Table 3 shows a distribution of counties by population size. It is apparent that the size of resulting counties would still be around the upper 10 percent, so that resulting population size by itself would not preclude dividing St. Louis County.

Per Capita Expenditures

In order to assess the feasibility of partition from the standpoint of expenditures by county governments, a small sample of eleven counties with populations ranging from 200,000 to 260,000 is examined. In Graph I, total expenditures are plotted against population. A curve fitted freehand to the data shows a downslope, indicating that per capita expenditures decline as county population increases. It is noteworthy that St. Louis County, with expenditures of \$330, is well above the expected value. For its population size, expenditures in the range of \$240 to \$260 would be more in line with those of the other counties selected. Expenditures of \$330 per capita would be more in line with those of counties with much smaller populations. While the data are incomplete, the general conclusion that per capita expenditures decline with increasing population seems reasonable.

If St. Louis County were to be evenly divided, the resulting populations would be around 110,000. Graph II displays the data on per capita expenditures for selected counties with populations ranging from 80,000 to 111,000. Again, there is a downsloping curve. There is a wide scatter in the data, but it is interesting to note that the two Minnesota counties of Washington and Stearns are quite close to the line. Stearns, with a population of 95,400 had per capita expenditures of \$197. The inference which may be drawn from the data is that operating expenditures per capita might be significantly reduced if the size of St. Louis County were to be reduced.

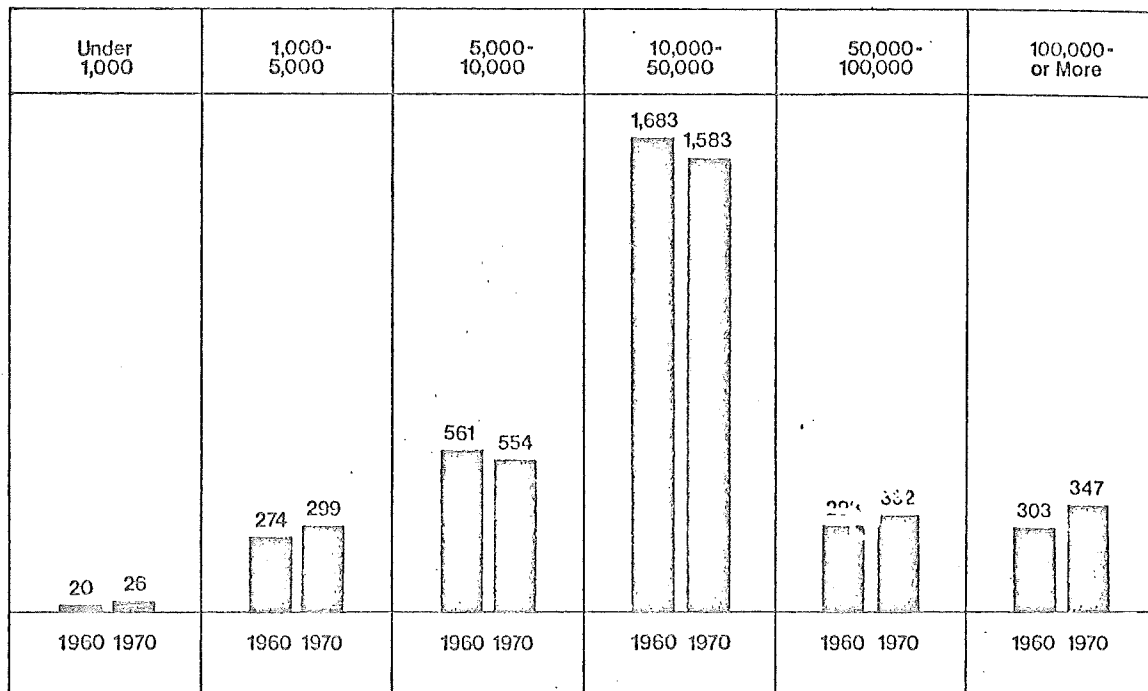
Table 2
TEN LARGEST AND TEN SMALLEST COUNTIES

COUNTY	STATE	POPULATION
Los Angeles	Calif.	7,032,075
Cook	Ill.	5,492,369
Wayne	Mich.	2,666,751
Harris	Tex.	1,741,912
Cuyahoga	Ohio	1,721,300
Allegheny	Penn.	1,605,016
Nassau	N.Y.	1,422,905
Orange	Calif.	1,420,386
Middlesex	Mass.	1,397,268
San Diego	Calif.	1,357,854
Kennedy	Tex.	678
Petroleum	Mont.	675
Daggett	Utah	666
Esmeralda	Nev.	629
McPherson	Neb.	623
Arthur	Neb.	606
Alpine	Calif.	484
King	Tex.	464
Hinsdale	Colo.	202
Loving	Tex.	164

Source: population statistics from the U. S. Bureau of the Census, U. S. Census of Population, 1970, Final Report PC(1) A1, 1971. Figures prepared by National Association of Counties, 1972.

Table 3
NUMBER OF COUNTIES

DISTRIBUTION BY POPULATION SIZE: 1960-1970



Source: From America's Counties Today, 1973, p. 3.

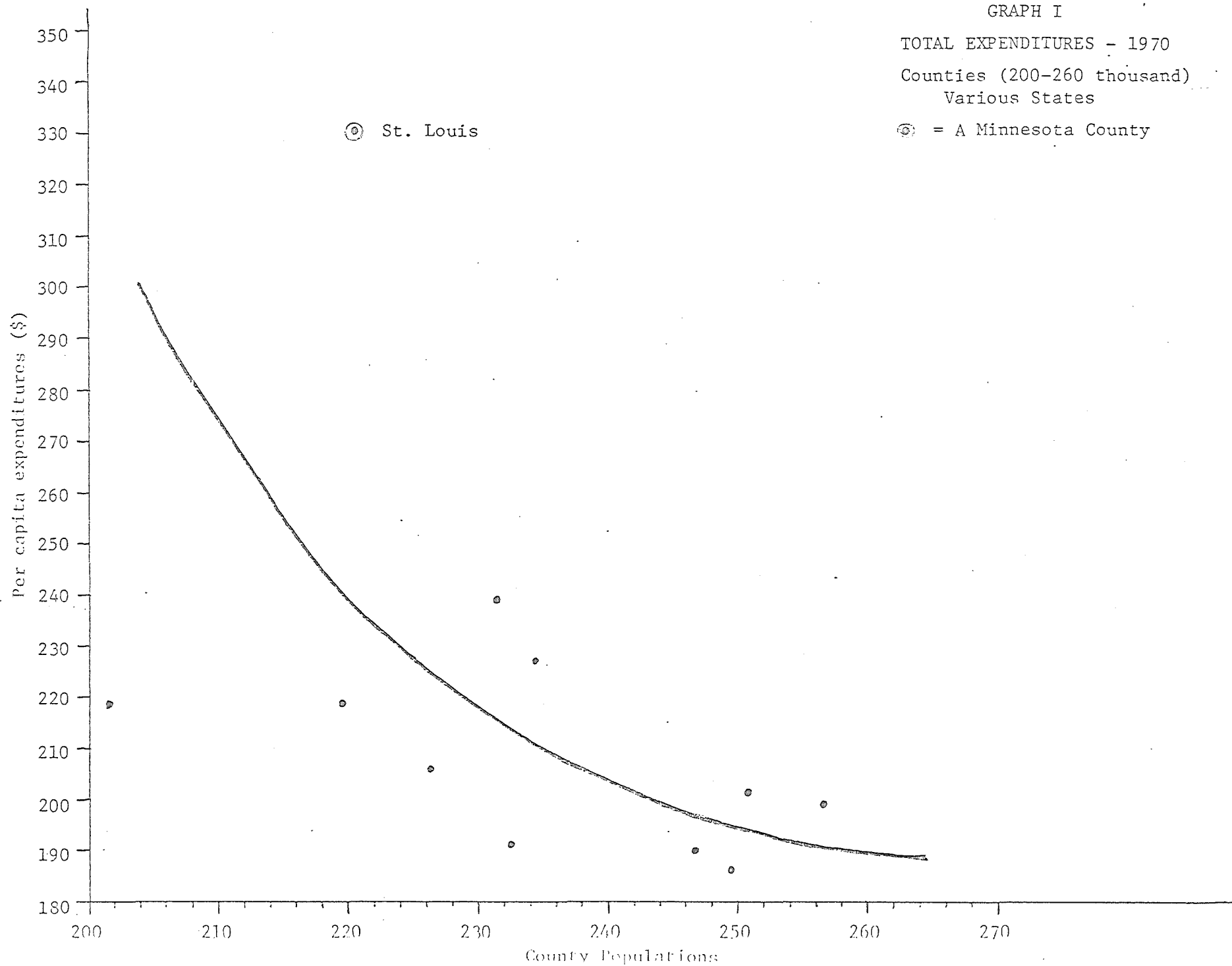
GRAPH I

TOTAL EXPENDITURES - 1970

Counties (200-260 thousand)

Various States

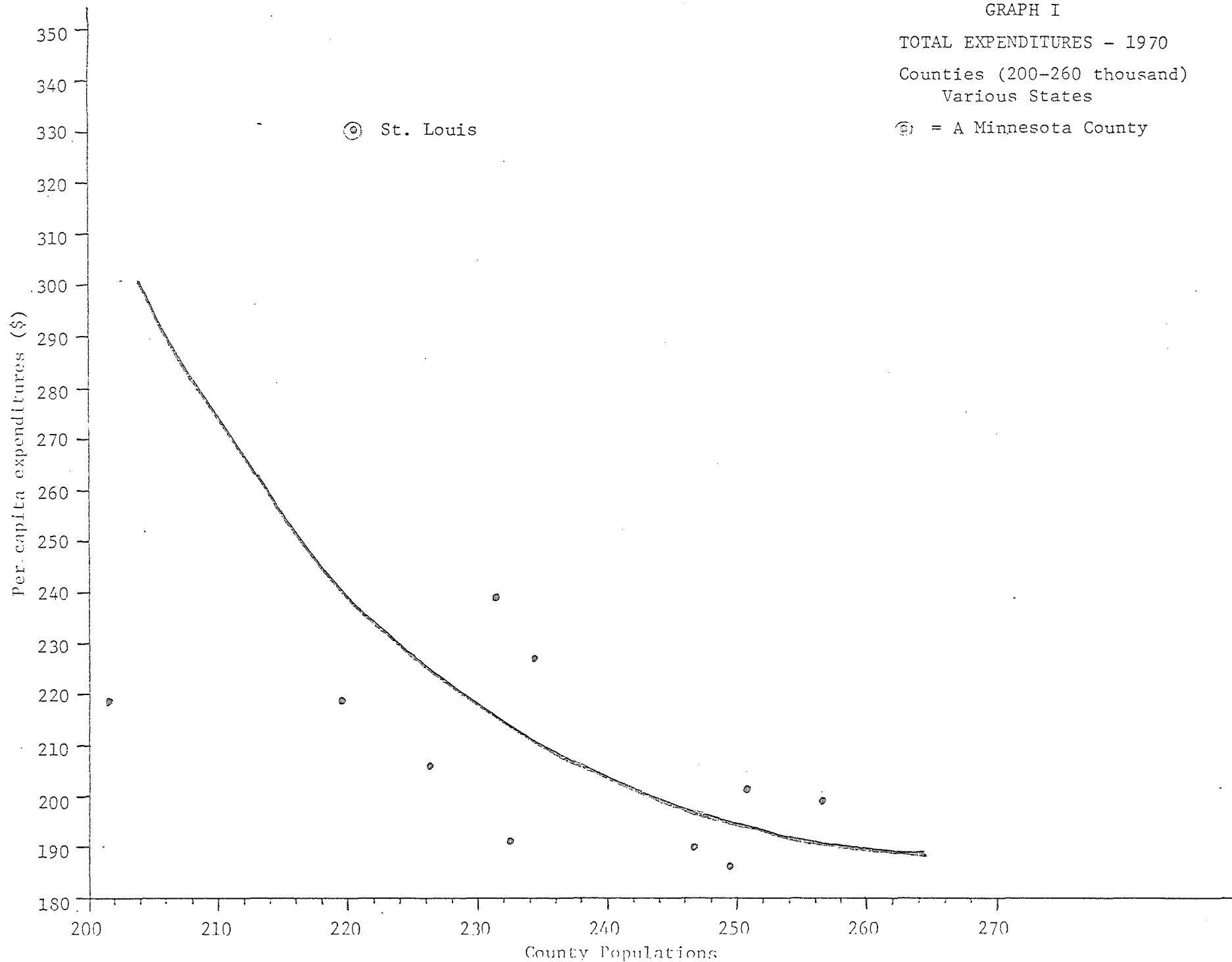
⊙ = A Minnesota County



GRAPH I

TOTAL EXPENDITURES - 1970
Counties (200-260 thousand)
Various States

⊙ = A Minnesota County



There are two general cautions to be noted. One is that the data are quite limited in that they deal with selected counties for one year. No attempt is made here to review the trends in expenditures, so it may be that 1967 was an atypical year for some of the counties selected. The other caution is that expenditures are probably not dependent solely upon population size. Other factors such as land area, nature of the economic resources, and degree of development may be equally important. It seems reasonable to suppose that a county would not spend more over the long term than could be supported by its tax base, and that, in general, it would not spend less. Therefore, the primary consideration is whether the level of services by the resultant county governments could be maintained, given the resulting tax bases. This matter is treated in Chapter V.

Table 4 contains 1970 General and Administrative expense (excluding capital outlays) for Minnesota Counties. This information is plotted on Graph III. The purpose of this graph is to remove some of the more obviously area-related factors in order to see where general expense might fall in counties of various population sizes. It is significant, however, that the majority of Minnesota counties have populations well under 60,000. Thus, even if St. Louis County is split, both of the remaining counties are still likely to be at the upper extreme both in geographic area and in population. Of the 87 Minnesota counties only six exceed 90,000 population. Therefore, the sample is small at this extreme. Most Minnesota counties are grouped in a population range of 10,000-40,000.

Graph III shows that there is a rapid decline in general administrative expenditures as population size increases up to about 90,000. The shape of the curve to the right is ambiguous, though it appears to trend upward. Again, St. Louis County does not show the expected values. Per capita general administrative expenses of \$13 appear to be typical of counties with populations of 10,000-30,000. On the other hand, a county with the population of St. Louis County, might be expected to have much lower per capita expenditures, perhaps as low as \$6. The amount of these expenditures is difficult to estimate because the slope of the right side of the

GRAPH II

TOTAL EXPENDITURES - 1970

Counties (80 to 120 thousand)

⊙ = A Minnesota County

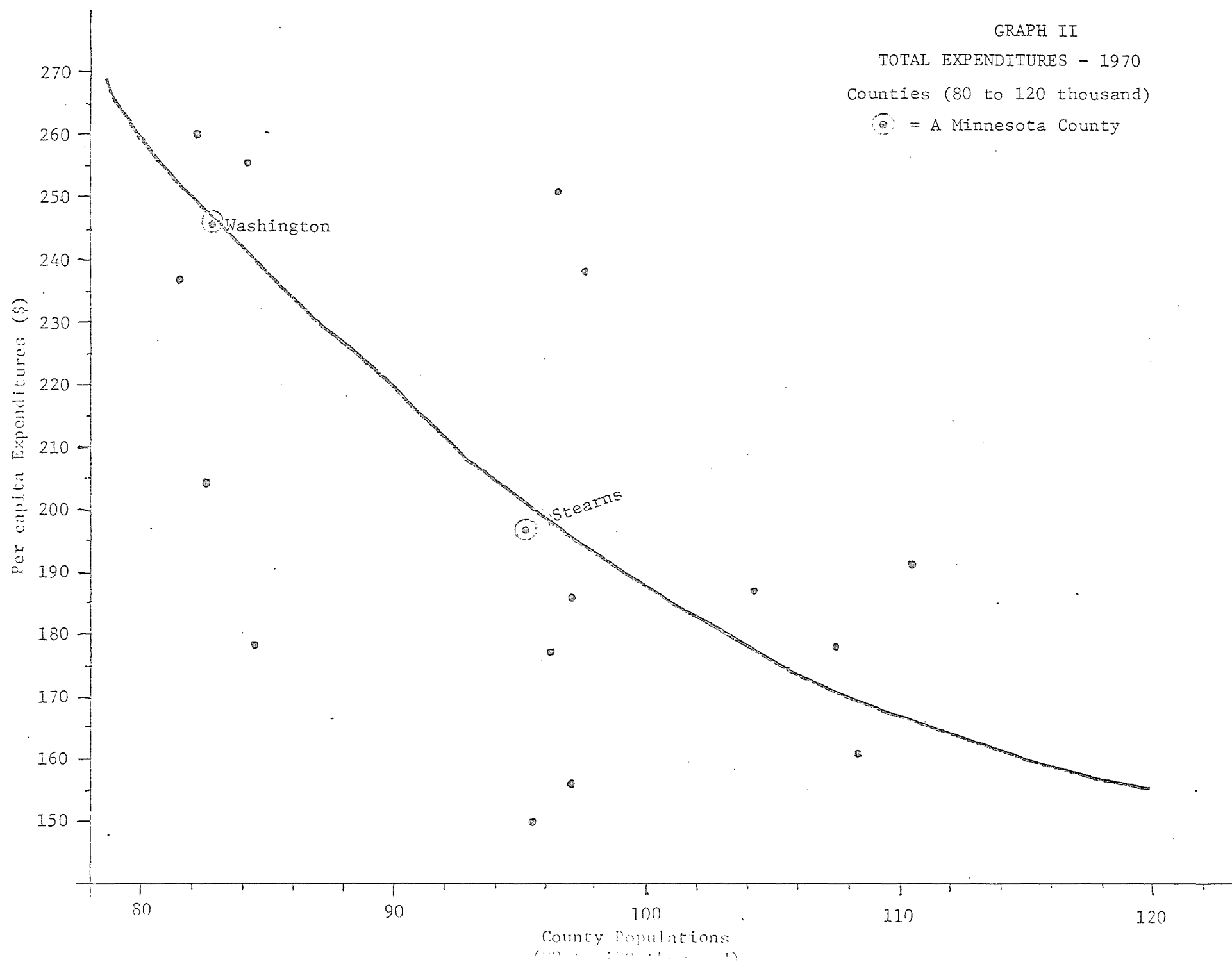


Table 4

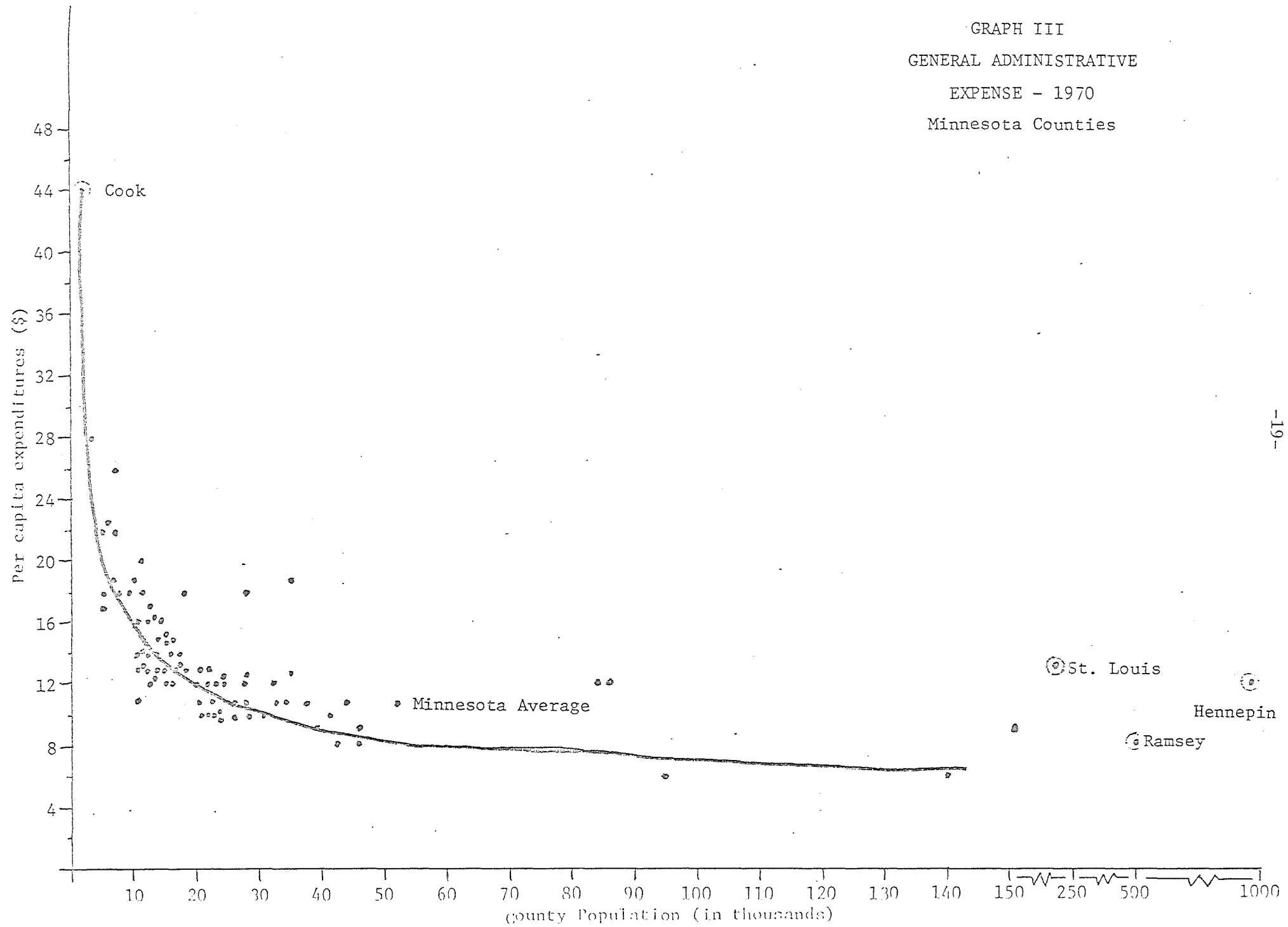
General Administrative Expense
For Minnesota Counties: 1970

County	Population (1970)	Expenditures (1970)	Per Capita Expenditures (1970)
Aitkin	11,403	\$ 224,682	\$ 20
Anoka	154,556	1,385,402	9
Becker	24,372	238,485	10
Beltrami	26,373	267,482	10
Benton	20,841	202,818	10
Big Stone	7,941	144,861	18
Blue Earth	52,322	567,257	11
Brown	28,887	290,083	10
Carlton	28,072	501,933	18
Carver	28,310	379,057	13
Cass	17,323	309,099	18
Chippewa	15,109	232,266	15
Chisago	17,492	205,600	12
Clay	46,585	361,746	8
Clearwater	8,013	148,340	19
Cook	3,423	151,479	44
Cottonwood	14,887	237,003	16
Crow Wing	34,826	458,188	13
Dakota	139,808	865,428	6
Dodge	13,037	162,663	12
Douglas	22,892	275,393	12
Faribault	20,896	247,018	12
Fillmore	21,916	260,987	12
Freeborn	38,064	422,028	11
Goodhue	34,763	394,977	11
Grant	7,462	127,019	17
Hennepin	960,080	11,201,950	12
Houston	17,556	223,960	13
Hubbard	10,583	164,633	16
Isanti	16,560	236,809	14
Itasca	35,530	681,310	19
Jackson	14,352	206,527	14
Kanabee	9,775	173,156	18
Kandiyohi	30,548	316,198	10
Kittson	6,853	176,210	26
Koochiching	17,131	232,658	14
Lac Qui Parle	11,164	199,904	18
Lake of the Woods	3,987	109,909	28
Lake	13,351	215,394	16
Le Sueur	21,332	270,701	13
Lincoln	8,143	151,636	19
Lyon	24,273	255,383	11
Mahnomen	5,638	124,842	22
Marshall	13,060	225,011	17
Martin	24,316	236,683	10
McLeod	27,662	324,033	12

-10-
Table 4 (Continued)

County (Cont.)	Population (1970)	Expenditures (1970)	Per Capita Expenditures (1970)
Meeker	18,810	\$ 249,495	\$ 13
Mille Lacs	15,703	199,735	13
Morrison	26,949	297,078	11
Mower	43,783	466,473	11
Murray	12,508	174,131	14
Nicollet	24,518	256,382	10
Nobles	23,208	267,286	12
Norman	10,008	188,075	19
Olmsted	84,104	1,027,303	12
Ottertail	46,097	418,113	9
Pennington	13,266	158,863	12
Pine	16,821	250,019	15
Pipestone	12,791	170,484	13
Polk	34,435	372,278	11
Pope	11,107	148,735	13
Ramsey	476,255	4,425,280	9
Red Lake	5,388	120,490	22
Redwood	20,024	248,608	12
Renville	21,139	230,353	11
Rice	41,582	399,425	10
Rock	11,346	151,017	13
Roseau	11,569	160,237	14
Scott	32,423	377,299	12
Sherburne	18,344	220,979	12
Sibley	15,845	231,392	15
Stearns	95,400	594,859	6
Steele	26,831	341,309	13
Stevens	11,218	146,066	13
St. Louis	220,693	2,912,157	13
Swift	13,177	190,317	14
Todd	22,114	229,587	10
Traverse	6,254	139,199	22
Wabasha	17,224	217,363	13
Wadena	12,412	179,196	14
Waseca	16,663	241,863	15
Washington	82,948	972,552	12
Watsonwan	13,298	207,496	16
Wilkin	9,389	166,808	18
Winona	44,409	363,404	8
Wright	38,933	349,273	9
Yellow Medicine	14,418	187,773	13
Total	3,804,971	\$43,436,952	\$11

GRAPH III
GENERAL ADMINISTRATIVE
EXPENSE - 1970
Minnesota Counties



curve is poorly identified, but even the larger counties of Ramsey and Hennepin have lower per capita expenditures than St. Louis County. The Minnesota average is \$11, but this average is distorted by the large number of smaller counties in the State. Cook County, with a population of 3,423 has the highest per capita expenditure, at about \$44.

Table 5 contains data on current expenses for county governments in Minnesota. Graph IV compares per capita current expense by county with county population. Current expense excludes capital outlays, debt service and redemption, agency and trust payments and other minor disbursements. The purpose of this graph is to examine the relationship of county population size to all county expenditures (both area and population related). Because the populations of the majority of Minnesota's 87 counties are clustered in the 10,000 to 40,000 range the situation of St. Louis county is atypical. The trend line is toward decreasing per capita expenditure with increasing population except at the upper extreme where the larger counties show a rising per capita expenditure trend. Lack of data in the middle population ranges (e.g., 60,000 to 200,000) makes it difficult to determine whether the most populous counties represent a rising horn of an overall curve (perhaps parabolic) or a new curve segment.

It is apparent that St. Louis County is, relative to its population, costly to administer. What is difficult to determine is whether or to what degree this is a function of population or area.

In an effort to gain a better understanding of the relationships of expenditures to population for the larger counties, Graph V displays per capita expenditures against population data for selected United States counties with populations ranging between 400,000 and 1,200,000. In general, the slope is upward, indicating that costs rise for the larger counties. If this is true, the per capita cost curve for all counties in the United States would be U-shaped, which is a normal average cost curve. It indicates that per capita costs go down as population approaches the 100,000 level, remain fairly constant to about 200,000, and then begin to rise. The implication is that per capita costs are lowest in counties with populations in the 100,000 to 200,000 range.

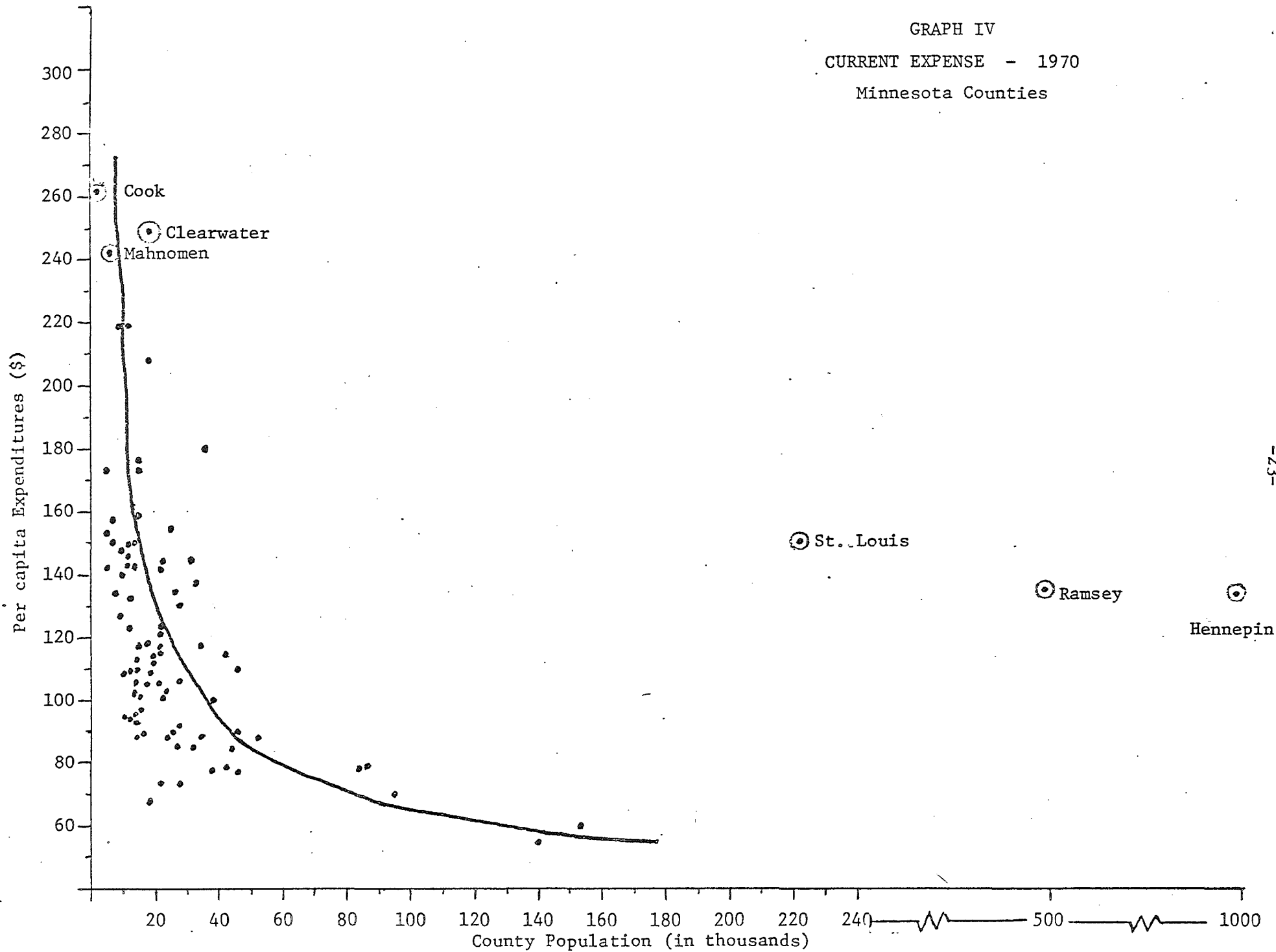
Table 5
Current Expense
For Minnesota Counties: 1970

County	Population (1970)	Expenditures (1970)	Per Capita Expenditures (1970)
Aitkin	11,403	\$ 2,485,280	\$ 217.95
Anoka	154,556	9,250,635	59.85
Becker	24,372	3,427,294	140.62
Beltrami	26,373	4,156,427	157.60
Benton	20,841	1,536,537	73.73
Big Stone	7,941	1,258,507	158.48
Blue Earth	52,322	4,575,832	87.46
Brown	28,887	2,673,609	92.55
Carlton	28,072	3,635,315	129.50
Carver	28,310	3,052,656	107.83
Cass	17,323	3,584,214	206.90
Chippewa	15,109	1,763,291	116.70
Chisago	17,492	1,906,901	109.02
Clay	46,585	3,575,740	76.76
Clearwater	8,013	2,000,059	249.60
Cook	3,423	901,871	263.47
Cottonwood	14,887	1,508,686	101.34
Crow Wing	34,826	4,111,109	118.05
Dakota	139,808	7,621,435	54.51
Dodge	13,037	1,244,380	95.45
Douglas	22,892	3,245,398	142.25
Faribault	20,896	2,411,035	115.38
Fillmore	21,916	2,663,706	121.54
Freeborn	28,064	2,951,367	77.54
Goodhue	34,763	3,050,647	87.76
Grant	7,462	1,120,004	150.09
Hennepin	960,080	128,824,906	134.18
Houston	17,556	1,566,831	89.25
Hubbard	10,583	1,526,979	144.29
Isanti	16,560	1,469,941	88.76
Itasca	35,530	6,391,209	179.88
Jackson	14,352	1,583,802	103.39
Kanabee	9,775	1,371,891	140.35
Kandiyohi	30,548	4,360,612	143.04
Kittson	6,853	1,503,113	219.34
Koochiching	17,131	3,014,890	175.99
Lac Qui Parle	11,164	1,637,492	146.68
Lake of the Woods	3,987	693,268	173.88
Lake	13,351	1,414,702	105.96
Le Sueur	21,332	2,442,407	114.49
Lincoln	8,143	1,082,219	132.90
Lyon	24,273	2,516,221	103.66
Mahnomen	5,638	1,365,280	242.16
Marshall	13,060	1,876,065	143.65
Martin	24,316	2,168,281	89.17
McLeod	27,662	2,045,886	73.96

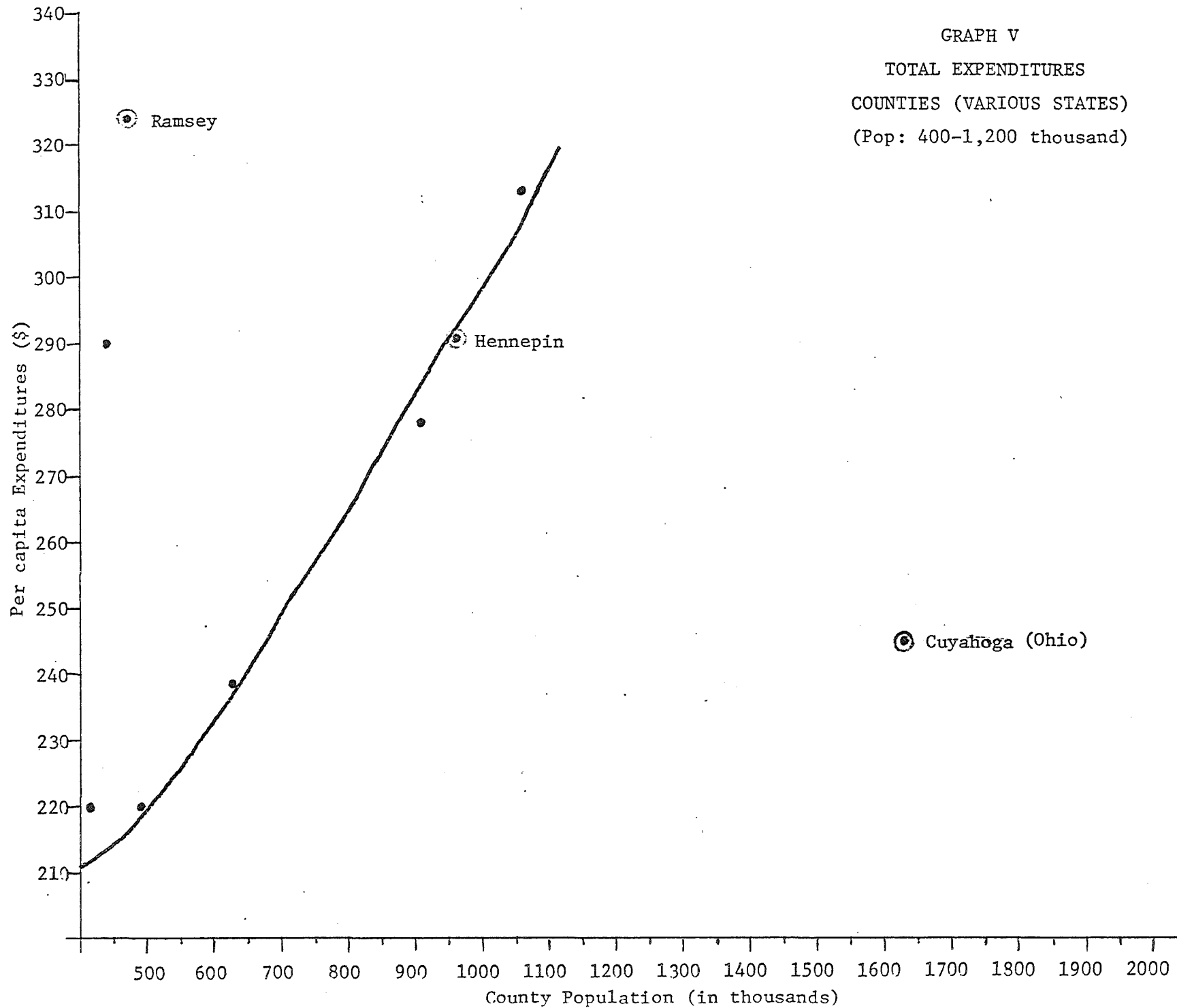
Table 5 (Continued)

County (Cont.)	Population (1970)	Expenditures (1970)	Per Capita Expenditures (1970)
Meeker	18,810	\$ 2,067,516	\$ 109.92
Mille Lacs	15,703	2,490,690	158.61
Morrison	26,949	3,578,733	132.80
Mower	43,783	3,913,154	89.38
Murray	12,508	1,181,121	94.43
Nicollet	24,518	2,197,329	89.62
Nobles	23,208	2,376,740	102.41
Norman	10,008	1,472,569	147.14
Olmsted	84,104	6,599,666	78.47
Ottertall	46,097	5,065,226	109.88
Pennington	13,266	1,737,050	130.94
Pine	16,821	2,989,378	177.72
Pipestone	12,791	1,212,090	94.76
Polk	34,435	4,632,608	134.53
Pope	11,107	1,365,402	122.93
Ramsey	476,255	64,826,080	136.12
Red Lake	5,388	828,192	153.71
Redwood	20,024	2,237,469	111.74
Renville	21,139	2,239,237	105.93
Rice	41,582	3,295,652	79.26
Rock	11,346	1,083,106	95.46
Roseau	11,569	1,710,329	147.84
Scott	32,423	2,766,589	85.33
Sherburne	18,344	1,236,686	67.42
Sibley	15,845	1,873,001	118.21
Stearns	95,400	6,710,811	70.34
Steele	26,831	2,290,022	85.03
Stevens	11,218	1,209,112	107.78
St. Louis	220,693	33,160,884	150.26
Swift	13,177	1,951,760	148.12
Todd	22,114	2,680,012	121.19
Traverse	6,254	892,707	142.74
Wabasha	17,224	1,675,813	97.30
Wadena	12,412	1,458,399	117.50
Waseca	16,663	1,760,032	105.63
Washington	82,948	6,565,509	79.15
Watsonwan	13,298	1,435,811	197.97
Wilkin	9,389	1,191,968	126.95
Winona	44,409	3,751,432	84.47
Wright	38,933	3,905,215	100.31
Yellow Medicine	14,418	1,784,122	123.74
Total	3,804,971	\$ 445,987,152	\$117.21

GRAPH IV
CURRENT EXPENSE - 1970
Minnesota Counties



GRAPH V
TOTAL EXPENDITURES
COUNTIES (VARIOUS STATES)
(Pop: 400-1,200 thousand)



The general conclusion to be drawn from the foregoing cost data is that partition of the county would have no discernible negative effect on per capita costs, and may, in fact, have the favorable effect of permitting a reduction of per capita costs. Later sections of this study examine costs more carefully, but at this point it appears that county partition is feasible from the standpoint of resulting costs of government operations.

Some analysis is made of capital outlays per capita, and Table 6 shows the data. In 1970, per capita expenditures in Minnesota counties ranged from a low of \$9 for Carver County to a high of \$158 for Kittson County. St. Louis County, at \$12/capita is toward the low end of the scale. This line of analysis is pursued no further because of the discretionary nature of capital spending. Again, however, the wide range of expenditures indicates that any counties resulting from a partition of St. Louis County which approximately divides assessed valuation evenly is feasible, at least in the long run.

Existing Governmental Boundaries

Inasmuch as county partitions in Minnesota since 1900 have been drawn along township lines, the basic unit of research in this study is the Township. There are, however, many other governmental units and administrative authorities operating in the County and these are reviewed here. The purpose of this review is to note any boundaries which might preclude partition.

Federal Government

The Senators represent the entire state, so a partition of St. Louis County would have no effect on senatorial districts. Map 3 shows the boundaries of the congressional districts. St. Louis County is wholly within the 8th District, the area served by Congressman John Blatnik, so there would be no effect on this territory resulting from a partition of the county. Redistricting in future years, based upon new census data may have an affect, but this is not amenable to analysis at this time.

Other federal agencies relating to the county include:

Table 6
Capital Outlays
In Minnesota Counties: 1970

County	Population (1970)	Expenditures (1970)	Per Capita Expenditures (1970)
Aitkin	11,403	\$ 588,208	\$ 42.81
Anoka	154,556	1,565,488	10.13
Becker	24,372	1,138,554	46.72
Beltrami	26,373	647,918	24.57
Benton	20,841	631,879	30.32
Big Stone	7,941	235,802	29.69
Blue Earth	52,322	970,576	18.55
Brown	28,887	916,274	31.72
Carlton	28,072	726,479	25.88
Carver	28,310	259,428	9.16
Cass	17,323	398,095	22.98
Chippewa	15,109	830,044	54.94
Chisago	17,492	365,755	20.91
Clay	46,585	475,661	10.21
Clearwater	8,013	433,984	54.16
Cook	3,423	233,777	68.30
Cottonwood	14,887	504,604	33.90
Crow Wing	34,826	551,947	15.85
Dakota	139,808	1,512,623	10.82
Dodge	13,037	355,703	27.28
Douglas	22,892	415,650	18.16
Faribault	20,896	838,316	40.12
Fillmore	21,916	1,081,806	49.36
Freeborn	38,064	1,151,136	30.24
Goodhue	34,763	964,562	27.75
Grant	7,462	247,007	33.10
Hennepin	960,080	9,921,314	10.33
Houston	17,556	777,447	44.28
Hubbard	10,583	407,110	38.47
Isanti	16,560	319,685	19.30
Itasca	35,530	1,348,412	37.95
Jackson	14,352	505,063	35.19
Kanabee	9,775	204,740	20.95
Kandiyohi	30,548	863,387	28.26
Kittson	6,853	1,083,730	158.14
Koochiching	17,131	663,096	38.71
Lac Qui Parle	11,164	819,022	73.36
Lake of the Woods	3,987	171,783	43.09
Lake	13,351	629,151	47.12
Le Sueur	21,332	351,017	16.45
Lincoln	8,143	215,613	26.48
Lyon	24,273	437,128	18.01
Mahnomen	5,638	209,541	37.17
Marshall	13,060	984,412	75.38
Martin	24,316	666,906	27.43
McLeod	27,662	568,183	20.54

Table 6 (Continued)

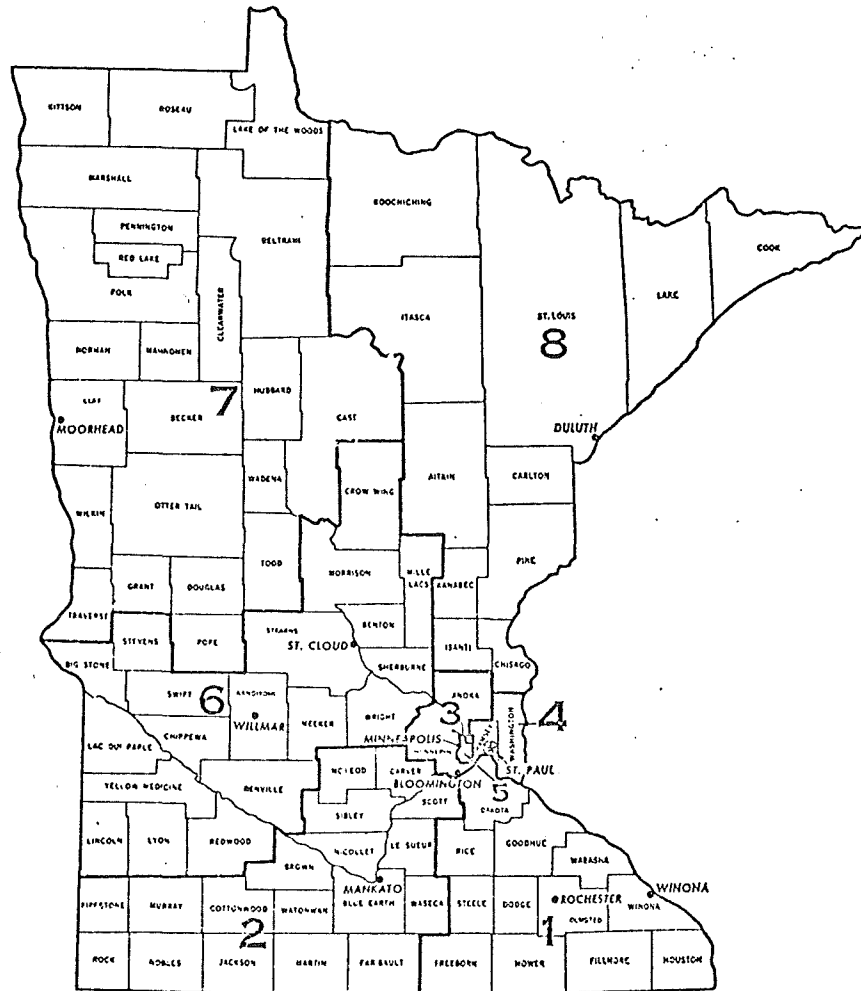
County (Cont.)	Population (1970)	Expenditures (1970)	Per Capita Expenditures (1970)
Meeker	18,810	\$ 546,295	\$ 29.04
Mille Lacs	15,703	597,999	38.08
Morrison	26,949	922,059	21.06
Mower	43,783	922,059	21.06
Murray	12,508	441,285	35.28
Nicollet	24,518	807,298	32.93
Nobles	23,208	458,912	19.77
Norman	10,008	456,152	45.58
Olmsted	84,104	2,009,259	23.89
Ottertall	46,097	1,266,676	27.48
Pennington	13,266	291,764	21.99
Pine	16,821	440,335	26.18
Pipestone	12,791	285,247	22.30
Polk	34,435	1,120,766	32.55
Pope	11,197	337,009	30.34
Ramsey	476,255	1,919,689	4.03
Red Lake	5,388	218,616	40.57
Redwood	20,024	1,073,441	53.61
Renville	21,139	411,489	19.47
Rice	41,582	571,005	13.73
Rock	11,346	205,438	18.11
Roseau	11,569	1,172,226	101.32
Scott	32,423	727,333	22.43
Sherburne	18,344	733,349	39.98
Sibley	15,845	308,362	19.46
Stearns	95,400	1,386,744	14.54
Steele	26,831	555,088	20.69
Stevens	11,218	273,811	24.41
St. Louis	220,693	2,724,550	12.35
Swift	13,177	422,178	32.04
Todd	22,114	574,491	25.98
Traverse	6,254	165,697	26.49
Wabasha	17,224	512,874	29.78
Wadena	12,412	822,531	66.27
Waseca	16,663	452,062	27.13
Washington	82,948	1,104,661	13.32
Watonwan	13,298	464,196	34.90
Wilkin	9,389	424,374	45.20
Winona	44,409	1,168,819	26.32
Wright	38,933	925,313	23.77
Yellow Medicine	14,418	487,565	33.82
Total	3,804,971	\$69,890,480	\$ 18.37

Map 3

Federal Congressional Districts

MINNESOTA

(8 districts)



County with two or more Congressional Districts

Economic Development Administration
Small Business Administration
Department of Commerce
Environmental Protection Agency
U. S. Army Corps of Engineers
U. S. Department of Agriculture
HUD
Department of Transportation
DHEW
Department of Justice

The offices of these federal agencies do not cover defined geographical territories, so any partition would have no effect on their territorial definitions.

State Government

Map 4 shows the State Senate Legislative Districts. It is conceivable that a partition would go through existing districts. The state constitution specifies that these senatorial districts conform to township lines. A partition may change these districts, depending upon where a line is drawn. Map 5 shows State House Legislative Districts, as with senatorial districts the lines should conform to township lines, and a partition may affect these districts.

State agencies which relate to the county are:

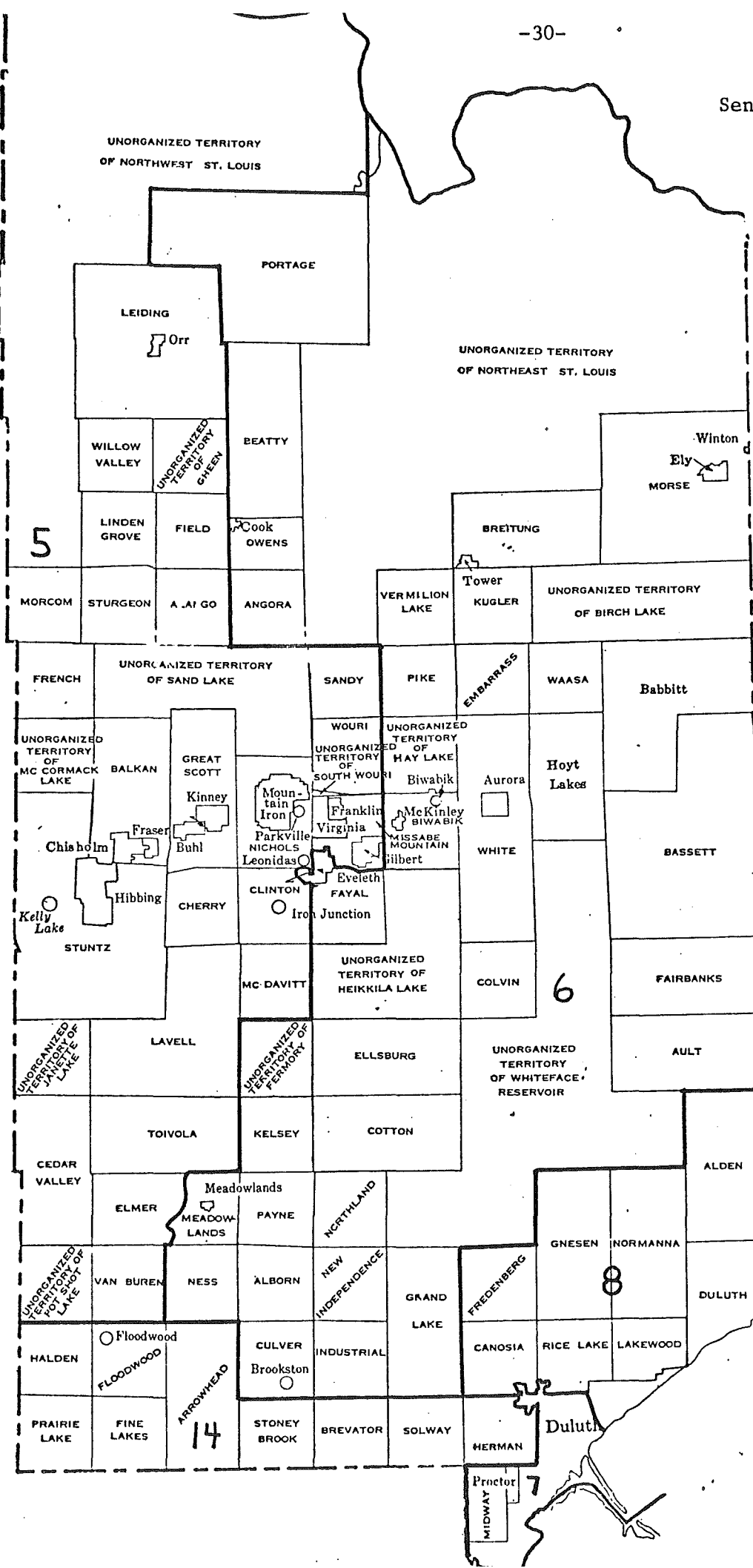
Department of Economic Development
IRRRC
Manpower Services
Population Control Agency
Department of Natural Resources
Office of Local and Urban Affairs
Housing Finance Agency
Highway Department
Railroad and Warehouse Commission
Department of Education
Department of Welfare
Department of Health
Corrections Department

The state legislature has also defined the State Planning Agency and the Arrowhead Regional Planning Commission. These agencies would be unaffected by a partition of the county.

Senate Legislative Districts

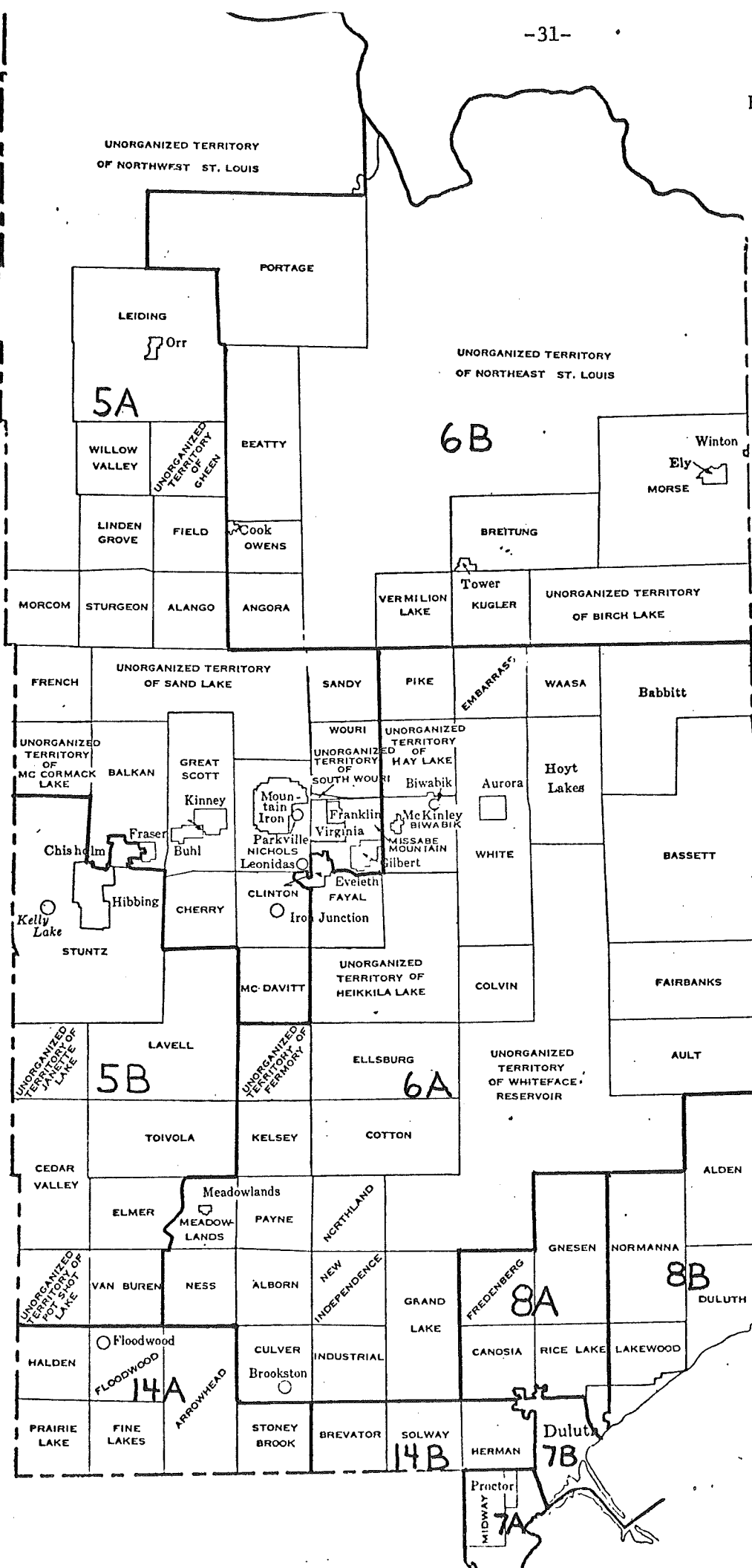
Duluth

Sen. 7th Prec. 23, 25-59
Sen. 8th Prec. 1-22, 24



House Legislative Districts
Duluth

House 7-A Prec. 38, 41A, 42-59
House 7-B Prec. 23, 25-37, 39-41
House 8-A Prec. 6, 9, 15-22, 24
House 8-B Prec. 1-5, 7, 8, 10-14



The County Government

Because the county government is the subject of this report, it is treated separately in Chapters IV and V. It is noted here, however, that the county commissioners districts (Map 6) are very likely to be affected.

Many factors relevant to creation of new counties or subdivision of existing counties in Minnesota are predetermined and specified within the Constitution and Civil Statutes of the State of Minnesota. Article XI of the Minnesota Constitution provides legal authority to the legislature to create counties within the geographical confines of the State.

Creation of a new county by subdivision of an existing county can be effected; however, this process is subject to limitation and provisions of Minnesota statutes, the following of which are germane to this research report:

A. Change of boundaries; creation of new counties

No new county shall contain less than 400 square miles, nor have less than 2000 inhabitants, nor shall it have an assessed valuation of less than \$4,000,000.

No change in the boundaries of any county having an area of more than 2500 square miles (e.g., St. Louis County), whether by creation of a new county or not, shall detach from the existing county any land which lies within 12 miles of the county seat thereof.

SOURCE: Minnesota Statutes Annotated, Vol. 23 A, Chapter 370, Sec. 370.01, pp.3-4.

B. Filling vacancy in commission district caused by change of boundaries

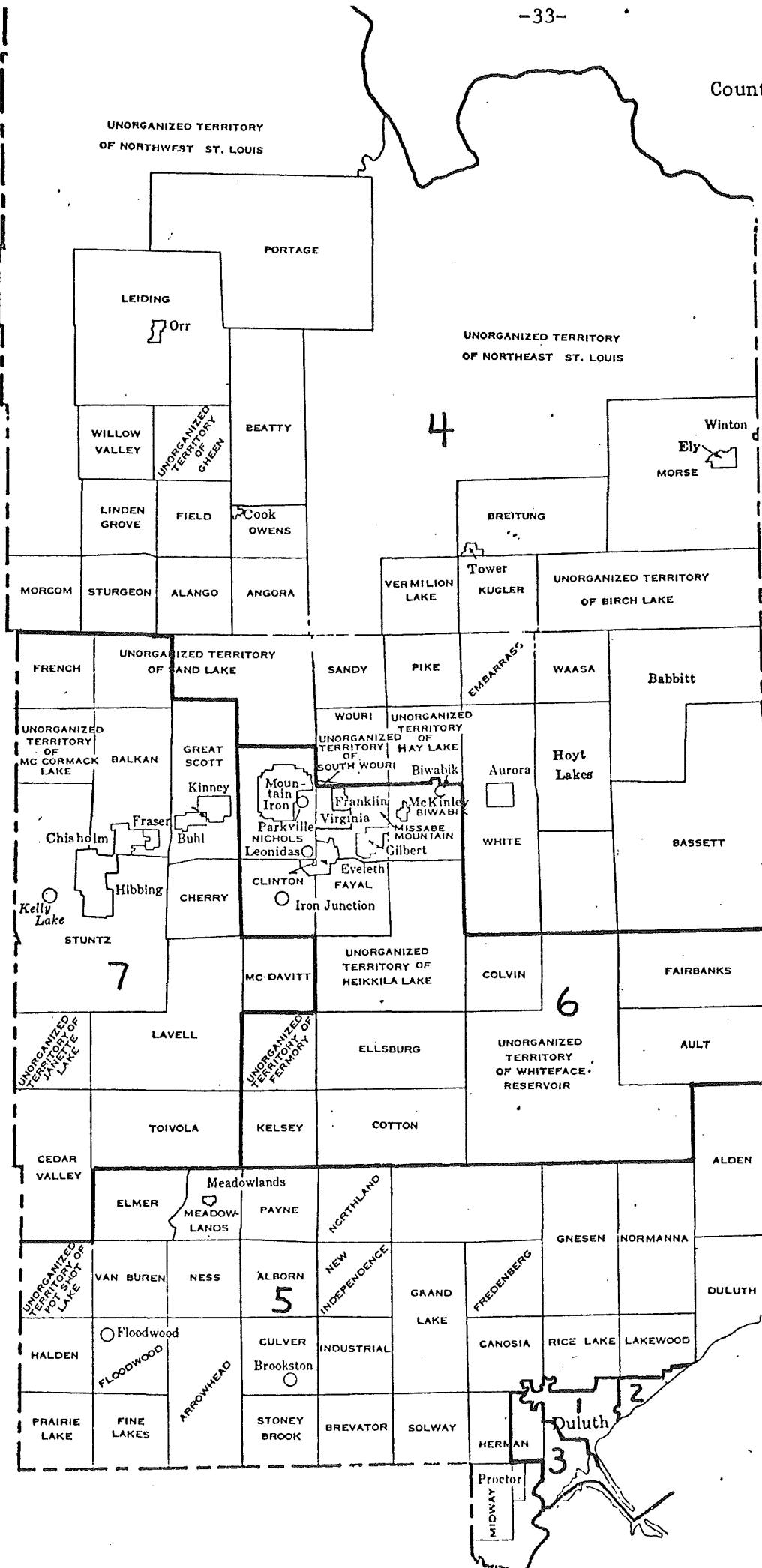
In cases when a change in existing boundaries of any county shall result in the abolishment of any commissioner district or districts in the county and which results in the original county having less than 5 commissioners (or an even number of commissioners) the governor shall appoint a sufficient number of new commissioners so as to equal a board of five persons.

SOURCE: MSA, Vol. 23A, Chap. 370, Sec. 370.10, p. 21.

County Commissioners Districts

Duluth

- 1st Prec. 6,9, 19-21
23,24, 26-33
2nd Prec. 1-5, 7,8
10-18, 22
3rd Prec. 24, 34-51
5th Prec. 52-59



C. Town, school, and road districts

The several towns, school districts, and road districts whose boundaries are not affected by the change of county lines shall remain unaffected in the new county and under the same officers as before. Any towns or districts divided by the change in county lines shall be reorganized by the county board of the county in which they are placed, or be attached to adjoining towns or districts, as the board may deem best.

SOURCE: MSA, Vol. 23A, Chap. 370, Sec. 370.17, p. 25.

D. Commissioner districts (St. Louis County)

The county board of any county containing more than 5000 square miles (e.g., St. Louis County) and which contains a city of the first class (e.g., Duluth) is authorized to redefine the boundary lines of any commissioner district in the county, now or hereafter wholly included within said city of the first class (e.g., Duluth), so that such district shall include such number of election districts within such city, and such contiguous congressional townships, or part of any township (not to be less than one-half of said township) as the county board shall determine; provided that all such territory within such city and townships shall be contiguous.

SOURCE: MSA, Vol. 23A, Chap. 370, Sec. 373.13, p. 102.

E. County board members, number of

Each county which contains less than 5000 square miles and less than 75,000 population shall have a county board consisting of five (5) commissioners whose terms of office shall be four years.

Each county shall be divided into as many districts numbered consecutively as it has members on the board. In all counties these districts must be bounded by town, village, ward, or precinct lines, composed of contiguous territory, and contain as nearly as practicable an equal population.

Counties may be redistricted by the county board after each state or federal census; however, since June 1, 1957, the effect of redistricting could not allow the boundaries of any second, third, or fourth class city to be in more than two commissioner districts in any one county. When, as a result of state or federal census, it appears that 30 percent or more of the population of any one county is contained in one district, such county shall be redistricted by its county board subject to voter demands at the next regular election. When a county is redistricted there shall be a new election of commissioners in all of the districts of the county at the next general election, the board shall determine that not less than two, nor more than three, members of the board shall be elected for a term of two years and the remainder for a term of four years at the next general election. Thereafter all commissioners shall be elected for four years.

SOURCE: MSA, Vol. 23A, Chap. 370, Sec. 375.02, pp. 142-143.

The Townships

There are 70 townships in St. Louis County. The boundaries of these townships have been set over the years through political processes. Because it is contemplated that any partition would be made along township lines, the township boundaries would be unaffected by partition.

Unorganized Territories

There are 13 unorganized territories in the county, comprising some 2,650 square miles with a population in 1970 of 4,544. Unorganized territories represent approximately 43 percent of the total area of the county. Partition lines might be drawn anywhere through these areas without affecting a local government.

Municipalities

Table 7 shows the municipalities in the county and their 1970 populations. About 76 percent of the total county population resides in

Table 7

Population of Municipalities
in St. Louis County: 1970

<u>Municipality</u>	<u>Population</u>
Aurora village	2,531
Babbitt village	3,076
Biwabik city	1,483
Buhl village	1,303
Chisholm city	5,913
Iron Junction village	150
Leonidas village	157
Cook village	687
Brookston village	137
Duluth city	100,578
Ely city	4,904
Eveleth city	4,721
Floodwood village	650
Franklin village	41
Fraser city	48
Gilbert city	2,287
Hibbing village	16,104
Hoyt Lakes village	3,634
Kinney village	325
McKinley village	317
Meadowlands village	128
Mountain Iron village	1,698
Orr village	315
Proctor village	3,123
Tower city	699
Virginia city	12,450
Winton village	<u>193</u>
Total	167,652

SOURCE: U. S. Census of Population: 1970.

these municipalities. As a matter of practicality, no analysis is made of the cities because it would be inexpedient to draw new county boundaries through any existing city or rural community.

Other Governmental Agencies

The Iron Range Council
Judicial Districts
State Police

These agencies would be unaffected by a partition of the county.

Summary

The reasons why the partition of St. Louis County is an issue are:

1. The county is very large in terms of square mileage.
2. There are two distinct population concentrations in the county, separated by a large, sparsely settled hinterland.
3. These population concentrations have distinct socioeconomic characteristics.
4. There is substantial concern that the resources of each of the population concentrations are being used to support services which do not equitably benefit the respective populations.

In order to assess the feasibility of partitioning the county, six major points are treated. The first is the range of services offered by county governments in the nation. It appears that the range of services offered is so broad, and there is so much variation, that there is great discretion in the services which may be provided in any given instance. This means that there are few inherent limitations imposed on the powers of county government to determine the package of services to be provided for any given population group.

The second point examined shows that there are precedents for dividing counties in Minnesota, so the concern that this has not been done before is largely dispelled. The third point, examining the sizes and

populations of resulting counties, indicates that any reasonable partition would result in counties with geographic areas and populations well above the average for existing counties in the nation. The fourth point examined, per capita expenditures for county government, indicates that, at the present time, St. Louis County spends much more per capita than other counties of its size. There is some evidence to support the contention that a partition of the county would result in reduced per capita expenditures.

The fifth point examined, the other governmental boundaries which may be affected by a partition, indicates that there are no existing governmental boundaries which would be adversely affected by a partition. The only exceptions are possibly the legislative districts and the county commissioners districts, but these changes would not be serious enough to preclude partition of the county. To this point, then, there appear to be no barriers to partitioning the county, though, of course, the final decision is to be made by the voters. The sixth point, and perhaps the most important to be examined, is whether the resulting counties can support the services now provided without placing undue strain on the available resources. The complexity of this analysis requires that it be undertaken in separate chapters. Accordingly, Chapters II through V treat this point.

CHAPTER II

POTENTIAL DEMAND FOR SERVICES
versus
POTENTIAL RESOURCES AVAILABLE

CHAPTER II

A partition of St. Louis County seems feasible based upon the analysis to this point. A most important consideration, however, is whether or not the resulting counties can support the level of services which county residents have come to expect. A first step toward obtaining an answer to this question is to examine the potential demand for county services as it relates to potential resources. This permits a preliminary assessment of the abilities of townships to support their shares of county services. With this information it becomes possible to draw hypothetical partition lines anywhere in the county and to compare demand and resources for any resulting counties.

Because it is important to determine whether the demands for service may be financed under current conditions, a second step is to review funds received by each township versus funds contributed by each township. This permits the construction of summary pro forma operating statements for each resulting county. This second step is undertaken in Chapter III:

Potential Demand for County Services

The concept of potential demand for county services is based upon the assumption that all of those who are entitled to a service actually utilize it. The usual case, regardless of what is being offered, is that certain persons take advantage of the offer and others with an equal claim do not. The objective of this analysis is to indicate what percentage of county services would be demanded by each township if all demands for present services were to be made. This method assumes away differences in accessibility or personal reticence.

It is to be noted that the concept deals with current potential demand. If it were to be desirable to forecast future potential demand, it would be necessary to forecast all of the underlying determinants of demand, such as population, income, and miles of highways, for target years. Time does not permit this type of analysis but the procedures described below, using current data are also applicable using forecast data.

Before describing the analytical procedures used, it is important to note that the data for each of the factors selected as determinants of demand are displayed on maps, beginning with Map 7. These maps have hypothetical partition lines drawn. All of the lines are along township boundaries. One is within 12 miles of Duluth and is called the Duluth Line; a second is across the county on the southern boundary of Toivola, Kelsey, and Cotton Townships, and is called the Cotton Line, while the third is at the southern boundary of the Range Townships and is called the Range Line. A partition line would most probably be drawn somewhere between the Duluth Line and the Range Line, if partition were to be feasible at all. The Cotton Line is used as an example of an intermediate partition line. These three lines are used throughout this study to provide benchmarks.

The procedure used for this analysis is as follows:

1. Identify the current county expenditures by type of service. This information is taken from the 1972 financial statement for St. Louis County and is shown on Table 8.
2. For each service, identify the demand determinants for which data are available. For example, the demand for AFDC services is basically determined by the number of households headed by a female and having children under 18. The numbers of such households are available on a township basis from the 1970 census of population. The demand for veteran's services is basically determined by the numbers of veterans. The number of veterans in each township is also found in the 1970 census data. One or more determinants is found for each of the county services. This reasoning is summarized on Table 8.

Table 8

Selection and Weighting of
Determinants of Demand for
County Services

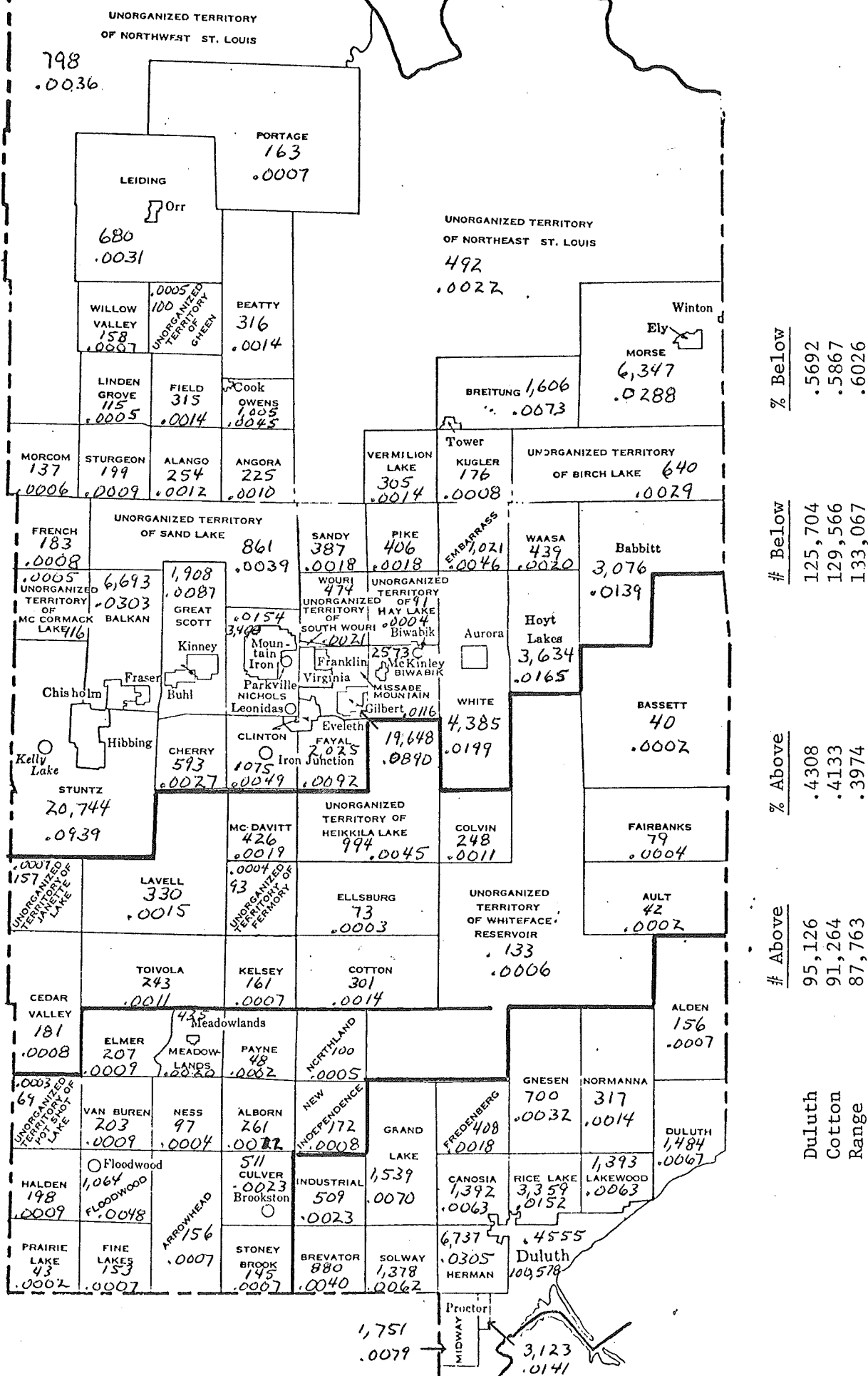
	Percent	1972 Financial Statement (000)	Total Population 1970	Persons 5-19 enrolled in school 1970	Veteran status	Miles of roads	Agg. income families and individuals PA and welfare	Persons 65+ below poverty level	Disabled all categories	Female heads children under 18	Agg. No. of persons in families below poverty level	In labor force unemployed	Disabled-employed	Assessed valuation
GENERAL GOVERNMENT														
County Commissioners	.01	98	X											
Judicial	.80	726	X											
Legal	.26	239	X											
Finance	2.00	1,817	X											
Registrar of Deeds	.17	150	X											
Surveying														
Civil Service														
Veterans Service	.13	120			X									
Planning & Zoning														
Supt. of Schools	.01	65		X										
Court Houses & Jail	.50	451	X											
Jail Buildings														
Public Safety	1.22	1,110	X											
Corrections + NE	.95	864	X											
Corr. Center														
AG Resources														
Supplies Service		256	X											
Automotive Serv.		119	X											
Transportation	1.30	164	X											
Service														
Data Service		377	X											
Debt Service		264	X											
County Hiways	6.46	5,864				X								
Public Health +	.87	793	X											
Comm. Diseases														
Public Assistance	5.17	4,693					X							
Other Direct and	4.65	4,221					X							
Indirect Relief														
Old Age Assistance	1.50	1,365						X						
Aid to Disabled	3.41	3,090							X					
AFDC	7.11	6,453								X				
Medical Aid	12.90	11,702									X			
Institutions	3.24	2,939	X											
(exc. Nopeming)														
Nursing Home	2.22	2,016						X						
(Nopeming)														
County Health	.40	366	X											

Table 8 (Continued)

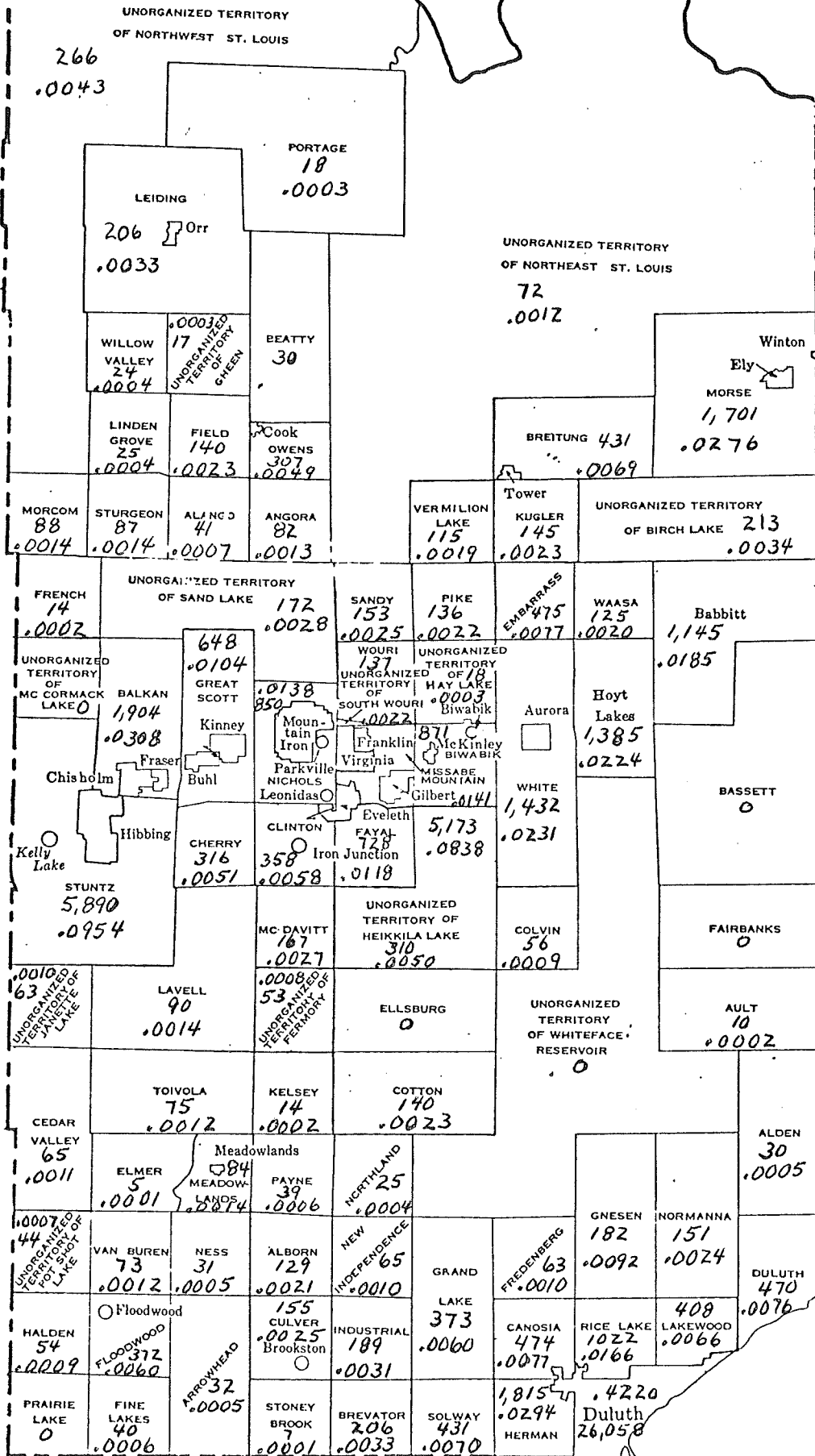
GENERAL GOVERNMENT, Cont.	Percent	1972 Financial Statement (000)	Total Population 1970	Persons 5-19 enrolled in school 1970	Veteran status	Miles of roads	Agg. income families and individuals PA and welfare	Persons 65+ below poverty level	Disabled all categories	Female heads children under 18	Agg. No. of persons in families below poverty level	In labor force unemployed	Disabled-employed	Assessed valuations
Patients Trust Fund Sanatorium (Nopeming)	.41	368						X						
Civil Defense	.24	219	X											
Rival Forefeited Tax ¹														
Urban Forefeited Tax ¹														
Forest Resources														
Library														
School Funds ²	.50	455		X										
Public Employment	.40	364										X		
Juvenile Corrections	.40	361		X										
Workmans Comp.	.01	103											X	
Trust & Agency except Cities, villages, towns, & school districts ¹	4.61	4,184	X											
Cities, Villages, Towns	14.49	13,101												X
School Districts	23.36	21,194		X										
Totals	100.00	90,671	15,136	22,075	120	5,864	8,914	3,749	3,090	6,453	11,702	364	103	13,101
			16.70	24.35	.13	6.46	9.83	4.13	3.41	7.12	12.91	.40	.11	14.45

¹Disbursement and transfers out determinant weighting

²Disbursements and transfers out minus beginning balance

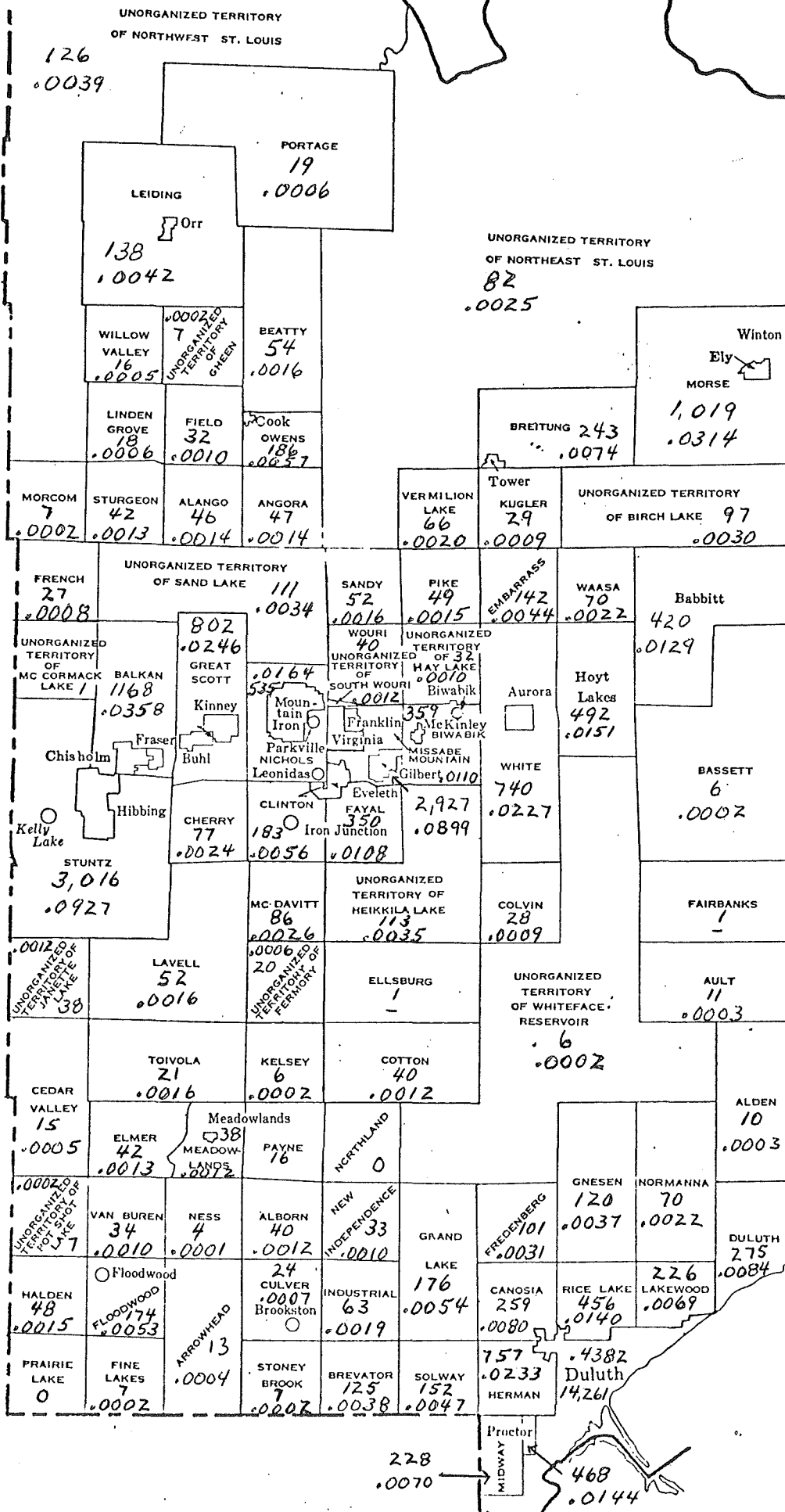


All Persons Aged 5-19 Enrolled in School, by Township: 1970



% Below	.5443	.5630	.5801
# Below	33,606	34,761	35,804
% Above	.4557	.4370	.4199
# Above	28,136	26,981	25,938
Duluth			
Cotton			
Range			

Veterans by Township: 1970



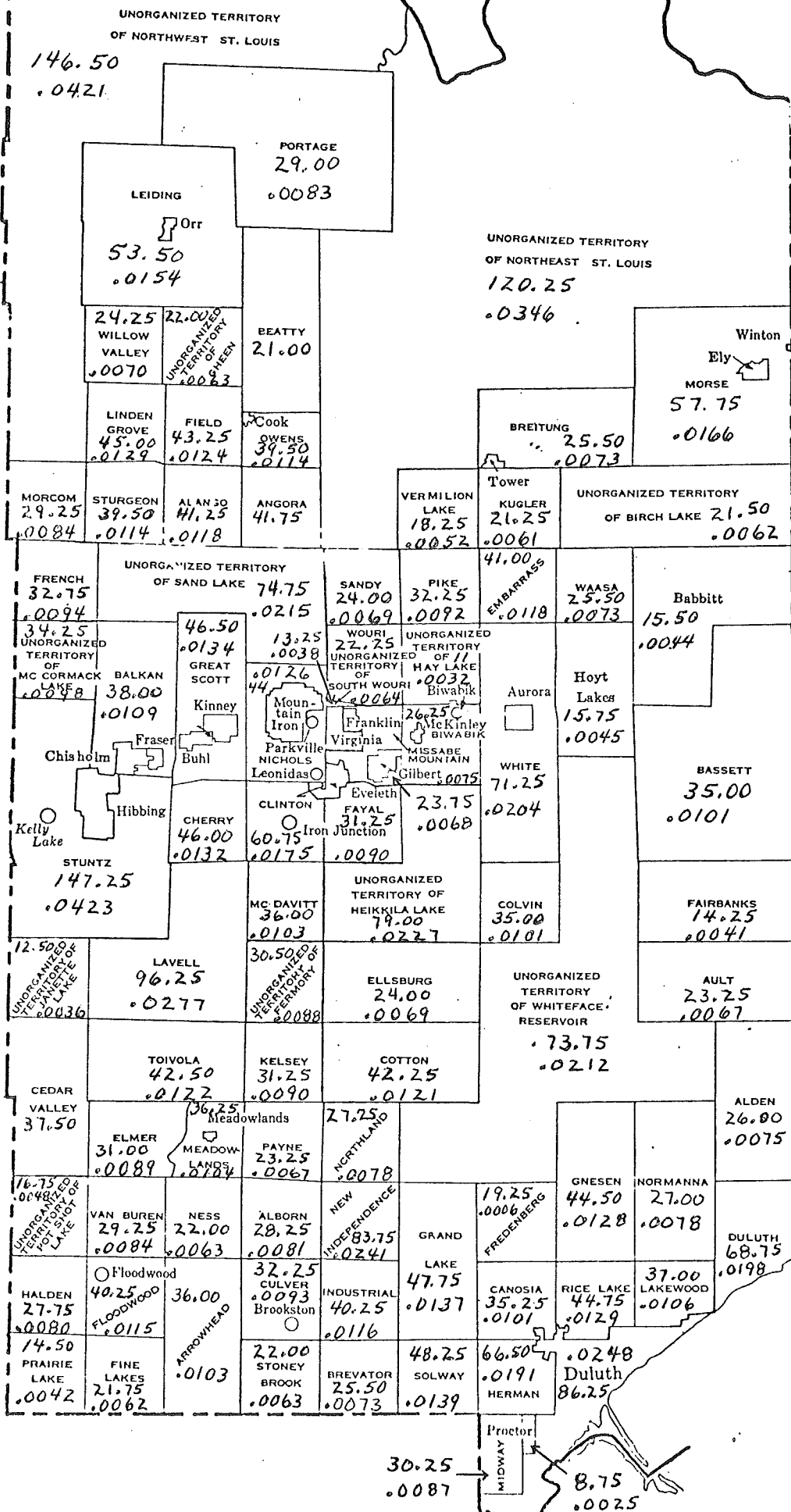
% Below
.5453
.5603
.5739

Below
17,747
18,234
18,678

% Above
.4547
.4397
.4261

Above
14,798
14,311
13,867

Duluth
Cotton
Range



% Below
.1943
.3358
.5033

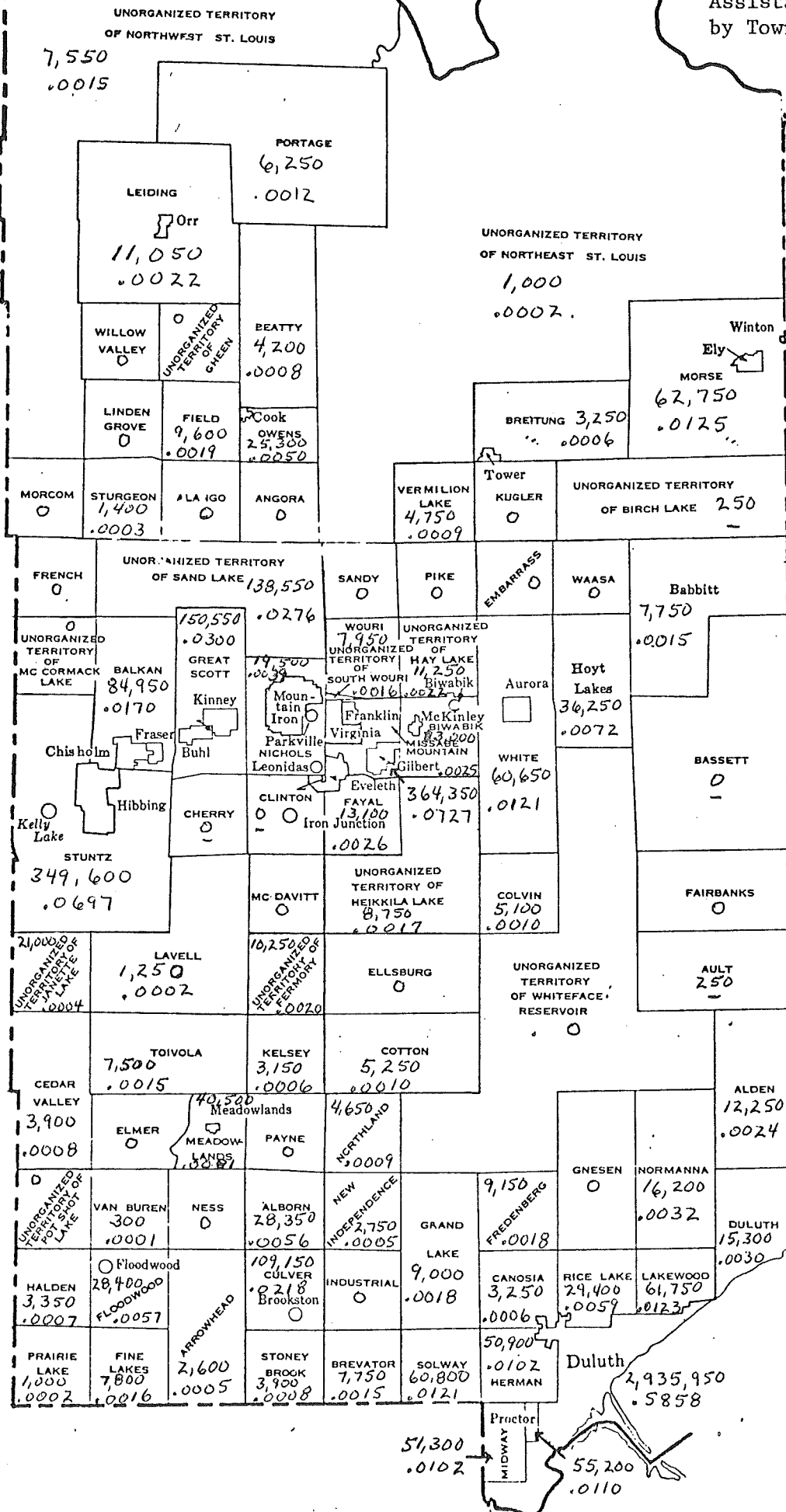
Below
676.00
1168.25
1750.75

% Above
.8057
.6642
.4967

Above
2802.75
2310.50
1728.00

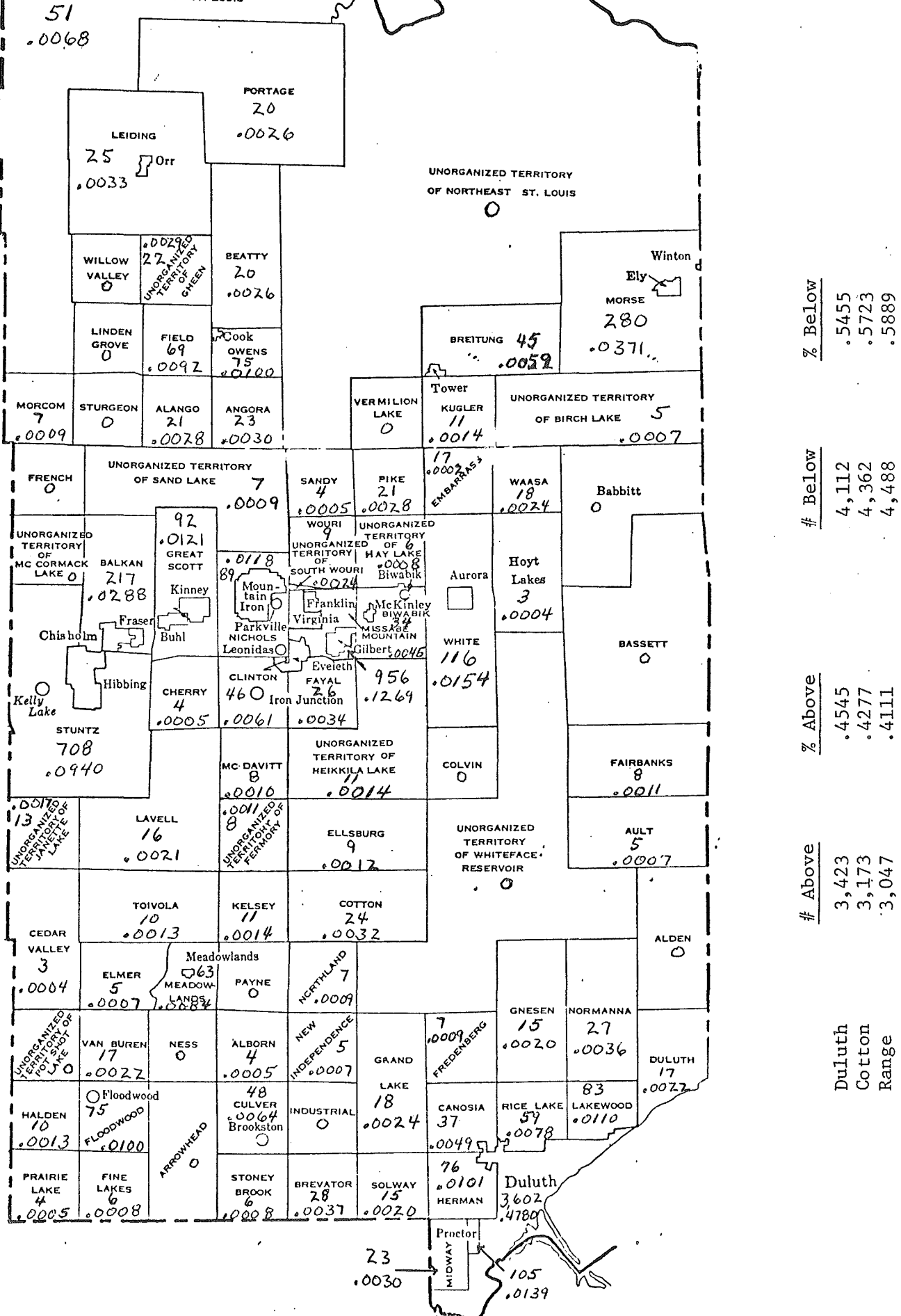
Duluth
Cotton
Range

Aggregate Incomes of Families and
and Individuals Receiving Public
Assistance and Welfare Payments,
by Township: 1970

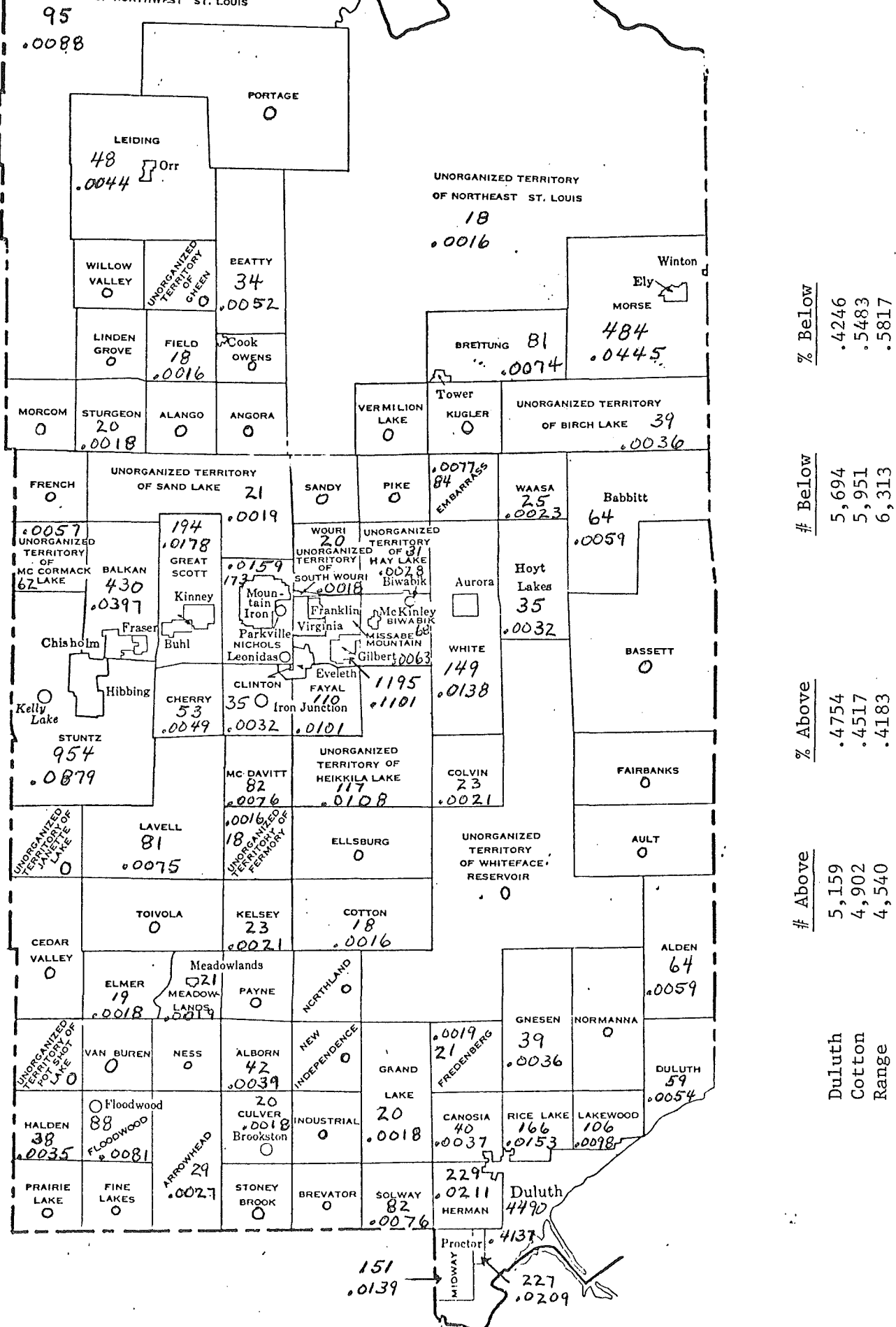


% Below	.6618	.7083	.7175
# Below	3,318,200	3,550,950	3,617,350
% Above	.3382	.2917	.2825
# Above	1,693,950	1,461,200	1,394,800
Duluth			
Cotton			
Range			

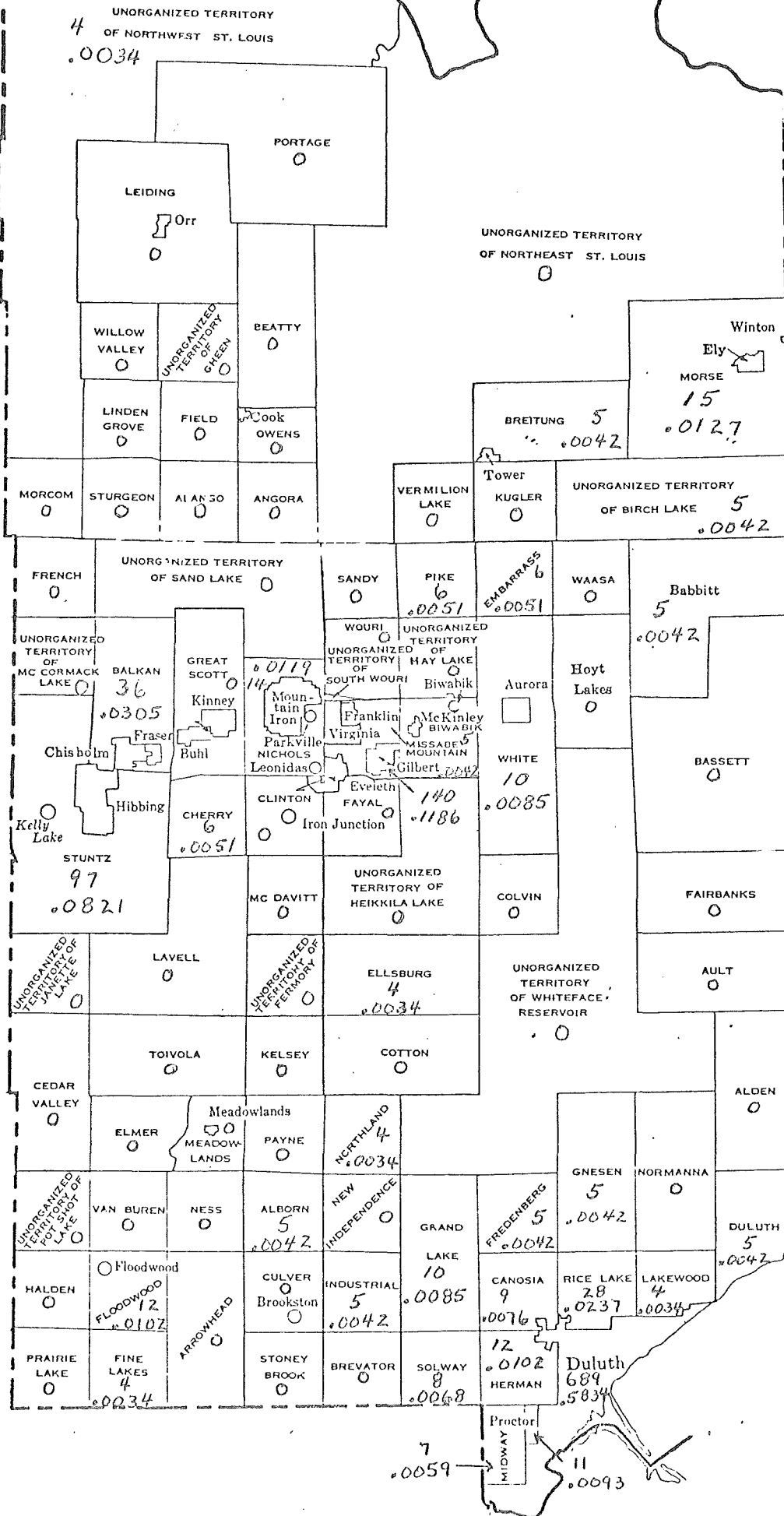
UNORGANIZED TERRITORY
OF NORTHWEST ST. LOUIS



UNORGANIZED TERRITORY
OF NORTHWEST ST. LOUIS



Numbers of Households with Female Head and Children Under 18 Years of Age, by Township: 1970



% Below
.6756
.6968
.7002

Below
798
823
827

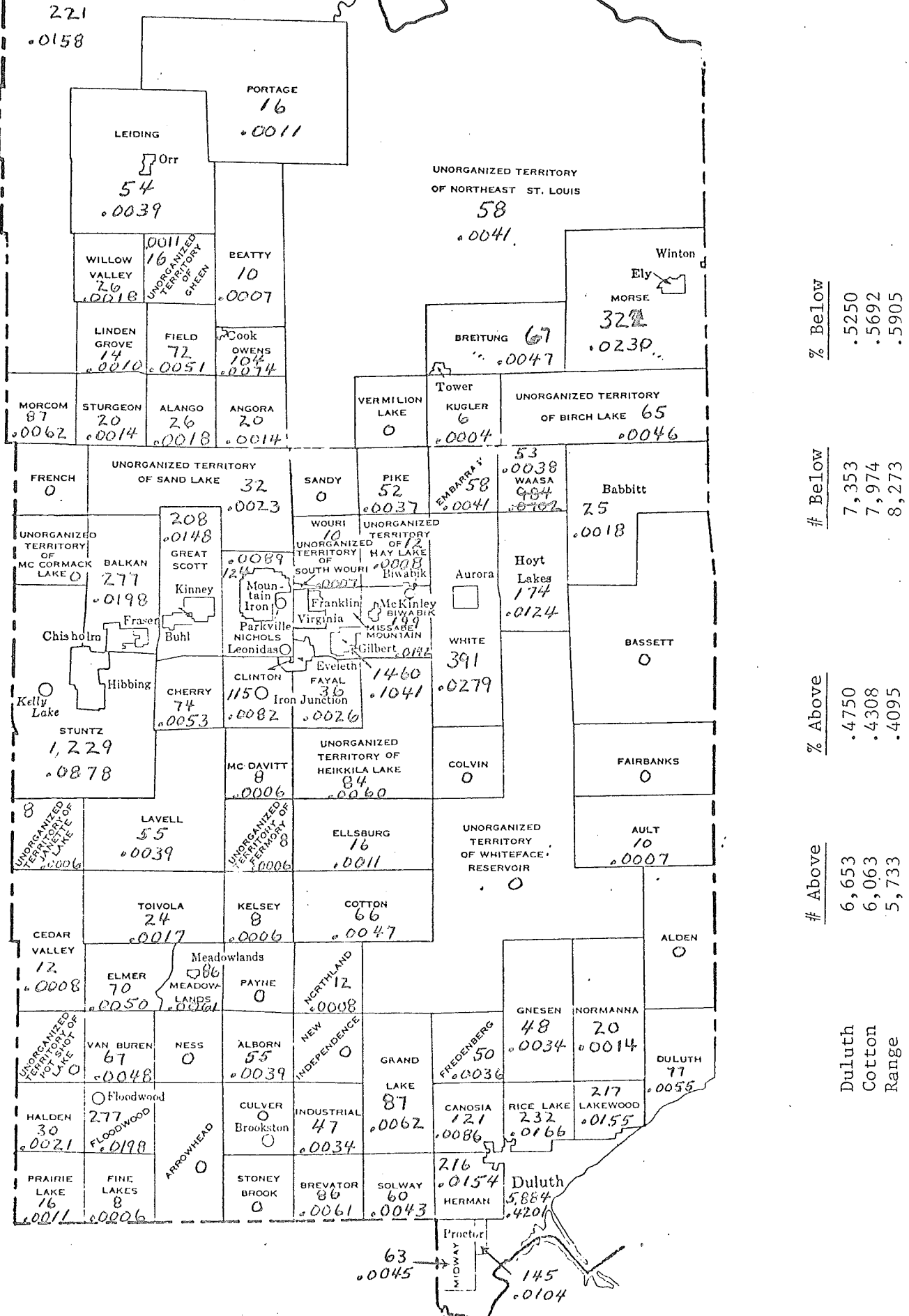
% Above
.3244
.3032
.2998

Above
383
358
354

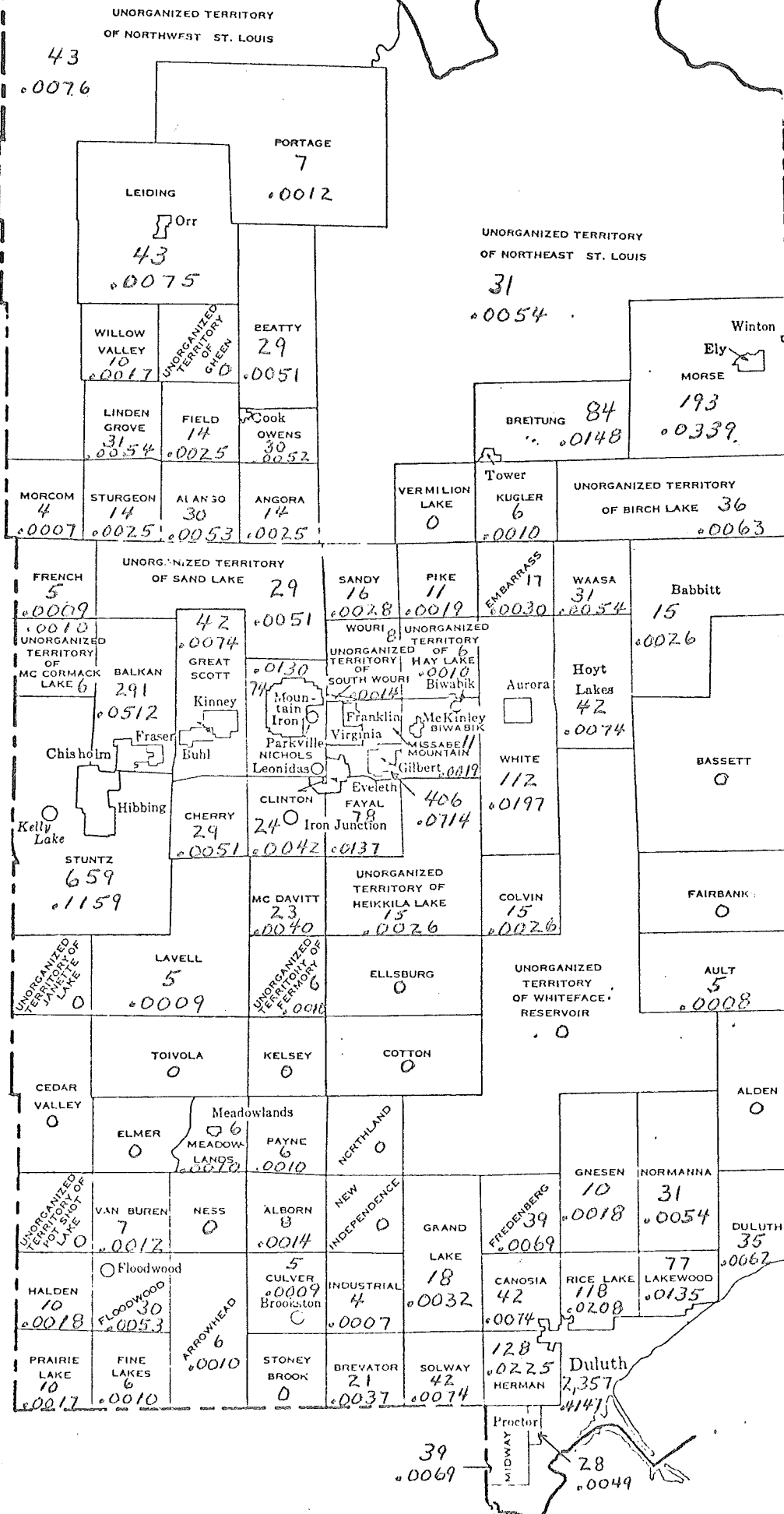
Duluth
Cotton
Range

7
.0059
11
.0093

UNORGANIZED TERRITORY
OF NORTHWEST ST. LOUIS

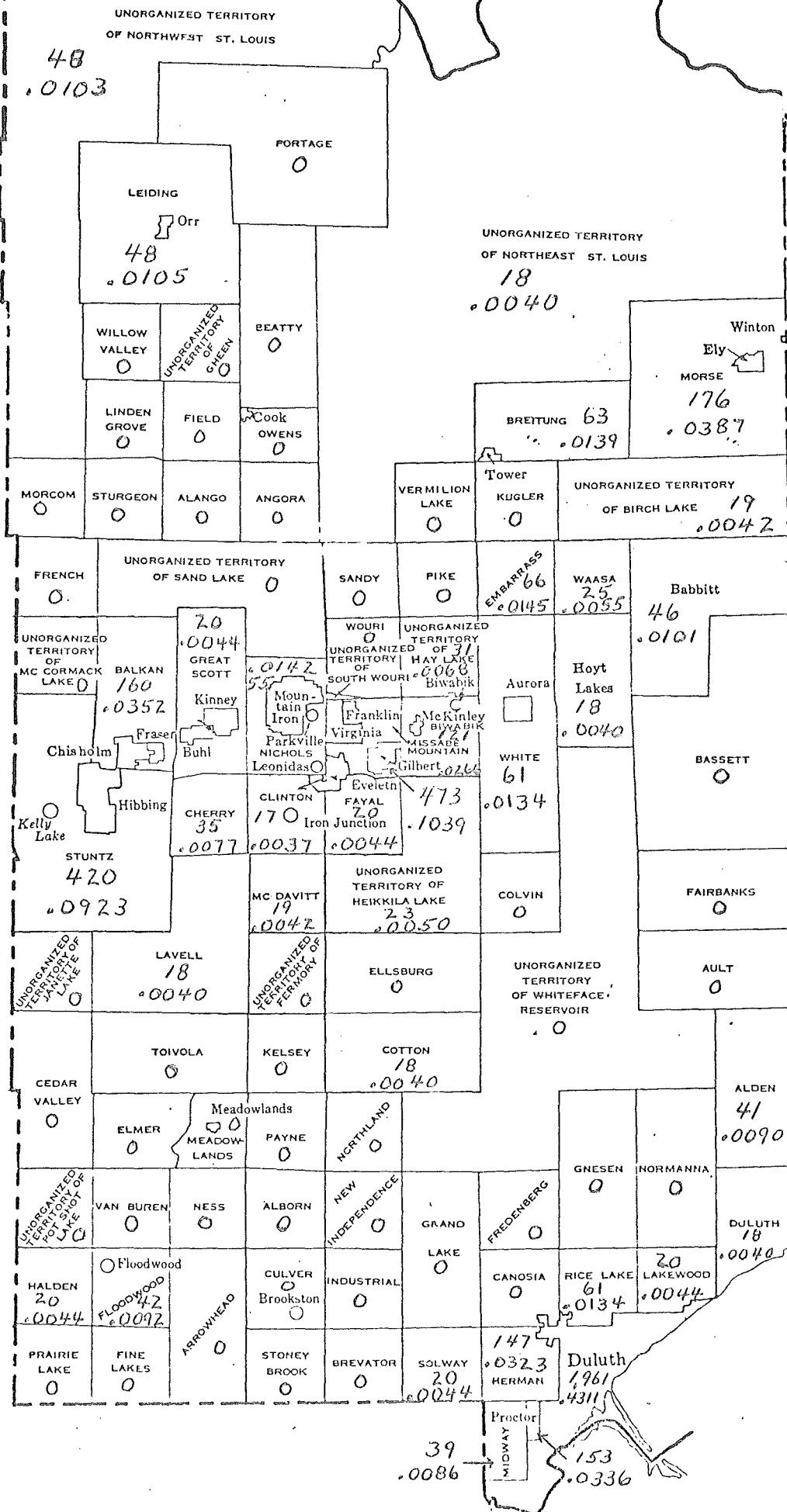


Numbers of Persons in Labor Force
but Unemployed, by Township: 1970



% Below	.5260
% Below	.5413
% Below	.5532
# Below	2,989
# Below	3,083
# Below	3,152
% Above	.4740
% Above	.4587
% Above	.4468
# Above	2,694
# Above	2,600
# Above	2,531
Duluth	
Cotton	
Range	

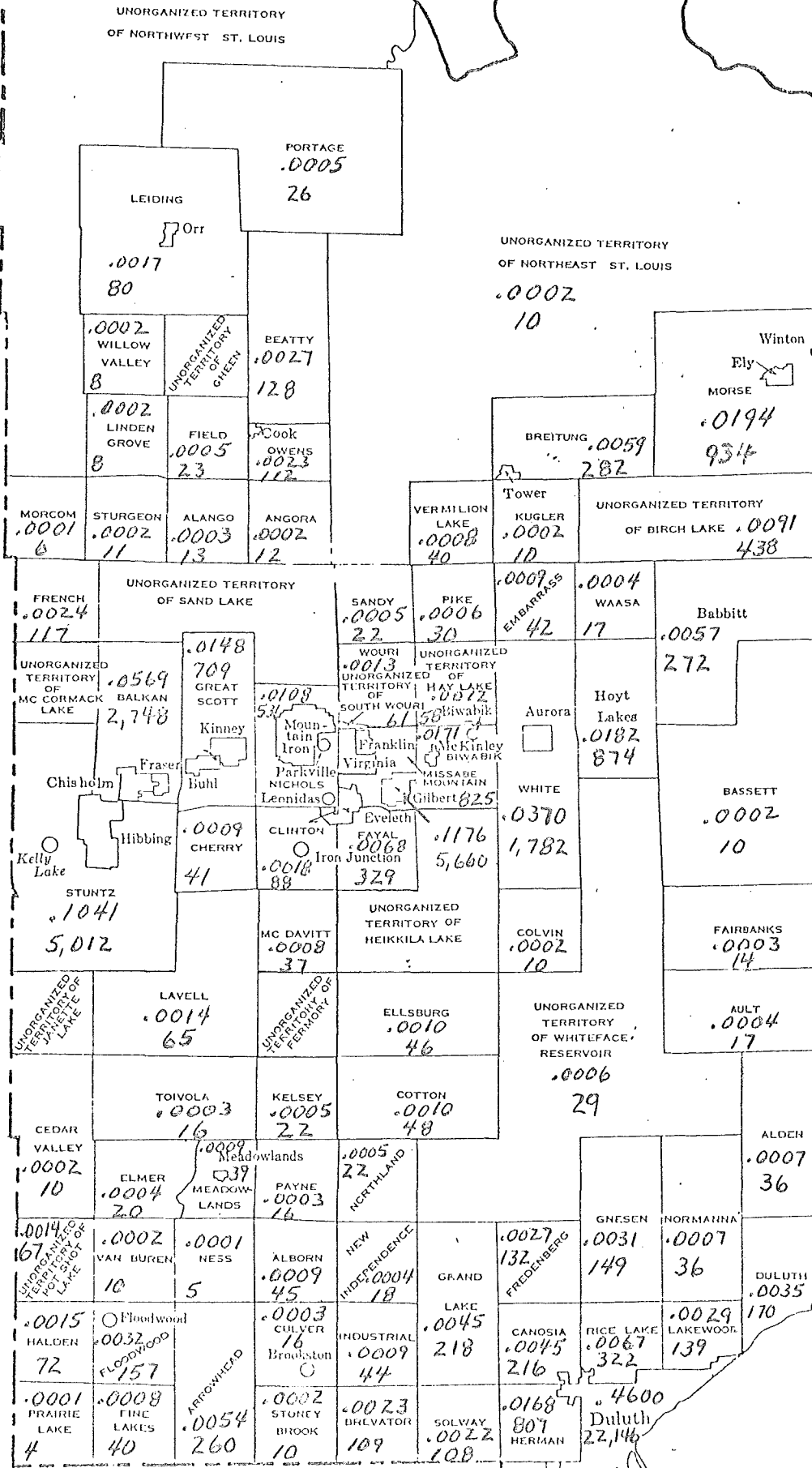
Numbers of Employed Persons
Disabled, by County: 1970



3. Each determinant is then assigned a weighting determined by the percent of county expenditures for those county services to which it is related. For example, number of veterans is a determinant for only one service, veterans service. County expenditures for veterans services in 1972 was \$120,000, or .13 percent of total county expenditures of \$90.7. This .13 percent is the weighting assigned to this determinant. On the other hand, total population is a determinant of demand for many services, including county administration, court services, public health services, civil defense, and many others. The expenditures for those county services determined, at least in part, by total population amount to 16.7 percent of total county expenditures. Thus, total population is assigned a weighting of 16.7. The weighting of the other determinants are shown in Table 8.
4. Calculate the percentage of each determinant found in each township. For example, the number of veterans in each township is found in the census. This absolute value is converted into a percentage. Of the 32,545 veterans in St. Louis County in 1970, 14,261 or 43.8 percent were in Duluth, while 492, or 1.5 percent were in Hoyt Lakes. Maps 7 through 18 show the distribution of each determinant by Township.
5. Multiply the percentage of each determinant for each township by its assigned weighting. for example, multiply the percentage of veterans in Duluth (.4382) and Hoyt Lakes (.0151) by the assigned weighting (.13). The resultant figure for Duluth is 5.70, and that for Hoyt Lakes is .20.
6. For each township, add the values of the weighted percentages for all of the determinants. This results in a summary figure for each township.
7. For each township, convert the summary figure to a percentage. This final figure represents the percentage of total potential demand for county services for the respective townships.

Map 19 shows the percentage of total demand for each of the townships. Note that Duluth tops the list with 43.2 percent of the total demand, while Stuntz (including Hibbing), represents 8.7 percent of the total demand.

Ad Valorem Taxes
by Township: 1973



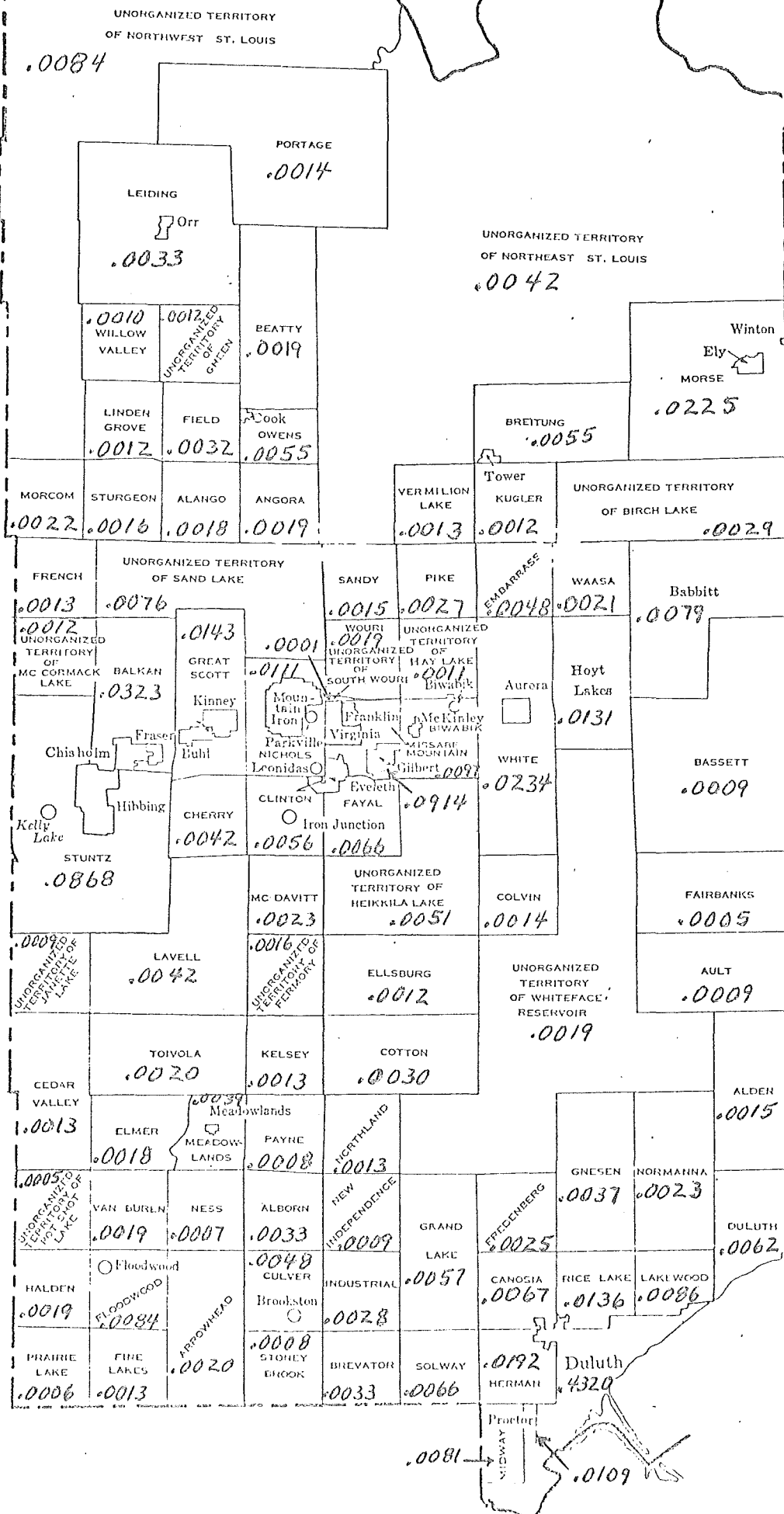
% Below	.5228
% Below	.5394
% Below	.5463
# Below	25,167,205
# Below	25,966,316
# Below	26,298,477
% Above	.4772
% Above	.4606
% Above	.4537
# Above	22,972,055
# Above	22,172,944
# Above	21,840,783
Duluth	
Cotton	
Range	

If the county were to be partitioned as close to Duluth as is allowable by law by Section 370.01, Chapter 370 of the Minnesota Statutes annotated, that is, no closer than 12 miles, the southern county would represent 53.4 percent of the total demand while the northern county would represent 46.6 percent. If the county were to be partitioned just south of the Range townships, the southern county would represent 59.7 percent of the total demand, while the northern county would represent 40.3 percent. If the county were to be partitioned along the so-called Cotton line, the southern county would represent 56.9 percent of the total demand, while the northern county would represent 43.1 percent of the demand. Map 19 permits the percentages of demand to be calculated for any county merely by aggregating the percentages for each of the townships circumscribed by the desired line of partition.

In theory, it would be well to partition the county at the 50 percent line. Because of the provisions of the State constitution, however, the closest partition line to Duluth would still put 53.4 percent of the demand in the southern county. This may not be inequitable if the resulting county has the resources to support its level of demand. Therefore, an analysis of potential resources is required.

The Potential Resource Index

The theory of the potential resource index is to identify those factors which generate revenues to the government so that some assessment may be made of the potential capabilities of the Townships to support their needs for government services. In some cases the factors identified do not generate funds directly into the county treasury, but do generate funds for some other government. The reasoning is that governments continue to seek new revenue sources, so it seems likely that whatever resources are capable of generating revenues to the county eventually will be called upon to do so. Furthermore, with a general tendency toward consolidation of government in the nation, those resources which generate revenues for state or other governments may eventually be combined with those generating revenues for the county.



% Below

	% Above
1950-1959	100
1960-1969	100
1970-1979	100
1980-1989	100
1990-1999	100
2000-2009	100
2010-2019	100
2020-2029	100
2030-2039	100
2040-2049	100
2050-2059	100
2060-2069	100
2070-2079	100
2080-2089	100
2090-2099	100
2100-2109	100
2110-2119	100
2120-2129	100
2130-2139	100
2140-2149	100
2150-2159	100
2160-2169	100
2170-2179	100
2180-2189	100
2190-2199	100
2200-2209	100
2210-2219	100
2220-2229	100
2230-2239	100
2240-2249	100
2250-2259	100
2260-2269	100
2270-2279	100
2280-2289	100
2290-2299	100
2300-2309	100
2310-2319	100
2320-2329	100
2330-2339	100
2340-2349	100
2350-2359	100
2360-2369	100
2370-2379	100
2380-2389	100
2390-2399	100
2400-2409	100
2410-2419	100
2420-2429	100
2430-2439	100
2440-2449	100
2450-2459	100
2460-2469	100
2470-2479	100
2480-2489	100
2490-2499	100
2500-2509	100
2510-2519	100
2520-2529	100
2530-2539	100
2540-2549	100
2550-2559	100
2560-2569	100
2570-2579	100
2580-2589	100
2590-2599	100
2600-2609	100
2610-2619	100
2620-2629	100
2630-2639	100
2640-2649	100
2650-2659	100
2660-2669	100
2670-2679	100
2680-2689	100
2690-2699	100
2700-2709	100
2710-2719	100
2720-2729	100
2730-2739	100
2740-2749	100
2750-2759	100
2760-2769	100
2770-2779	100
2780-2789	100
2790-2799	100
2800-2809	100
2810-2819	100
2820-2829	100
2830-2839	100
2840-2849	100
2850-2859	100
2860-2869	100
2870-2879	100
2880-2889	100
2890-2899	100
2900-2909	100
2910-2919	100
2920-2929	100
2930-2939	100
2940-2949	100
2950-2959	100
2960-2969	100
2970-2979	100
2980-2989	100
2990-2999	100
3000-3009	100
3010-3019	100
3020-3029	100
3030-3039	100
3040-3049	100
3050-3059	100
3060-3069	100
3070-3079	100
3080-3089	100
3090-3099	100
3100-3109	100
3110-3119	100
3120-3129	100
3130-3139	100
3140-3149	100
3150-3159	100
3160-3169	100
3170-3179	100
3180-3189	100
3190-3199	100
3200-3209	100
3210-3219	100
3220-3229	100
3230-3239	100
3240-3249	100
3250-3259	100

.5337
.5686
.5971

.4663
.4314
.4029

Duluth
Cotton
Range

The procedure is to first select the factors to be included in the index, then to determine what percentage of the factors chosen are represented in each of the townships, then to weight the factors on the basis of some explicit judgments. The final index number calculated in this manner is a summary of each township's ability to generate revenues for county government. It should be noted that there may be some disagreement concerning the factors selected, and/or some disagreement with the weightings assigned. The following description enables the reader to assess the validity of the procedures used.

Of all the factors reviewed, the following eight are selected:

- Ad valorem taxes
- Federal revenue sharing
- Employment for selected industries
- Forests
- Soils
- Minerals
- Recreation sites
- Roads

Ad valorem taxes are used because they represent the ability of owned real and personal property to contribute to county funds. The data are taken from the St. Louis County Notice of Taxes Payable in 1973.

Federal revenue sharing is used because it represents the ability of the township to secure its share of the funds provided under the terms of the State and Local Fiscal Assistance Act of 1972. The share of each minor civil division in the county is determined by multiplying the population by the adjusted tax effort by per capita income.

Employment is selected because the various income taxes represent a large percentage of government revenues. Even though the county does not now levy an income tax, it is reasonable to assume that it may seek to do so in the future. Those employment categories selected are:

Mining
Construction
Durable goods manufacturing
Non-durable goods manufacturing
Transportation
Wholesale trade
Retail trade
Health services
Education
Public administration

These categories represent 80 percent of the jobs and 80 percent of the payroll.

Forests are selected because they are a natural resource which yields revenue directly from forestry operations, and indirectly due to the recreational value. The data on forest coverage are obtained from a 1962 map in A Third Look at Minnesota's Timber, by Robert N. Stone, USFS, 1966, as shown in the Atlas of Minnesota Resources.

Soils are selected because they represent the potential for agricultural usage and resulting income. The data are taken from a map from MORRC Staff Report #3, and reproduced in the Atlas of Minnesota Resources. The map shows inherent soil fertility and is broken down by high, good, fair, low, and stony (non-agricultural). Each type of soil is given a weighting based on inherent fertility and stony soil was deleted from the category.

Minerals are selected because the iron ore deposits provide a major source of income to the county. The data are obtained from a map found in University of Minnesota Bulletin, Mining Directory Issue, May 1, 1967, and reproduced in the Atlas of Minnesota Resources. Only the data for iron are used. No treatment is given to the copper-nickel deposits.

Recreation is selected because tourism is a large source of revenue for the county. The data obtained include campsites, winter resorts, swimming, trout fishing sites, and other wildlife sites. These features are mapped in Outdoor Recreation Resources Survey and Analysis: St. Louis County, by the consulting firm of Aguar Jyring Whiteman, Moser, Inc., for the St. Louis County Planning Commission.

Roads are selected because they generate revenues through gasoline taxes. The data are obtained from the map of St. Louis County School Districts, prepared for the Auditor's Office. Road mileage by class of road was measured off this map for each Township.

Maps 20 through 37 show how these selected factors are distributed by Township.

The weighting procedure weights each resource approximately according to the money it brings into St. Louis County and/or the State of Minnesota.

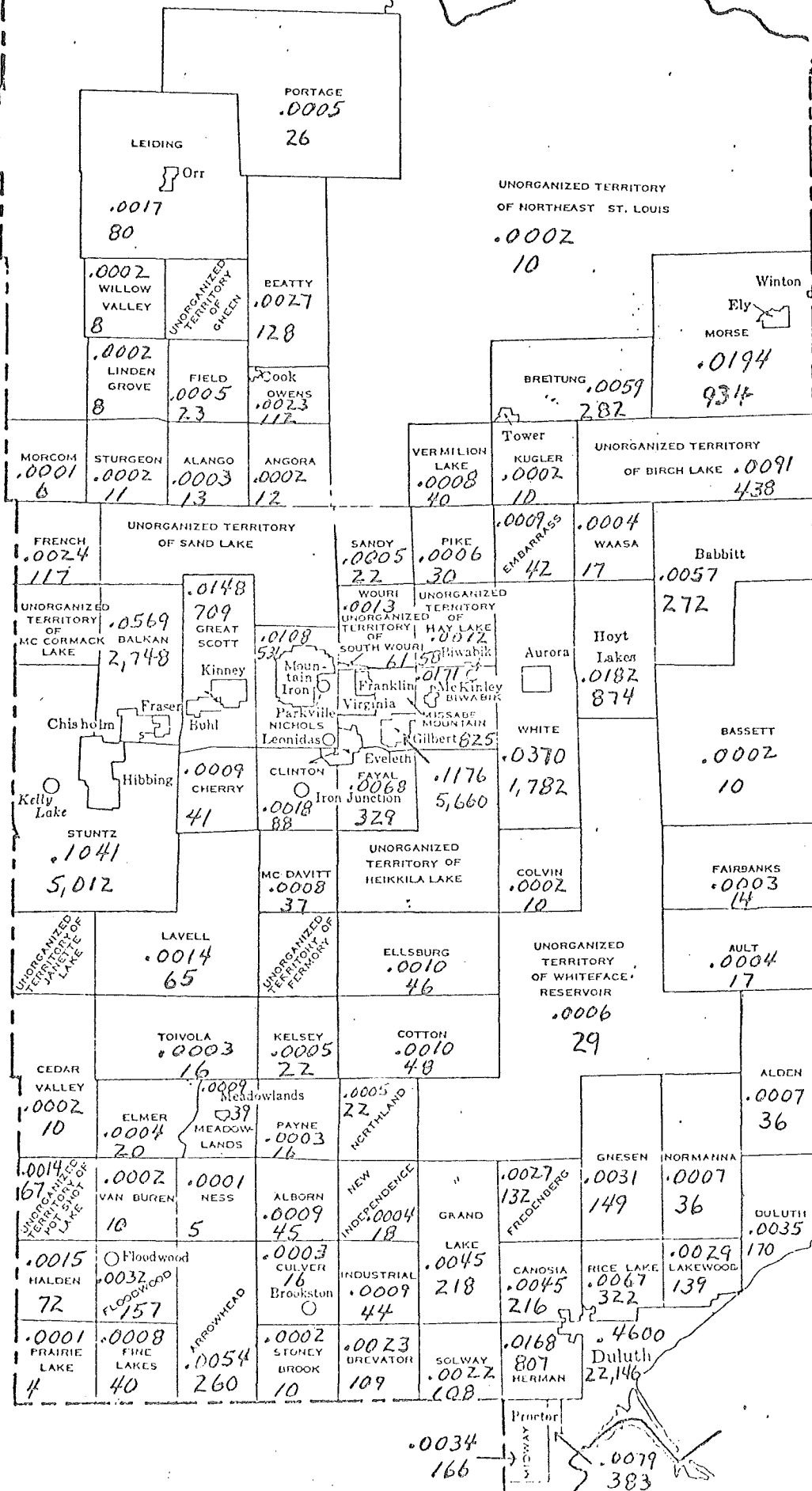
The ad valorem tax figure used for annual tax intake was \$48,139,259 as shown in the St. Louis County Notice of Taxes Payable in 1973. This is 57.7 percent of the total revenue generated by all of the selected potential resource factors.

The figure for revenue sharing is \$5,525,107, the amount of money obtained from the federal government in 1973. This is 6.6 percent of the revenue generated by all of the potential resource factors.

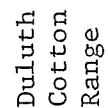
The weight given to employment is the amount of state income taxes paid on incomes generated by the various selected jobs for one year. This payroll is \$394,639,700, obtained from 1970 census data. The average state income tax is 4.5 percent. The resulting tax is \$17,759,787, or 21.3 percent of the total.

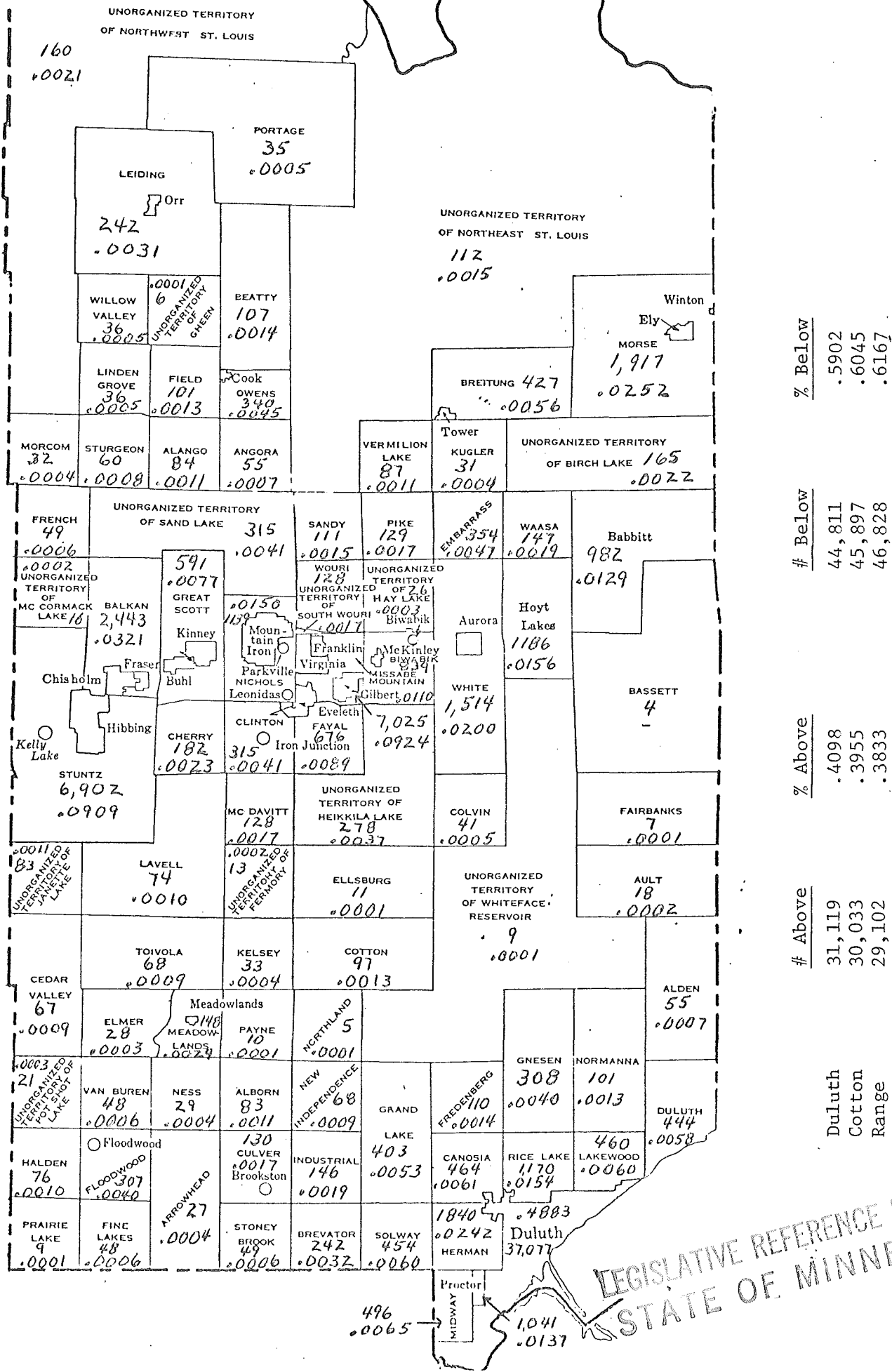
The estimated St. Louis County income from forests for the year was provided by the U. S. Forestry Service Research Center in St. Paul. This figure is \$7,525,000. The taconite tax is approximately 1 percent of the market value of taconite produced, so a tax of 1 percent is estimated for forest products. The resulting figure is \$75,000, which is .09 percent of the total.

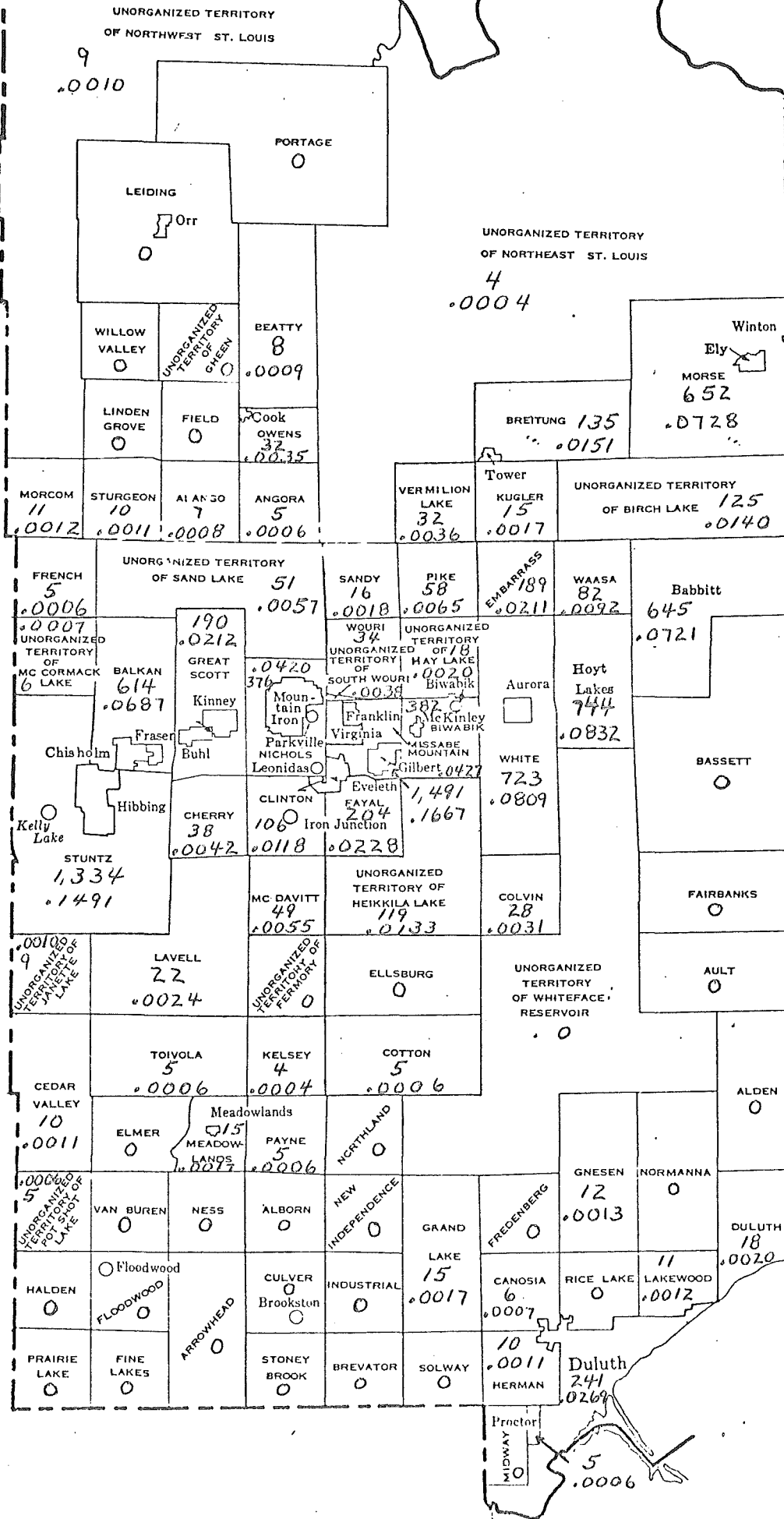
UNORGANIZED TERRITORY
OF NORTHWEST ST. LOUIS



UNORGANIZED TERRITORY
OF NORTHWEST ST. LOUIS

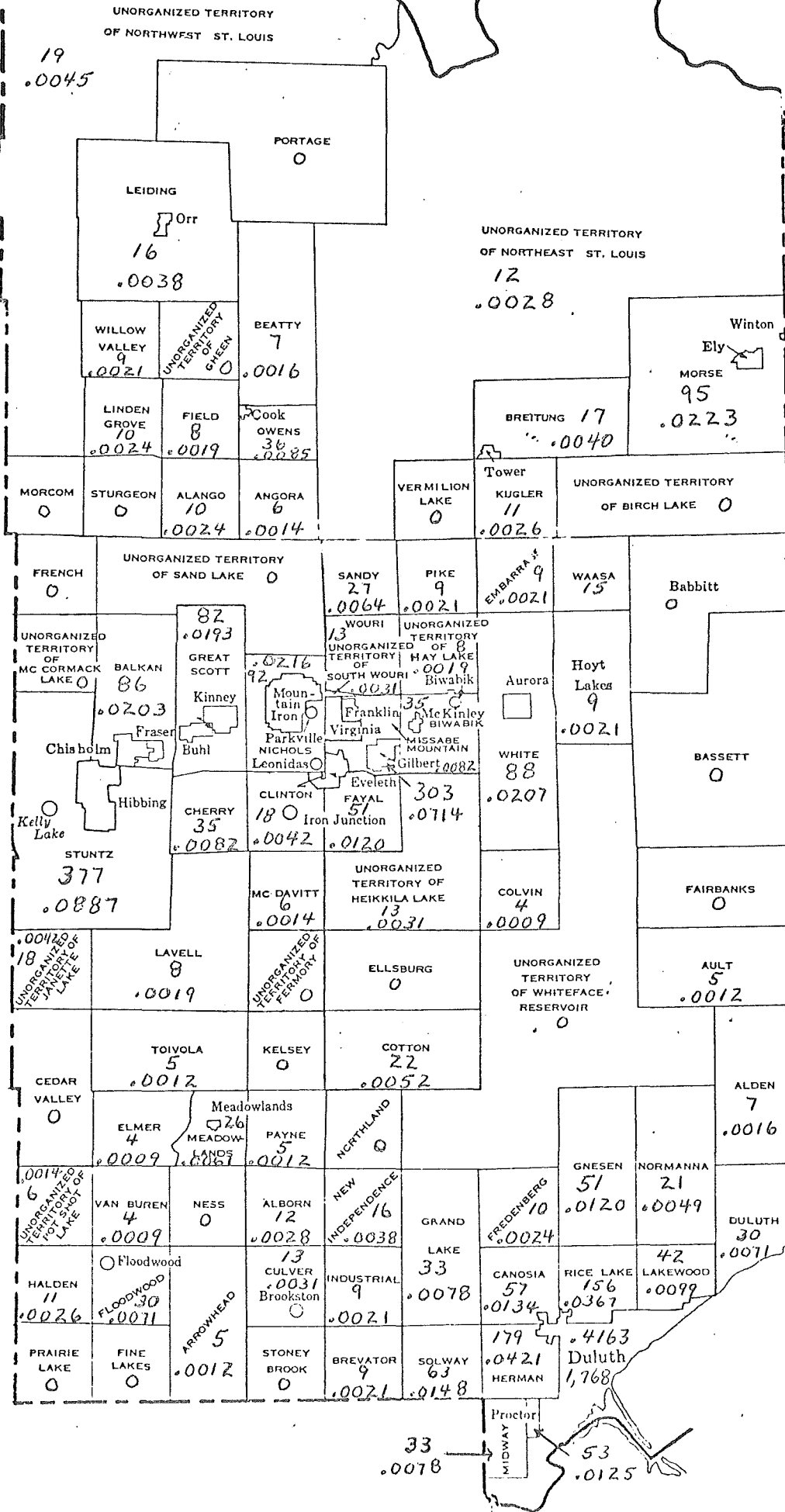






% Below	.0356	.0383	.0664
# Below	318	343	594
% Above	.9644	.9617	.9336
# Above	8,627	8,602	8,351
Duluth			
Cotton			
Range			

Numbers Employed in Construction:
1970



% Below
.5936
.6247
.6437

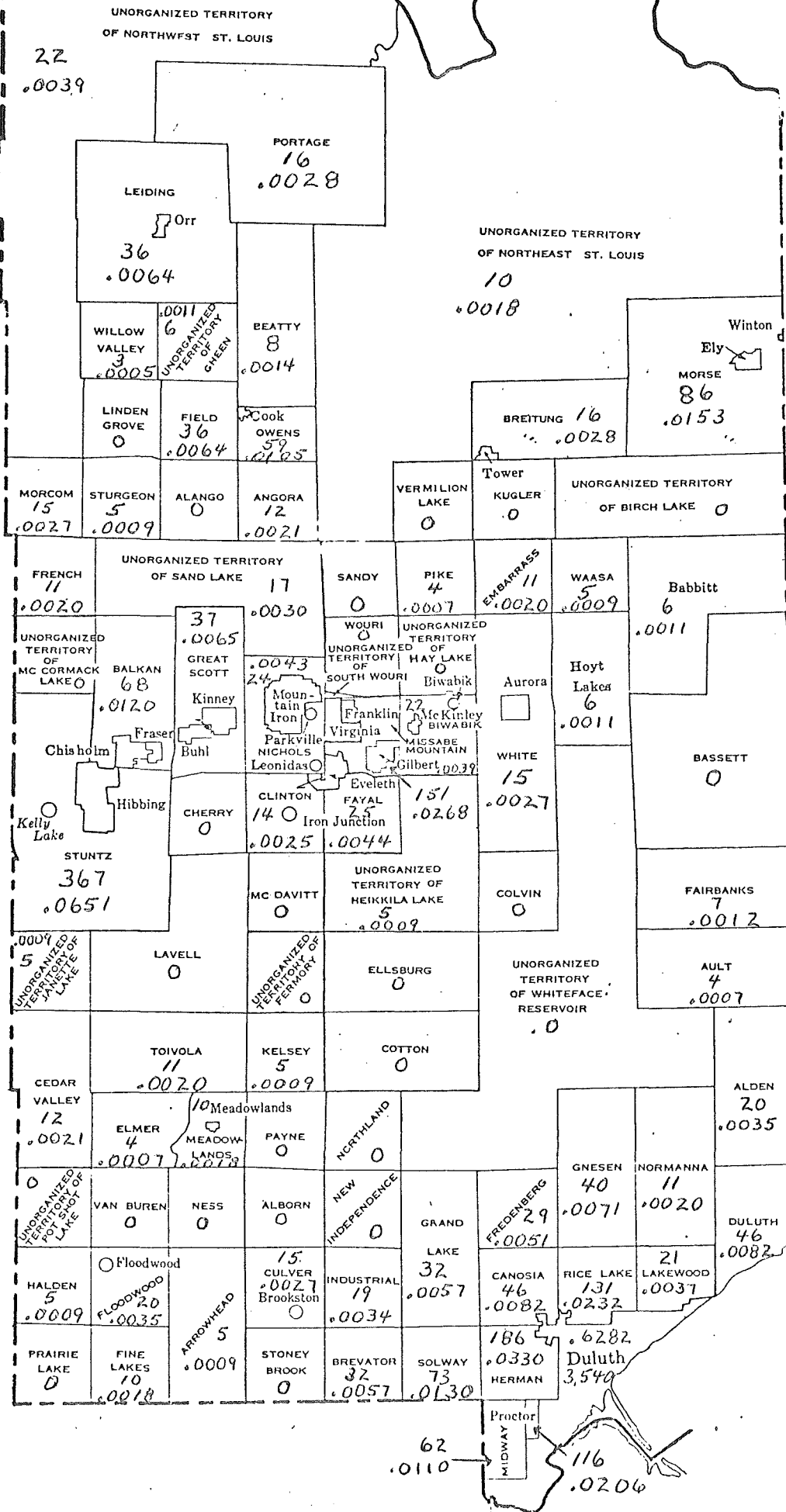
Below
2,521
2,653
2,734

% Above
.4064
.3753
.3563

Above
1,726
1,594
1,513

Duluth
Cotton
Range

Numbers Employed in Durable Goods Manufacturing: 1970



% Below
.7815
.7938
.8025

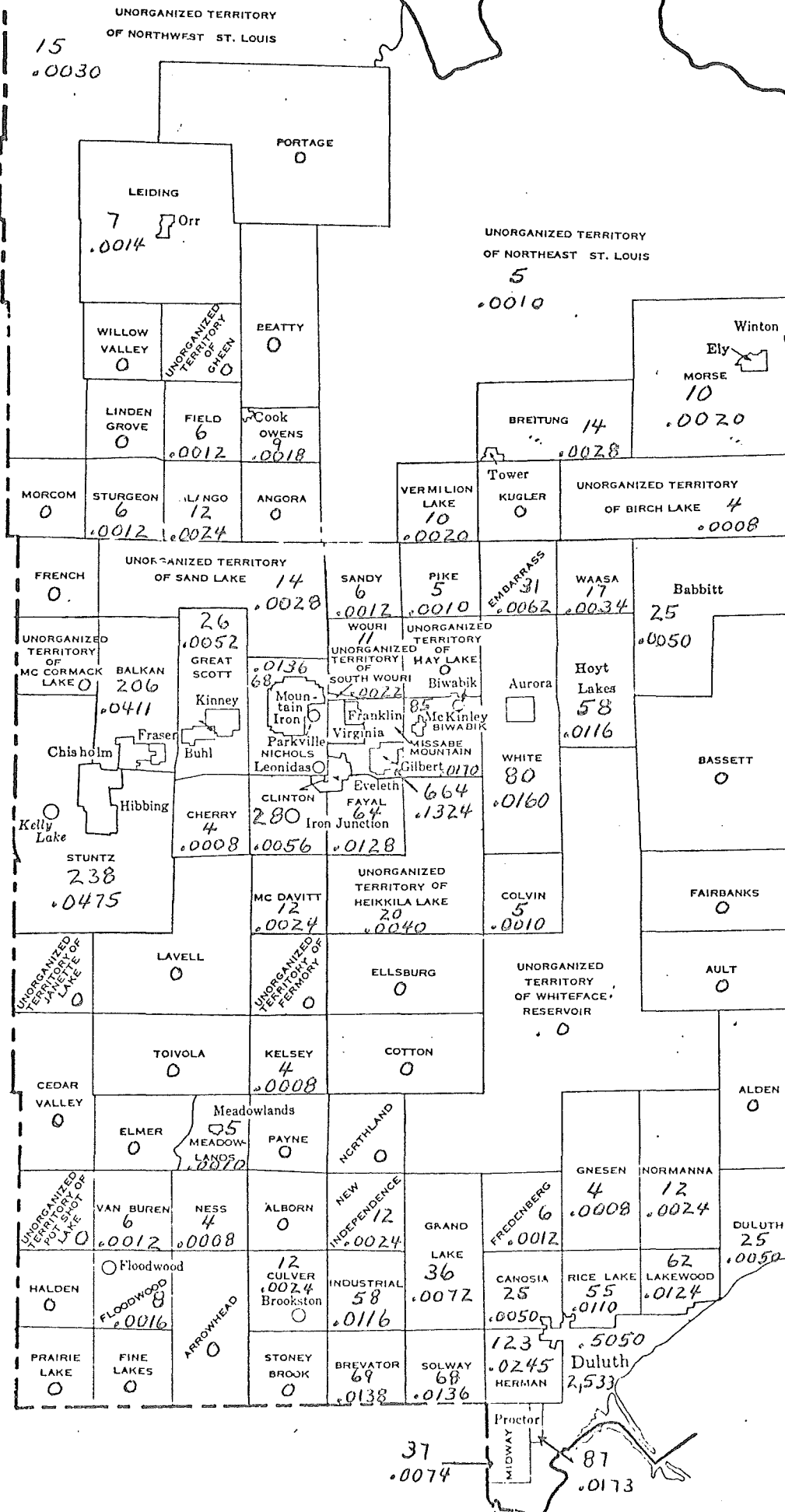
Below
4,404
4,473
4,522

% Above
.2185
.2062
.1975

Above
1,231
1,162
1,113

Duluth
Cotton
Range

Numbers Employed in Non-durable Goods Manufacturing: 1970



% Below
.6380
.6473
.6555

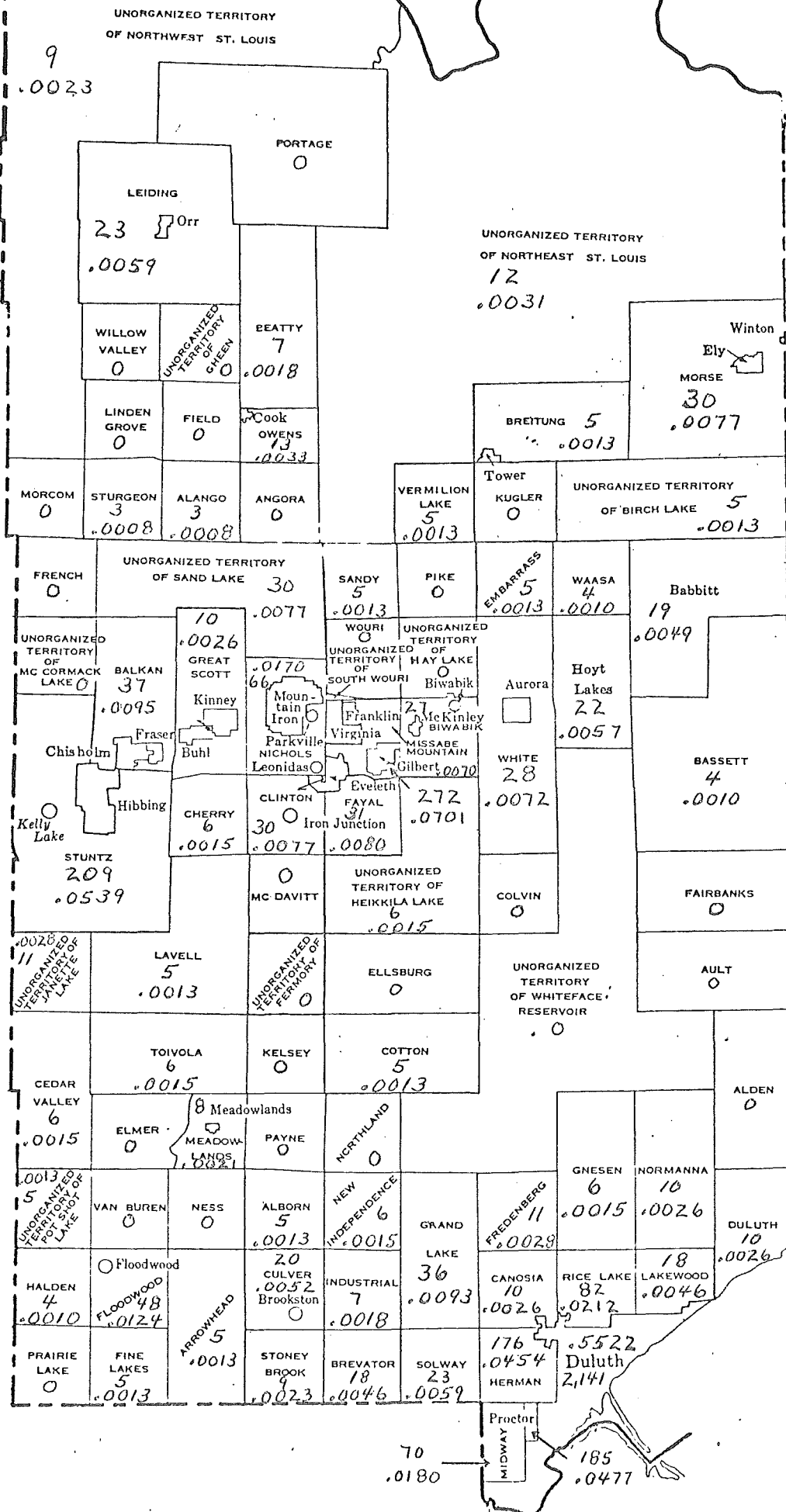
Below
3,200
3,247
3,288

% Above
.3620
.3527
.3445

Above
1,816
1,769
1,728

Duluth
Cotton
Range

Numbers Employed in Transportation:
1970



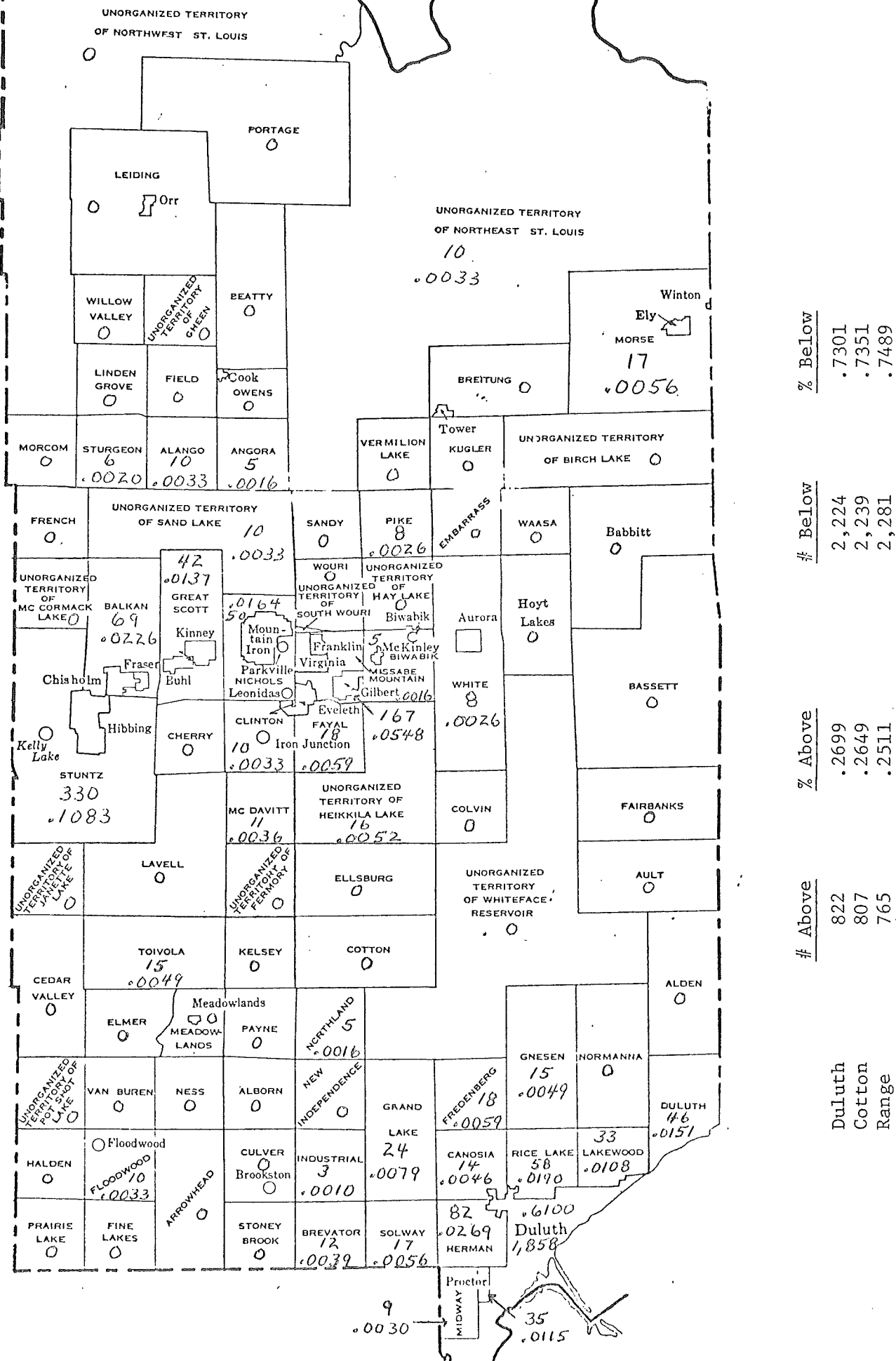
% Below
.7230
.7526
.7637

Below
2,803
2,918
2,961

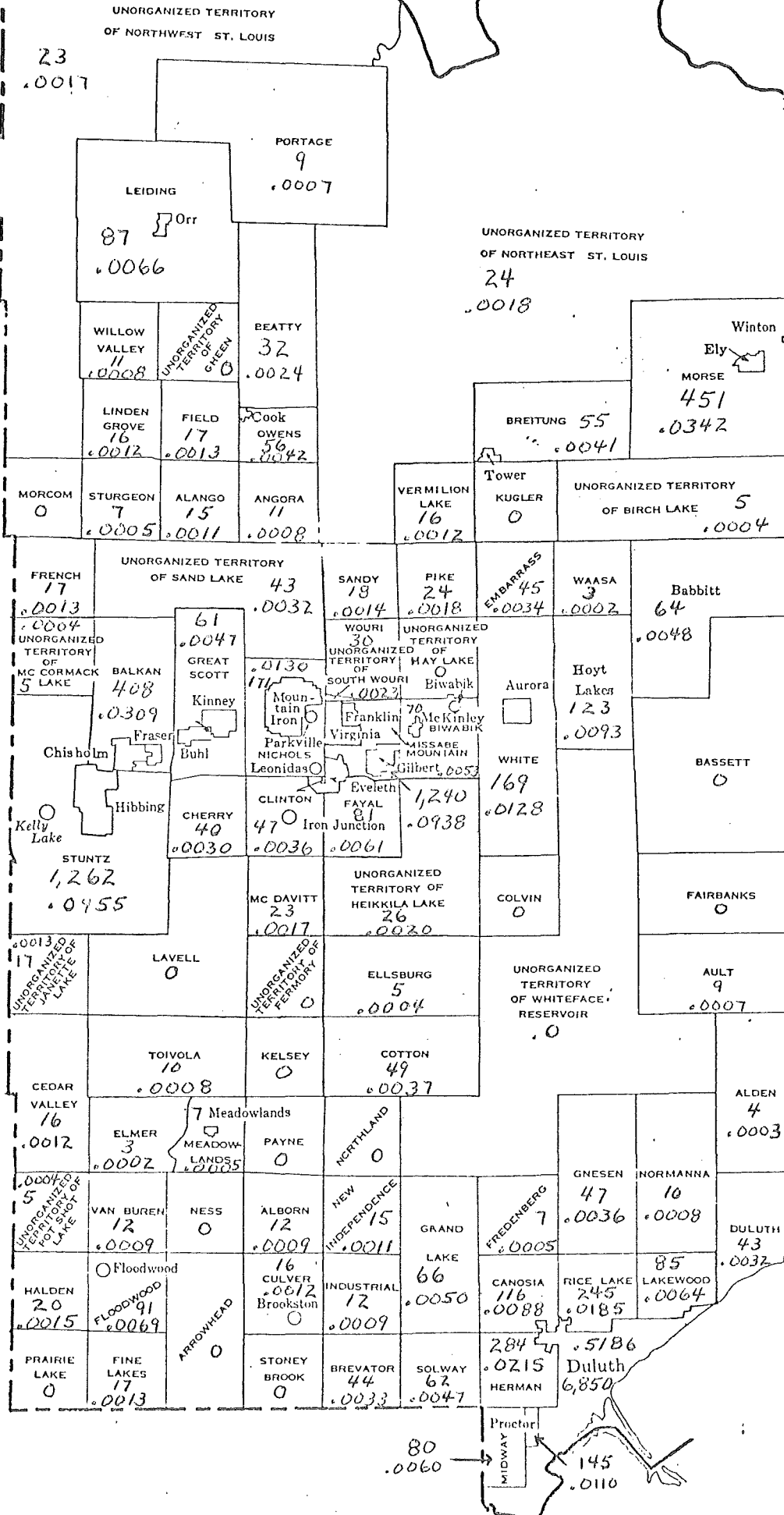
% Above
.2770
.2474
.2363

Above
1,074
959
916

Duluth
Cotton
Range



Numbers Employed in Retail Trade:
1970



% Below
.6132
.6282
.6399

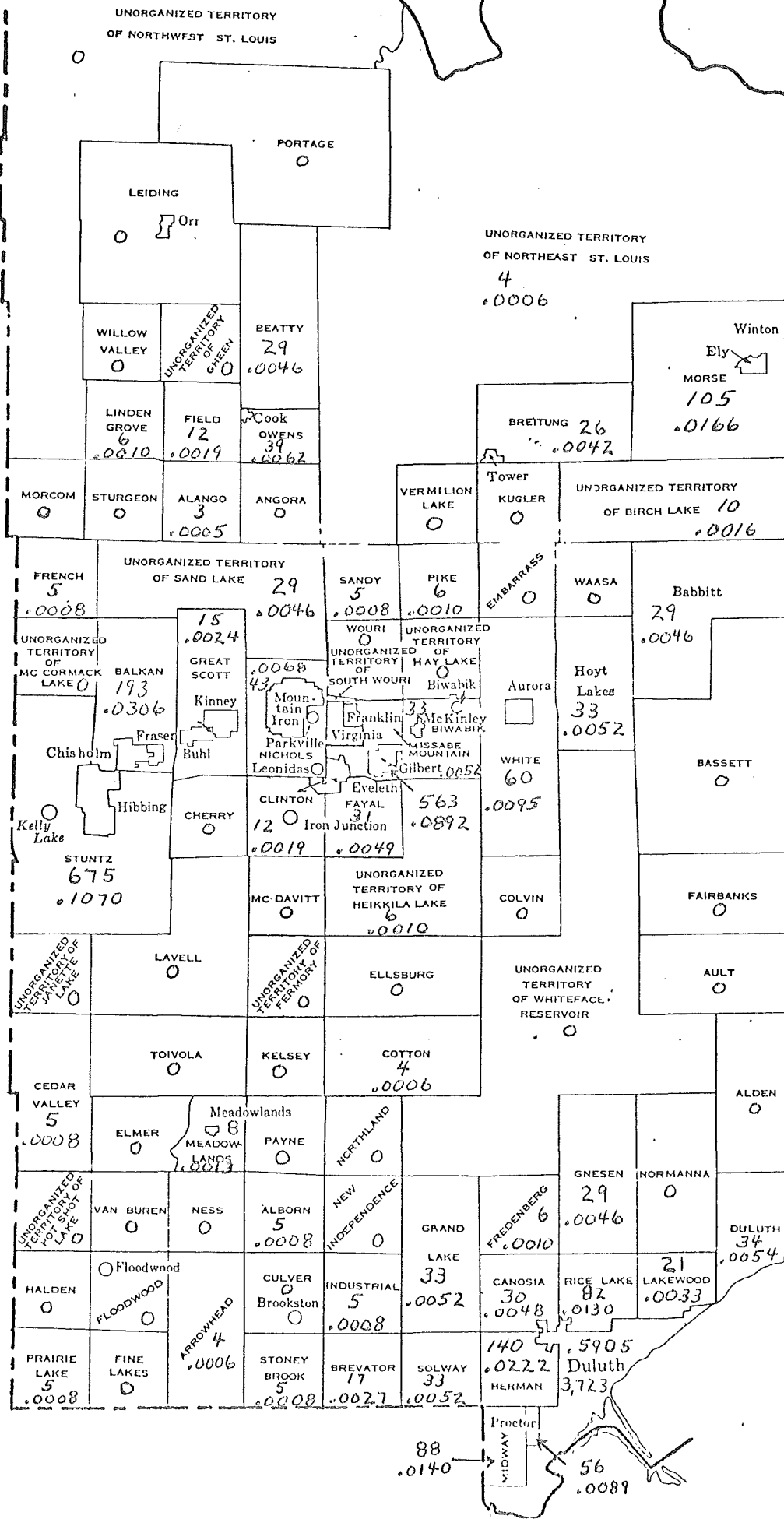
Below
8,100
8,298
8,453

% Above
.3868
.3718
.3601

Above
5,109
4,911
4,756

Duluth
Cotton
Range

Numbers Employed in Health Services
1970



<u>% Below</u>	
.6815	
.6858	
.6882	

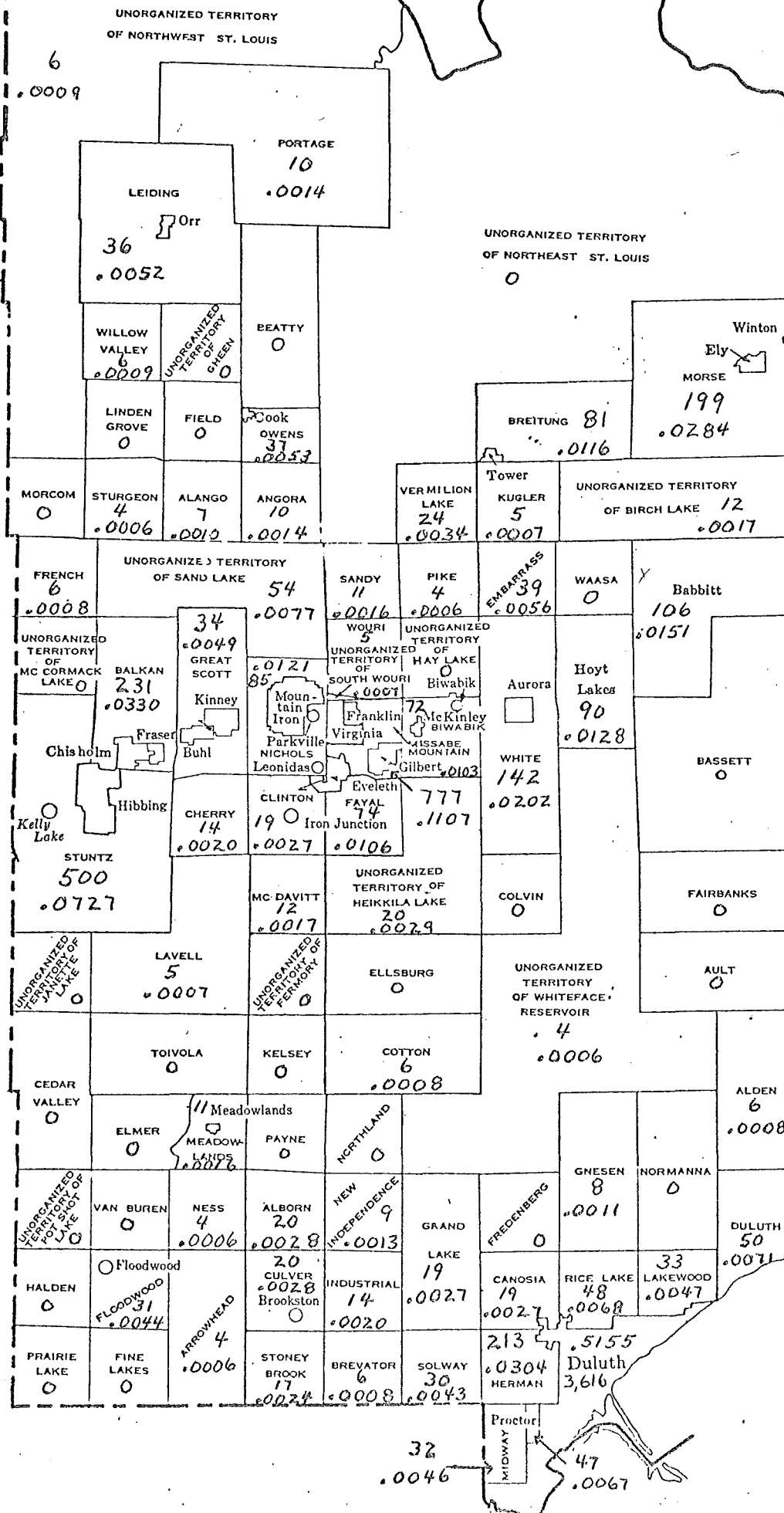
<u># Below</u>
4,297
4,324
4,339

<u>% Above</u>
.3185
.3142
.3118

<u># Above</u>
2,009
1,981
1,965

DuLuth
Cotton
Range

Numbers Employed in Education:
1970



% Below
.5902
.6067
.6134

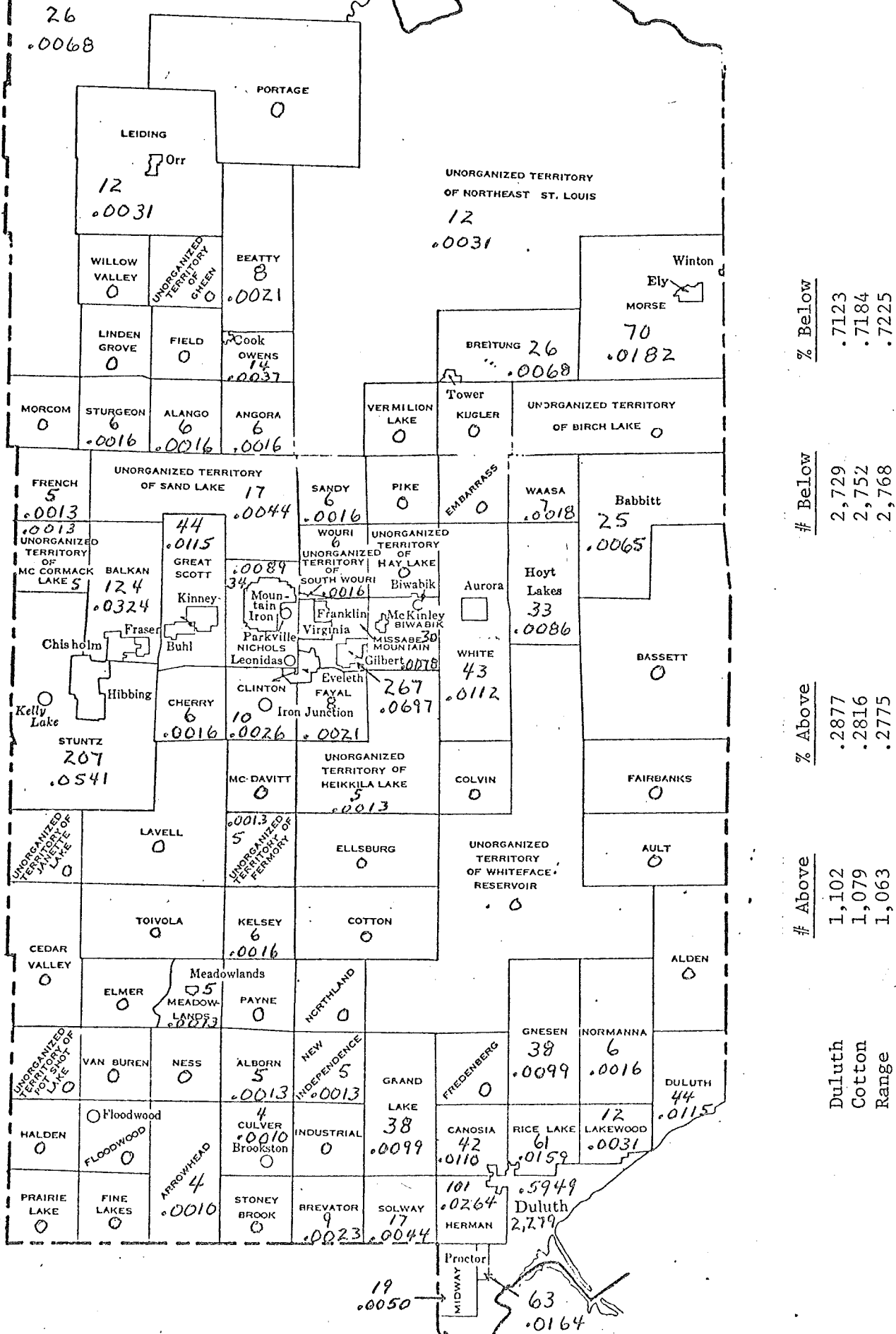
Below
4,141
4,257
4,304

% Above
.4098
.3933
.3866

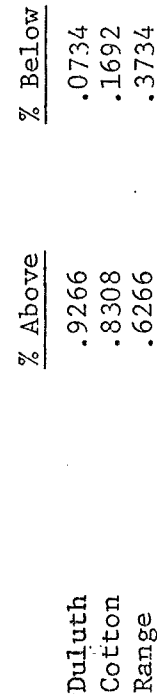
Above
2,873
2,757
2,710

Duluth
Cotton
Range

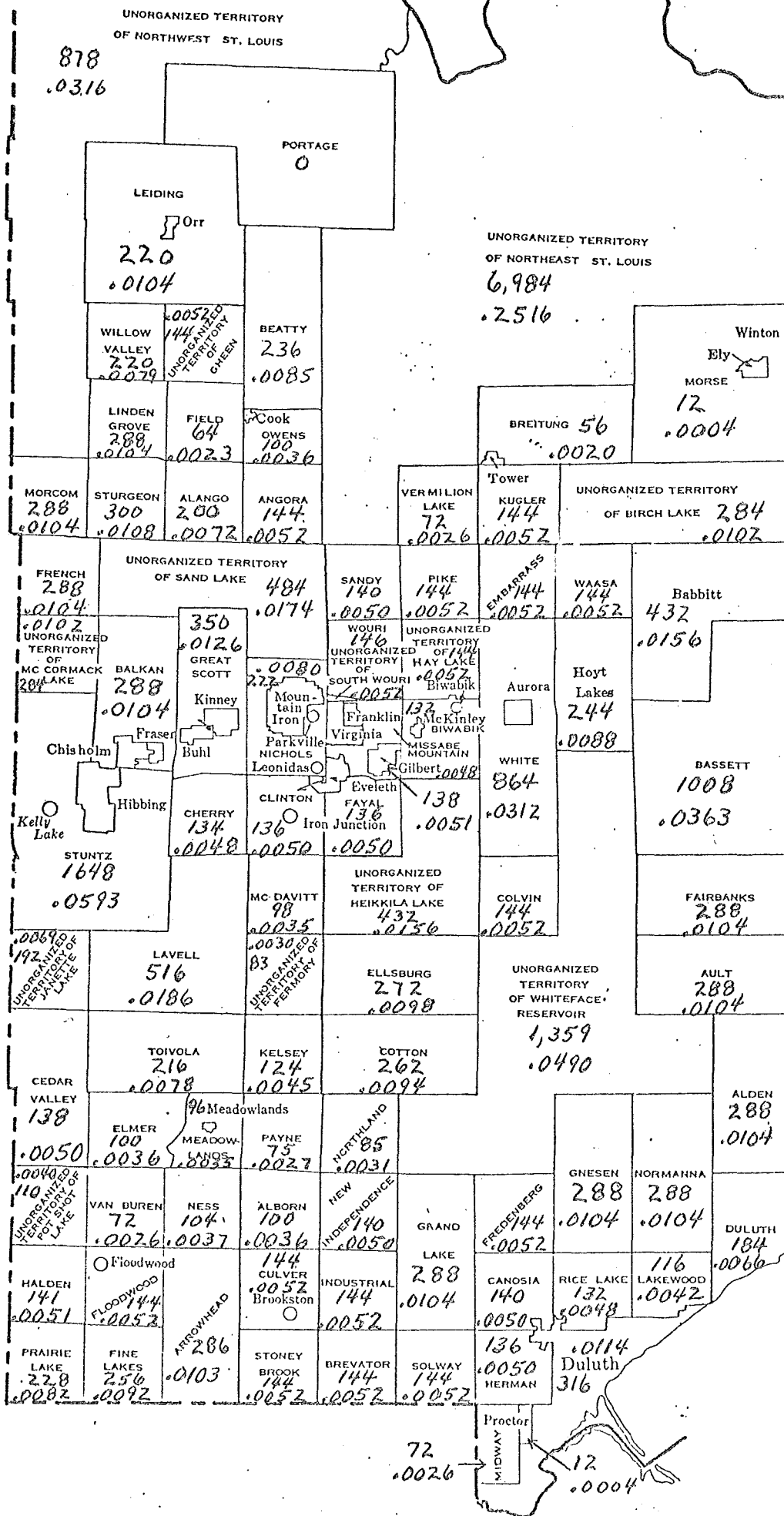
UNORGANIZED TERRITORY
OF NORTHWEST ST. LOUIS



UNORGANIZED TERRITORY
OF NORTHWEST ST. LOUIS



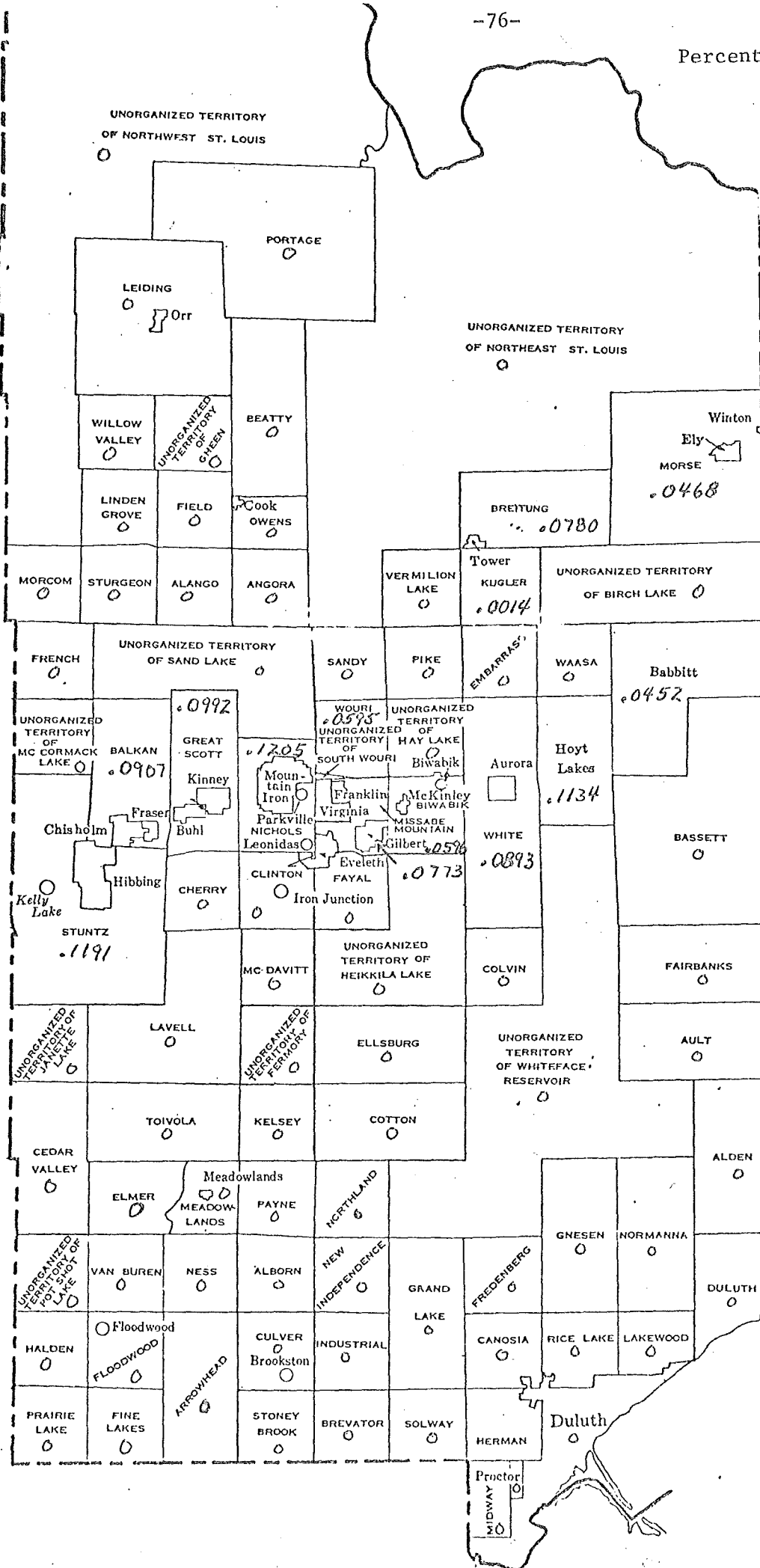
Total Acres of Arable Land and Percentages, by Township



% Below	# Below	% Above	# Above
.0998	2,836	.9002	24,921
.1800	5,061	.8200	22,696
.3754	10,481	.6245	17,276

Duluth
Cotton
Range

Percentages of Iron Ore Reserves,
by Township



% Below

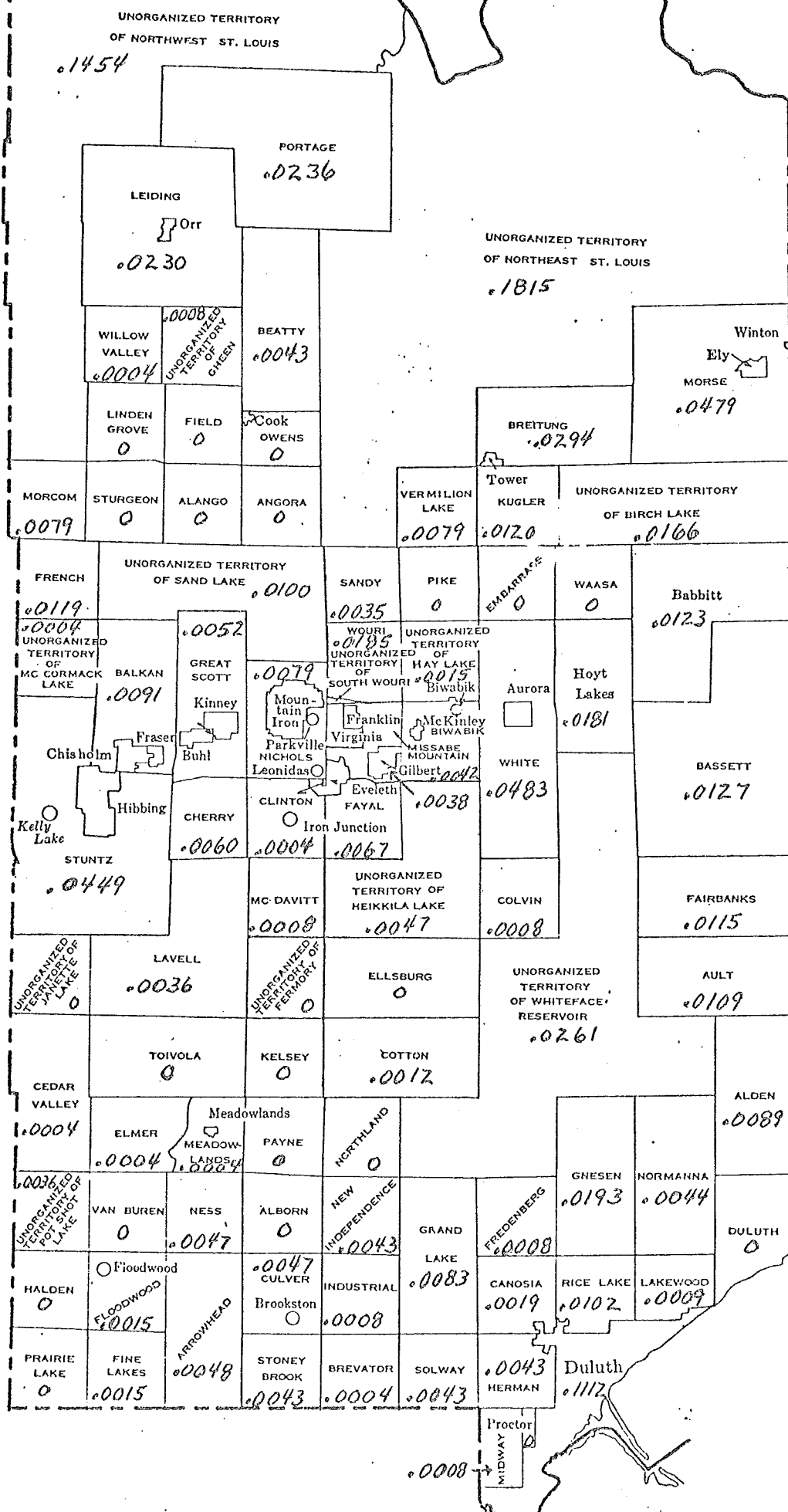
0.0
0.0
0.0

% Above

100.0
100.0
100.0

Duluth
Cotton
Range

Percentage of Selected Recreational Sites, by Township



% Below

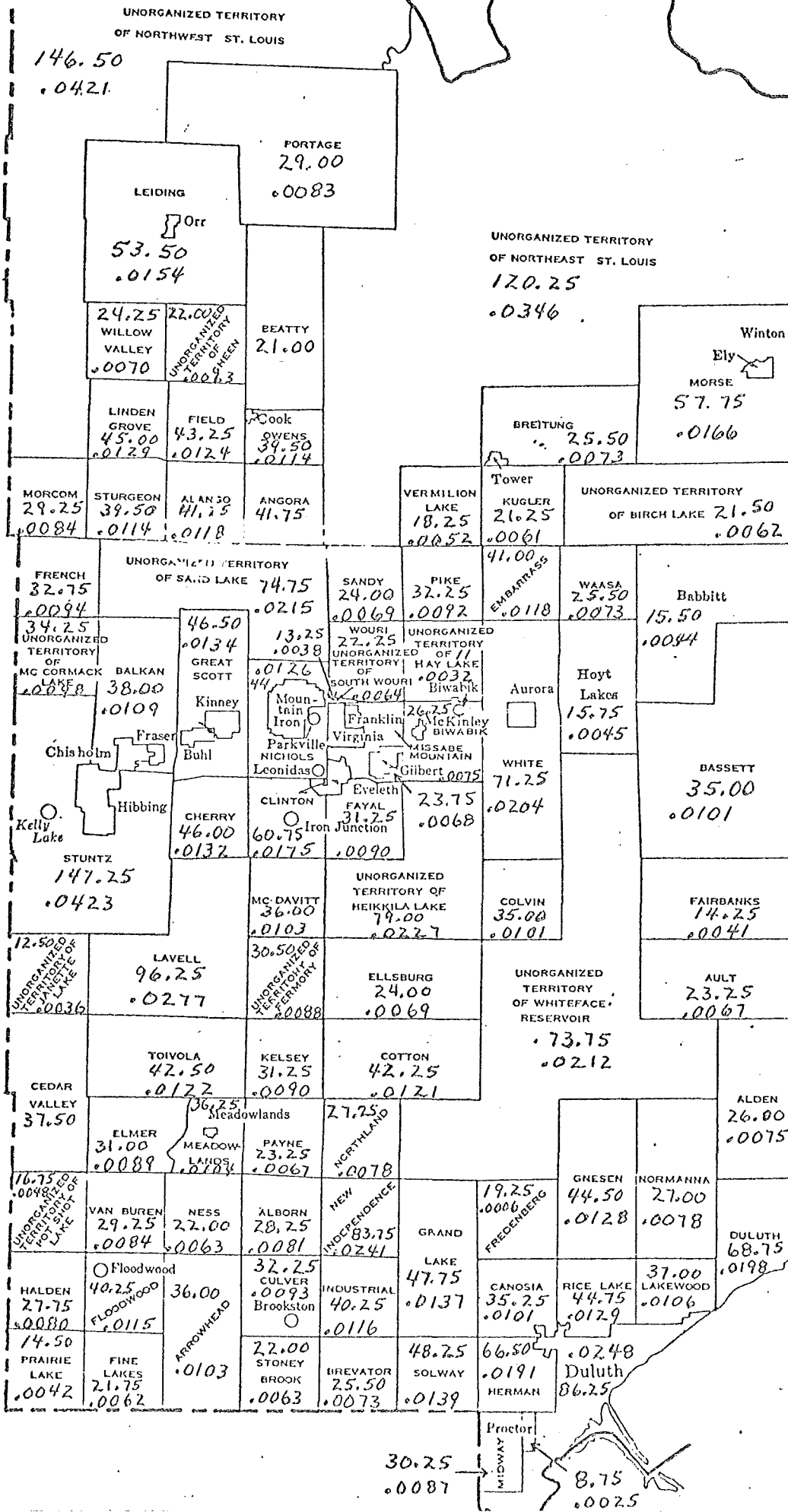
.1765
.2067
.2794

% Above

.8235
.7933
.7206

Duluth
Cotton
Range

Miles of Roads by Township: 1970



% Below
 .1943
 .3358
 .5033

Below
 676.00
 1168.25
 1750.75

% Above
 .8057
 .6642
 .4967

Above
 2802.75
 2310.50
 1728.00

Duluth
 Cotton
 Range

The farm income, associated with soils, for St. Louis County is estimated on the basis of state figures for 1972 and the proportion of state farm income brought in by St. Louis County in 1969 and 1970. This estimate is \$7,378,000. A 1 percent tax on these revenues yields \$74,000, which is .09 percent of the total.

The mining income was computed on the basis of the mean Lake Erie price per ton (approximately \$17) multiplied by the tons of taconite mined in St. Louis County in 1972 (27,148,496). This comes to \$443,537,123. Table 9 shows that there are taxes to the State and County of \$5,144,091 on these revenues. This is 6.2 percent of the total.

The recreation income generated in St. Louis County in 1972 is weighted on the basis of federal and state travel and tax statistics. The central tendency of four ways of estimating St. Louis County's travel income is \$84,377,458. The four ways were: prorating sales tax generated according to State norms (\$99,721,199), extrapolating on the basis of number of employees from 1967 (\$60,337,723), prorating state hotel revenue and extrapolating on the basis of federal statistics showing what factor of travel money is spent on hotels (\$86,022,158), and assuming St. Louis County had the same proportion of state recreation money in 1967 and 1972 (\$91,428,752). Using a 1 percent tax on revenues of \$84,377,458 yields a figure of \$843,000, or 1 percent of the total.

The figure for weighting roads and bridges was \$5,863,859, the amount of tax revenue to the State generated from roads. This is 7.0 percent of the revenues generated by all of the potential resource factors.

The factors and their multipliers are summarized below.

Ad valorem tax	57.7
Revenue sharing	6.6
Employment	21.3
Forests	.1
Farming	.1
Mining	6.2
Recreation	1.0
Roads and bridges	<u>7.0</u>
	100.0

Table 9

State and County Tax Revenues from Taconite Operations: 1972

State Tax Revenue

Production Tax (298.24)	\$ 111,964.43
Production Tax (298.241	0.00
Occupation Tax	2,397,180.00
Railroad Tax	55,103.00
Unmined Taconite Tax	0.00
Excise Tax	0.00
Taconite Royalties	1,401,630.19
	<hr/>
	\$3,965,877.62

St. Louis County General Fund

Production Tax (298.24)	\$ 429,197.00
Production Tax (298.241) (Road & Bridge)	275,813.00
Occupation Tax	199,765.00
Railroad Tax	213,423.00
Unmined Taconite Tax	60,015.00
Excise Tax	0.00
Taconite Royalties	0.00
	<hr/>
	\$1,178,213.00

Total State and County	\$5,144,091.00
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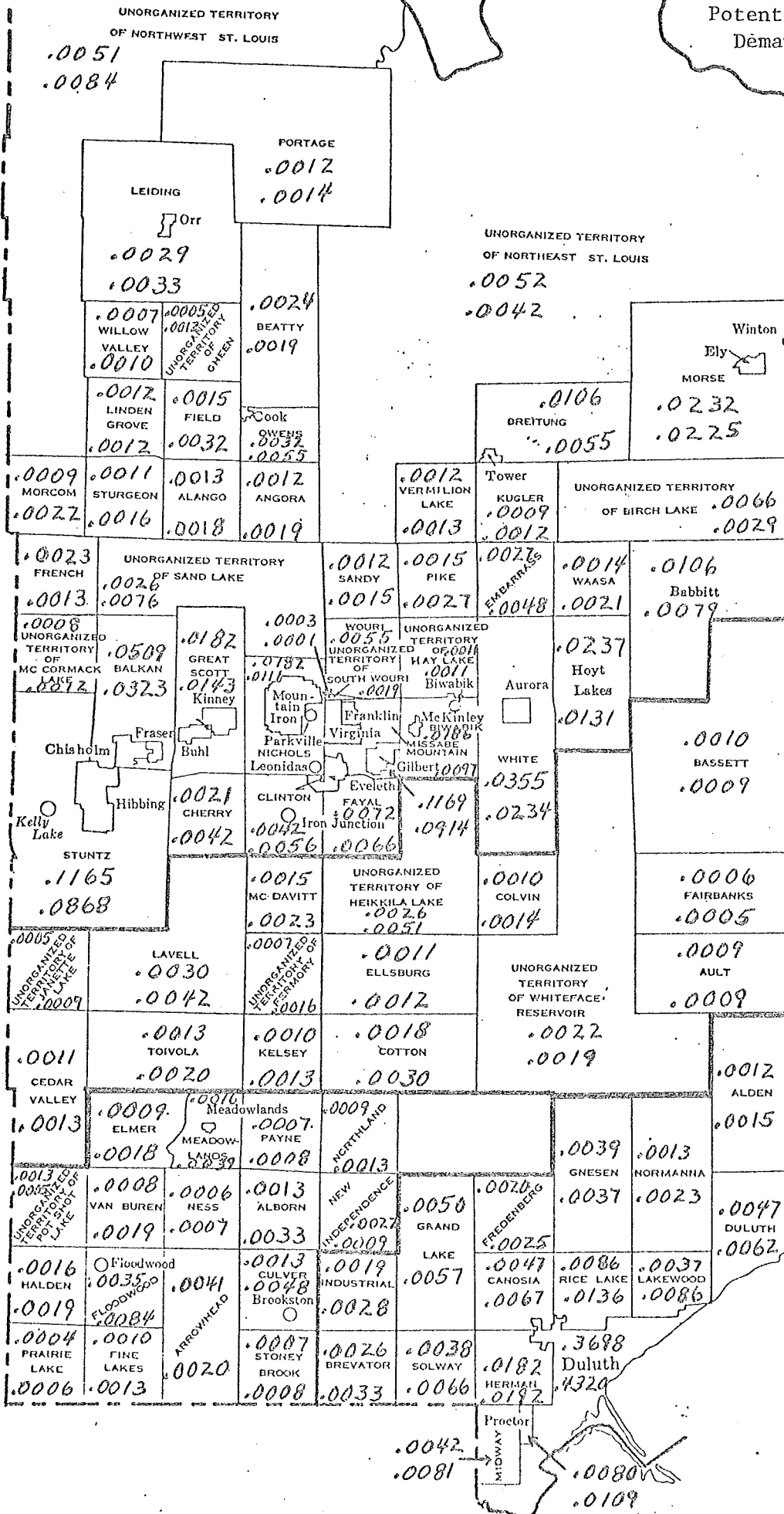
Source: North Star Research Institute based on Data from the Mining Section, Property Tax Equalization Office of the Revenue Department of the State of Minnesota.

The final tabulation of this index is shown on Map 38. The upper figure for each Township represents the potential resources, while the lower figure represents potential demand.

Note that the City of Duluth and its environs have a higher share of the demand than of the resources. The reason for this is that concentrations of persons put great demand on the resources of an area. As these demands increase, new ways are sought to generate revenues for the various governments involved, including the county. That is why the potential resource index places great emphasis on basic natural resources such as minerals, soils, and recreational sites. Those sources of revenues such as real property and income are rapidly reaching the point where increased taxes will surely meet with great resistance. Therefore, greater productivity will be demanded of the lesser utilized resources. The Range area has a lesser population and is supported by great natural resources.

Regardless of where the partition line might be drawn, the Duluth County demand has a deficit of approximately 10 percent in relation to the resources available. The City of Duluth itself has a deficit of roughly 6 percent. This means that there is little advantage to the Duluth County in the long run in annexing Townships to the north. Examination of Map 38 indicates that all of the Townships circumscribed by the Duluth Line, with the exception of Gnesen, have greater demands than resources available. The same holds true for most of the Townships in the hinterland area. In fact, it may be argued that there is no advantage to Duluth in any partition, because the Range Townships do contain greater resources than demand. This, of course, is the major contention on the Range and a resolution of this problem can be made only by popular vote.

Potential Resources vs. Potential Demand for County Services, by Township



	% Below	% Above
Potential Resources	.436	.5564
Potential Demand	.537	.4663
Potential Resources	.4665	.5335
Potential Demand	.5686	.4314
Potential Resources	.4868	.5132
Potential Demand	.5971	.4029

Duluth Line
Cotton Line
Range Line

The procedures used in this phase of the study permit the reader to judge the reasonableness of the factors selected, and of the weightings placed on these factors. It may be argued, for example, that there has been no attention given to Duluth's seaport and airport. One of the major benefits to the immediate community from such facilities is that they provide jobs. Employment is one of the factors included in the index, so that, to this extent, the ports have been acknowledged. If it were reasoned that this is insufficient weighting to the ports, all that would be necessary would be to judge the weight which they should receive and to put them in the index. This would have the effect of increasing the share of potential resources of those townships having airports or seaports. This chapter describes the design and use of the indexing procedures for allocating potential resources and potential demand to the townships. The next chapter examines the actual contributions by each township to county revenues, and the revenues which are allocated back to each.

CHAPTER III

REVENUES DERIVED FROM THE TOWNSHIPS AND FUNDS ALLOCATED BACK TO THE TOWNSHIPS

CHAPTER III

Revenues Derived from the Townships and Funds Allocated Back to the Townships

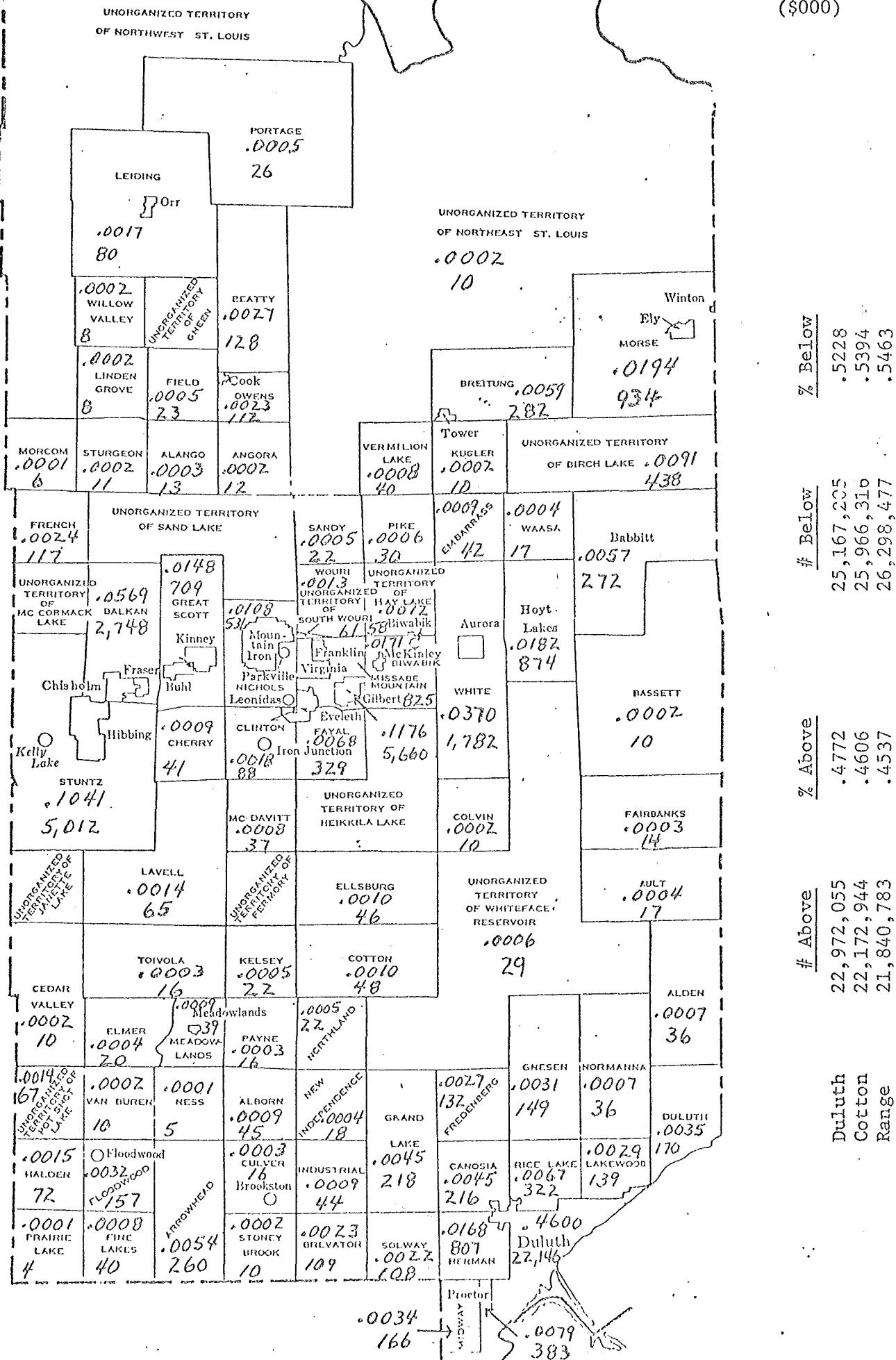
The purpose of this chapter is to show how funds are generated from the Townships and how they are distributed back so that some assessment may be made of how each of the Townships contribute to the costs of the county services which they receive, based upon actual budget data.

Tax Revenues Derived from the Townships

The 1973 Financial Statement for St. Louis County shows total disbursements of \$96,991,065.30, or approximately \$97 million. Approximately \$40 was spent by the Welfare Department, and of this amount, the County paid 51.74 percent, or about \$21 million, while the State and Federal governments contributed about \$19 million. Trusts and Agency accounts make up another \$35 million. This means that of the \$97 million budget, roughly \$43 million in revenues are generated by the County. Taxes payable by the Cities and Townships in 1973 amount to approximately \$48 million.

Table 10 shows the revenues contributed to the County government by each of the Municipalities and Townships in the County, broken down by individual fund. This information is taken from the Abstract of Tax Lists for Taxes Payable in 1973, Department of Taxation of the State of Minnesota. The data are shown for each Township on Map 39. There it is noted that, if a partition were to be made at the Range Line, the Duluth County would contribute 55 percent of the revenues; if at the Cotton Line, 54 percent of the revenues; and if at the Duluth Line, 52 percent of the revenues.

These figures are difficult to assess until the flow of revenues back to the Townships from the County government is known, and attention is directed to this part of the analysis.



Because only the three major funds of General Administration, Road and Bridge, and Welfare are allocated back to the Townships, as is explained below, revenue contributions to each of these funds is mapped by Township. These three funds account for 90 percent of the tax revenues from the Townships. Map 40 shows the tax contributions from each Township to these three funds.

Distribution of Funds Back to the Townships

There is no reasonably inexpensive way to trace funds back to each of the Townships. The method used here is to examine each of the county funds, each in the order that it appears on Table 10.

The General Government Fund supports the County government administration, and this includes all of the Departments shown on the organization chart with the exceptions of Road and Bridge, Health, and Welfare Departments. This Fund comprises 9.2 percent of the total budget as shown in Table 11. Of the approximate \$5.5 million budgeted for General Government in 1973, approximately \$4.9 million or 88.5 percent is for direct payroll. Most of the remainder of the fund is for fringe benefits for employees.

One method of tracing this fund back to its Township sources is by showing the geographical distribution of employment. This method has two drawbacks, however. One is that 356, or over 90 percent of the 494 employees supported by this Fund are stationed in and around Duluth, and the remaining employees are stationed in Virginia with 74, Hibbing with 50, Ely with 10, and Eveleth, Cook, Tower, and Floodwood with one each. The other is that the Township where a person works may not be the same one in which he lives. Therefore it would be necessary to trace the payroll by home address rather than place of employment. This is a time-consuming task, but even if it were to be accomplished, it would not trace the benefits of this fund.

Table 10
St. Louis County, Minnesota
Taxes Payable in 1973 on Real and Personal Property Based on Assessed Market Value
(\$000)

	General Government Fund	County Bonded Indebtedness	County Road & Bridge Fund	County Welfare Fund	County Library Fund	County Health Services	County Community Development	County Emergency Fund	City/Village and Township Taxes	School Taxes	Housing and Redevelopment Authority	Port Authority	Joint Recreation and Park Board	Arrowhead Regional Development Commission	Total Taxes	-18-
<u>CITIES</u>																
Aurora	18	1	15	83	-	4	5	.1	134	56				.4	316.5	
Babbitt	24	2	21	112	-	6	19	.1	31	56				.6	271.7	
Biwabik	11	1	4	24	-	3	3	-	111	40				.3	197.3	
Brookston	-	-	-	2	.1	-	-	-	1	3				-	6.1	
Buhl	11	1	9	50	-	3	3	.1	141	144	2			.2	364.3	
Chisholm	91	8	79	420	-	22	23	.5	646	556	4			2.1	1,851.6	
Cook	5	-	4	24	-	1	1	-	5	34				.1	74.1	
Duluth	1,171	98	1,006	5,426	3.3	284	256	7.1	5,933	8,016	64	9		26.6	22,300.0	
Ely	30	3	26	137	-	7	24	.2	178	241				.7	646.9	
Eveleth	31	3	27	144	2.	8	8	.2	358	172				.7	753.9	
Floodwood	4	-	3	17	-	1	1	-	17	21				.1	64.1	
Franklin	14	1	12	63	-	3	3	.1	4	94				.3	194.4	
Fraser	8	1	7	39	-	-	-	.1	-	52				.2	107.3	
Gilbert	13	1	11	61	-	3	3	.1	163	124				.3	379.4	
Hibbing	177	15	153	822	-	43	46	1.1	1,119	1,474	7		88	4.	3,949.1	
Hoyt Lakes	68	6	58	314	-	17	18	.4	178	213				1.6	874.0	
Iron Junction	1	-	1	3	.1	2	1	-	-	3				-	11.1	
Kinney	10	1	8	45	-	2	2	.1	40	131				.2	239.3	
Leonidas	5	-	5	24	.7	1	1	-	10	29				.1	75.8	
McKinley	5	-	9	50	-	1	1	-	22	48				.1	136.1	
Meadowlands	1	-	1	4	.1	-	-	-	1	6				-	13.1	
Mt. Iron	34	3	29	157	-	8	9	.2	35	180				.8	456.	
Orr	2	-	2	11	.3	1	1	-	1	16				.1	34.4	
Proctor	24	2	20	109	-	6	6	.2	81	142				.5	390.7	
Tower	5	-	4	22	.7	1	4	-	16	38				.1	90.8	
Virginia	217	18	186	1,005	-	53	56	1.3	1,279	1,497				4.9	4,317.2	
Winton	1	-	1	5	-	-	2	.1	3	8				-	20.1	
	1,981	165	1,701	9,173	7.3	490	496	12.0	10,507	13,394	77	9	88	45.0	38,125.2	

Table 10 (Continued)

St. Louis County, Minnesota

Taxes Payable in 1973 on Real and Personal Property Based on Assessed Market Value
(\$000)

	General Government Fund	County Bonded Indebtedness	County Road & Bridge Fund	County Welfare Fund	County Library Fund	County Health Services	County Community Development	County Emergency Fund	City/Village and Township Taxes	School Taxes	Housing and Redevelopment Authority	Port Authority	Joint Recreation and Park Board	Arrowhead Regional Development Commission	Total Taxes
<u>TOWNSHIPS</u>															
Alango	1	-	1	5	.1	-	-	-	-	6				-	13.1
Alborn	3	-	3	15	.5	1	1	-	2	19				.1	44.6
Alden	3	-	2	12	.4	1	1	-	2	15				.1	36.5
Angora	1	-	1	4	.1	-	-	-	-	5				-	11.1
Arrowhead	19	2	16	86	3.0	5	6	.1	3	121				.4	261.5
Ault	1	-	1	5	.1	-	-	-	2	7				-	16.1
Balkan	51	4	44	237	-	12	15	.3	110	312				1.2	786.5
Bassett	1	-	1	4	.1	-	-	-	1	4				-	11.1
Beatty	9	1	8	44	1.	2	3	.1	5	55				.2	128.3
Biwabik (McKinley Biwabik)	28	3	24	131	4.	7	8	.2	54	232				.6	491.8
Breitung (Tower)	11	1	10	52	2.	3	10	.1	23	81				.3	193.4
Brevator	7	1	6	34	1.	2	2	.1	6	50				.2	109.3
Canosia	15	1	13	72	2.	4	5	.1	12	92				.4	216.5
Cedar Valley	1	-	1	3	.1	-	-	-	1	4				-	10.1
Cherry	3	-	3	14	.4	1	1	-	-	19				.1	41.5
Clinton	6	1	5	27	1.	2	2	.1	3	33				.1	80.2
Colvin	1	-	1	4	.1	-	-	-	1	2				-	9.1
Cotton	3	-	3	16	.5	1	1	-	2	20				.1	46.6
Culver	1	-	1	3	.1	-	1	-	-	4				-	10.1
Duluth	12	1	10	55	2.	3	4	.1	7	77				.3	171.4
Ellsburg	3	-	3	15	.5	1	1	-	2	20				.1	45.6
Elmer	1	-	1	7	.2	-	1	-	-	9				-	19.2
Embarrass	4	-	3	18	.6	1	3	-	3	9				.1	41.7
Fairbanks	1	-	1	4	.1	-	-	-	2	5				-	13.1
Fayal	23	2	20	105	3.	6	7	.1	44	119				.5	329.6

Table 10 (Continued)

St. Louis County, Minnesota

Taxes Payable in 1973 on Real and Personal Property Based on Assessed Market Value
(\$000)

	General Government Fund	County Bonded Indebtedness	County Road & Bridge Fund	County Welfare Fund	County Library Fund	County Health Services	County Community Development	County Emergency Fund	City/Village and Township Taxes	School Taxes	Housing and Redevelopment Authority	Port Authority	Joint Recreation and Park Board	Arrowhead Regional Development Commission	Total Taxes
TOWNSHIPS (Continued)															
Field	2	-	1	8	.2	1	1	-	-	10				-	23.2
Fine Lakes	3	-	3	15	.5	1	1	-	-	16				.1	39.6
Flood Wood	8	1	6	35	1.	2	2	.1	-	43				.2	98.3
Fredenberg	9	1	8	42	1.	2	3	.1	9	57				.2	132.3
French	8	1	6	35	1.	2	2	.1	6	56				.2	117.3
Gnesen	10	1	9	47	2.	2	3	.1	13	62				.2	149.3
Grand Lake	16	2	14	76	2.	4	5	.1	10	89				.4	218.5
Great Scott	4	1	4	20	-	1	1	-	19	56				.1	106.1
Halden	5	1	5	25	.8	1	2	-	1	31				.1	71.9
Herman	55	5	47	253	8.	13	16	.3	43	386				1.3	827.6
Industrial	3	-	3	15	.5	1	1	-	1	20				.1	44.6
Kelsey	2	-	1	7	.2	-	1	-	1	10				-	22.2
Kugler	1	-	1	3	.1	-	1	-	1	4				-	11.1
Lakewood	9	1	8	43	1.	2	3	.1	1	63				.2	131.3
Lavell	5	1	4	21	.7	1	1	-	2	29				.1	64.8
Leiding (Orr)	3	-	3	16	.5	1	1	-	2	20				.1	46.6
Linden Grove	1	-	-	3	.1	-	-	-	2	3				-	9.1
McDavitt	3	-	2	13	.4	1	1	-	-	17				.1	37.5
Meadowlands	2	-	2	9	.3	1	1	-	1.3	12				.1	28.7
Midway	12	-	10	56	-	3	4	.1	6	72				.3	163.4
Missabe Mt. (Franklin, Virginia, Gilbert)	4	1	4	21	2.	1	1	-	2	36				.1	72.1
Morcom	-	-	-	2	.1	-	-	-	-	2				-	4.1
Morse ((Ely & Winton)	17	2	14	78	3.	4	14	.1	15	122				.4	269.5

Table 10 (Continued)

St. Louis County, Minnesota

Taxes Payable in 1973 on Real and Personal Property Based on Assessed Market Value
(\$000)

	General Government Fund	County Bonded Indebtedness	County Road & Bridge Fund	County Welfare Fund	County Library Fund	County Health Services	County Community Development	County Emergency Fund	City/Village and Township Taxes	School Taxes	Housing and Redevelopment Authority	Port Authority	Joint Recreation and Park Board	Arrowhead Regional Development Commission	Total Taxes -06-
TOWNSHIPS (Continued)															
Ness	-	-	-	2	.1	-	-	-	-	2				-	4.1
New Independence	1	-	1	6	.2	-	-	-	1	8				-	17.2
Normanna Nichols (Parkville, Leonidas)	3	-	2	12	.4	1	1	-	1	15				.1	35.5
Northland	1	-	1	7	.2	-	-	-	1	8				-	18.2
Owens (Cook)	3	-	2	13	.4	1	1	-	2	18				.1	40.5
Payne	1	-	1	5	.2	-	-	-	2	7				-	16.2
Pike	2	-	2	10	.3	1	1	-	7	13				-	36.3
Portage	2	-	2	9	.3	1	1	-	2	11				-	28.3
Prairie Lake	-	-	-	2	-	-	-	-	-	2				-	4.0
Rice Lake	22	2	19	100	3.	5	6	.1	29	147				.5	333.6
Sandy	2	-	1	8	.2	-	-	-	1	10				-	22.2
Solway	8	1	7	37	1.	2	2	.1	5	45				.2	108.3
Stoney Brook	1	-	1	3	.1	-	-	-	1	4				-	10.1
Stuntz	57	5	49	263	8.	14	12	.4	159	463	3	-	28	1.3	1,062.7
Sturgeon	1	-	1	4	.1	-	-	-	1	5				-	12.1
Toivola	1	-	1	6	.2	-	-	-	1	7				-	16.2
VanBuren	1	-	1	3	.1	-	-	-	1	3				-	9.1
Vermillion Lake	3	-	2	12	.4	1	2	-	1	18				.1	39.5
Wassa	1	-	1	7	.2	-	1	-	2	3				-	15.2
White	124	10	106	574	18.	30	37	.8	161	399				2.8	1,462.6
Willow Valley	1	-	1	3	.1	-	-	-	-	3				-	8.1
Wuori	4	1	4	20	.6	1	1	-	4	26				.1	61.7
All Unorganized Townships	80	7	68	368	11.	19	28	.5	-	492				1.8	1,075.3
GRAND TOTAL	2,691	226	2,311	12,462	100.7	652	726	16.3	11,309.3	17,639	80	9	116	61.1	48,399.4
Percent	5.50	.47	4.80	25.80	.21	1.35	1.51	.34	23.40	36.64	.17	.02	.24	.13	100.0

Table 11
Summary of All Funds

Fund	Budget Allowance	Est. Bal. 12/31/72	Means of Financing			
			Other Revenue	Property Tax and Tax Reform	Total	Percent
General Government	\$5,489,494	\$ 450,210	\$ 2,104,407	\$ 2,934,877	\$ 5,489,494	9.2
Road and Bridge	8,788,405		6,267,108	2,521,297	8,788,405	14.8
Health	822,969	139,457	158,694	524,818	822,969	1.4
Welfare	36,307,743	377,175	22,337,011	13,593,557	36,307,743	61.1
Debt Service	255,705		11,172	244,533	255,705	.4
Emergency	18,870		974	17,896	18,870	
Detention Center	266,789	27,634	97,048	102,107	226,789	.4
Development Comm.	66,362			66,673	66,673	.1
Corrections Center	823,434		325,338	498,096	823,434	1.4
Tuberculosis	282,194	86,465	9,141	186,588	282,194	.5
Solid Waste	45,000		4,918	40,082	45,000	
Civil Defense	107,388	4,867	76,597	25,924	107,388	.2
Library	115,500		5,812	109,688	115,500	.2
Communication	426,757		363,791	62,966	426,757	.7
Rev. Sharing Fed. Fiscal Assistance	5,569,528		5,569,528		5,569,528	9.4
Solid Waste Serv. Area	60,000			60,007	60,007	.1
	\$ 59,406,138	\$1,085,808	\$37,331,539	\$20,989,109	\$59,406,456	99.9

For purposes of this study, this fund is to be allocated back to the Townships on the basis of population, assuming that everyone benefits equally from County government administration. This distribution is shown on Map 40, in the Revenues Returned figures, where it is combined with contributions to the Road and Bridge Funds and the Welfare Fund.

The County Bonded Indebtedness Fund of \$255,705 accounts for less than one-half of one percent of the County budget. This fund is for the retirement of Duluth Port Authority bonds. No attempt is made here to allocate this fund back to the Townships.

The County Road and Bridge Fund of \$8,788,405, or almost 15 percent of the total budget is difficult to allocate back to the Townships because it is administered on the basis of construction projects as well as general maintenance. Thus for any one year the allocations are based on some judgment factor which is not reviewed here. Presumably, over the years there is some tendency to average out these expenditures by the Township, particularly for maintenance. On the other hand, the new construction decisions would probably never allocate funds back to the Townships on the basis of any objective bases. Map 40 shows the allocation of these funds back to the Townships on the basis of miles of road combined with contributions to the General Administration Fund and the Welfare Fund. This is defensible because maintenance would probably take priority over new construction, therefore, existing roads would probably determine the allocation of funds. In addition, a good part of the new construction is expected to be financed from federal fiscal assistance funds.

The County Welfare Fund of \$36,307,743, or over 61 percent of the total budget is by far the largest single component of the county budget. This budget breaks down as follows:

Welfare Fund

Budget Allowance:

Administration	\$ 4,495,457
Direct Relief	4,601,500
Indirect Relief	349,887
Aid to Blind	49,980
Old Age Assistance	1,037,850
Aid to Disabled	1,309,500
Aid to Families of Dependent Children	6,969,200
Emergency Assistance	200,250
Medical Aid	15,008,630
Cook, Morrow & Jensen Units	574,366
Nopeming Nursing Home	852,652
Social Services - Contracted	496,643
Social Services - Agency	332,669
*Reserve for Health & Welfare Benefits	29,159
Total Budget Allowance	<u>\$36,307,743</u>

(Items noted * require subsequent appropriation)

The means of financing breaks down as follows:

Means of Financing:

Est. Beg. Bal., December 31, 1972	\$ 377,175
General Property Taxes	12,462,247
Property Tax Reform - state, per capita	1,131,310
Shared Taxes - Taconite	607,684
Grants - Fed. - State	20,761,323
Charge for Services	968,004
Total Means of Financing	<u>\$36,307,743</u>

Note that approximately one-third of the total funds come from the general property taxes. In order to allocate these funds back to the townships, it would be necessary to know the addresses of all recipients, and to determine the value of the services they received and the amount of direct cash which they received. The public assistance portion of the welfare program may be traced by reviewing the addresses of the recipients of the welfare checks. The social services portion would require a major study to trace. No attempt is made to trace either portion in this study. The method used here is to calculate the percentage of welfare and public assistance payments for each Township, and then to apply these percentages to the \$12,462,247 contributed to the Welfare Fund by the Townships through the General Property tax. The results are shown on Map 40, where they are combined with the contributions to the General Administration Fund and the Road and Bridge Fund.

The County Library Fund makes up two-tenths of one percent of the total county budget. No attempt is made to allocate this fund back to the Townships because (1) it is a negligible amount, and (2) tracing library usage would require a major study. This reasoning also applies to the following funds.

County health services provided are for public health nursing, sanitation, and health education. This fund of \$822,969 accounts for 1.4 percent of the total county budget.

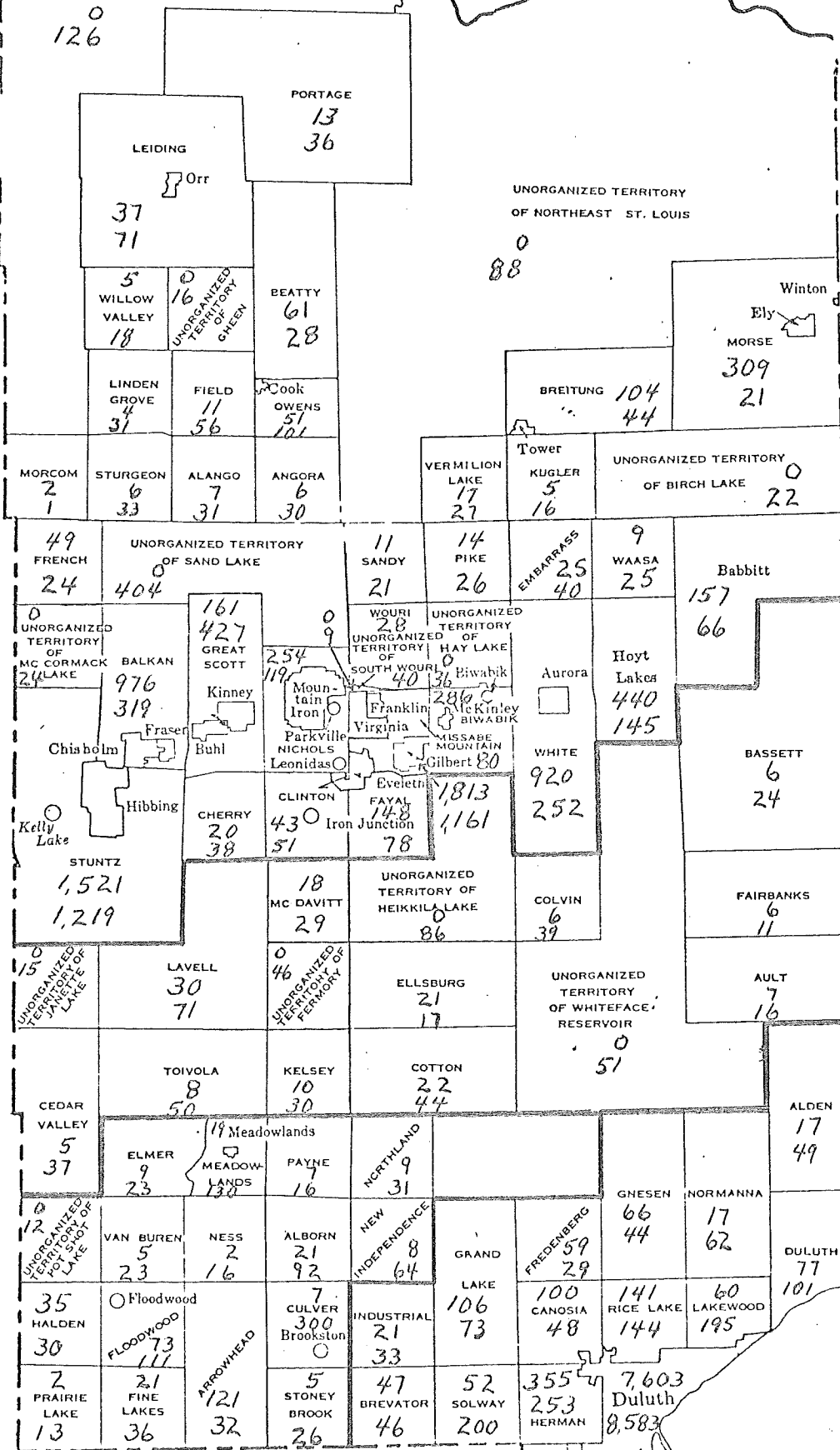
The Community Development Fund, the County Emergency Fund, the Housing and Redevelopment Authority Fund, the Port Authority Fund, the Recreation and Parks Fund, and the Arrowhead Regional Planning Commission Fund are also of negligible volume, with diffuse benefits, which are not allocated back to the Townships in this study.

The City, Village and Township Fund is collected by the county on behalf of the municipal divisions. These collections are returned to the Townships in total. Any discrepancies between amounts collected and amounts returned is accounted for by delinquencies. This fund of \$11,309,000 is not included in the county budget, and no attempt is made to allocate this fund because it cancels out for each Township.

School taxes of \$17,639,000 are allocated back to the School Districts. Because a county partition would not influence the school districts to any appreciable degree, no attempt is made to allocate these funds back to the Townships.

Thus, the only funds allocated are General Government, Road and Bridge, and Welfare. These funds account for slightly over 75 percent of the total county budget. The general property tax component of these funds accounts for slightly over 36 percent of the total property tax contribution by the Townships. If the City, Village and Township Fund and the School Tax Fund are deleted, these funds comprise slightly over 90 percent of the remaining property tax contribution. This means that Map 40, showing the distribution of these funds back to the Townships, accounts for over 90 percent of the property taxes which should be allocated.

Revenue Derived and Revenue
Allocated Back to Each Township
(\$000)



Revenues Returned			Taxes Levied		
% Above	\$ Below	% Below	% Above	\$ Below	% Below
40	\$10,209	60	47	\$8,952	53
35	11,164	65	45	9,296	55
32	11,730	68	44	9,435	56
\$17,130			\$16,948		
Totals			Totals		
Duluth	\$7,996				
Cotton	7,652				
Range	7,513				

Notes: Unorganized townships were not included; totaled \$516.
Taxes Levied Figure is always above Revenues Returned Figure.

Iron Ore Taxes

Iron mining companies in Minnesota pay three taxes on iron ore. One, an occupation tax and royalty tax to the state. These taxes go into the state general fund and are administered without regard to source. The third tax is administered by the state and county, but collected and used by the county. This tax is included in the ad valorem tax. The state assesses the iron ore property and issues an equalization report on January 2 of each year. This equalization report serves as the valuation of the iron ore property for taxes due the following year. Thus the money collected as tax on iron ore becomes part of the operating budget of the county and school districts in the same way that all property tax does. The amounts of money paid in taxes to the county and the portion of these taxes turned over for county purposes are given in Table 12.

Taconite Taxes

The State of Minnesota collects seven taxes on taconite. These are:

- production tax (298.24)
- production tax (298.241)
- occupation tax
- railroad tax
- unmined taconite tax
- excise tax
- royalty

Table 13 shows data for taxes assessed in 1972 and paid in 1973, and also for taxes assessed in 1973 to be paid in 1974. This Table has three sections. The first section shows disbursements to municipalities from three tax funds. The second section shows disbursements to school districts from the same three tax funds. The third section shows disbursements to St. Louis County from the same three tax funds and also two more funds. Our reasons for using two sets of figures are:

Table 12

Iron Ore Ad Valorem Taxes Paid
in 1972 and 1973

School District		1972 Iron Ore Taxes	1972 Iron Ore Taxes to SLC	1973 Iron Ore Taxes	1973 Iron Ore Taxes to SLC
Aurora	v *	\$ 1,138	\$ 457	\$ 1,170	\$ 491
Balkan	t ** [695]	453,006	209,541	510,593	224,415
Biwabik	c *** [693]	2,358	803	2,516	863
Biwabik	c [699]	12,012	3,178	11,680	3,415
Total Biwabik		(14,370)	(3,981)	(14,196)	(4,278)
Biwabik	t [699]	309,574	123,376	348,152	157,301
Buhl	v	112,359	23,846	69,500	16,135
Chisholm	c [695]	1,018,329	354,540	1,033,313	343,461
Ely	c	4,436	1,447	4,545	1,556
Eveleth	c	13,148	3,958	12,214	3,706
Fayal	t	11,274	5,571	8,504	4,235
Franklin	v	159,274	79,520	97,887	46,335
Fraser	c	102,383	54,493		
Gilbert	c	3,191	798	2,114	592
Great Scott	t	15,666	4,507	4,410	1,478
Hibbing	v	177,120	56,543	309,870	97,020
Hoyt Lakes	v	50,997	28,152	60,715	32,720
Kinney	v	206,466	59,804	146,697	45,283
Leonidas	v	58,349	28,754	65,427	28,696
McKinley	v	69,459	9,715	41,667	14,458
Missabe Mt.	t [706]	13,970	7,017	15,856	7,721
Mt. Iron	v [703]	3,079	1,619	2,516	1,740
Stuntz	t	323,275	123,464	192,662	68,092
Unorg. 58-1/2-17	[706]	63	33	71	35
Virginia	c [706]	1,233,846	443,980	1,047,376	361,340
White	t [691]	542,136	336,829	462,889	286,458
White	t [693]	783,225	447,243	871,420	524,736
Total White		(\$1,325,361)	(\$784,072)	(\$1,334,309)	(\$811,194)
Total Iron Taxes		\$5,680,133	\$2,409,188	\$5,323,764	\$2,272,282

* - village
** - township
*** - city

For each year, the first column indicates total taxes collected for all purposes including schools and municipal government. The second column for each year shows how much of this money went to St. Louis County.

To arrive at column totals, omit figures in parentheses.

Table 13
Taconite Tax Disbursements for 1972 and 1973

1972 Due in 1973					1973 Due in 1974			
	Production Tax 298.24	Occupation Tax	Railroad Tax	Total Disbursement	Production Tax 298.24	Occupation Tax	Railroad Tax	Total Disbursement
<u>Municipalities</u>								
Stunz t*	\$ 34,028	\$ 4,573		\$ 38,601	\$ 39,908	\$ 11,598		\$ 51,506
Great Scott t	836	606		1,442	14,584	13,050		27,634
Mountain Inn c**	136,966	99,289		236,255	197,800	176,991		374,791
McDavitt t	17,162	7,527		24,689	18,553	3,764		22,317
Missabe Mtn. t	1,041	4,564		5,605	908	1,803		2,711
Virginia c	5,451	2,391		7,842	7,933	1,652		9,585
Eveleth c	10,389	449		10,838	8,408	66		8,474
White t	38,736	16,006		54,742	47,900	35,368		83,268
Hoyt Lakes c	105,903	43,759	\$ 99,852	249,514	133,443	98,530	\$ 130,557	362,530
Babbitt c	78,685	20,602	94,345	193,632	95,288	35,162	115,313	245,763
Bassett t			12,557	12,557			14,573	14,573
Total Municipalities	\$429,197	\$199,766	\$206,754	\$835,717	\$564,725	\$377,984	\$260,443	\$1,203,152
<u>School Districts</u>								
701 (Stuntz)	\$ 58,140	\$ 9,145		\$ 67,285	\$ 69,018	\$ 23,196		\$ 92,214
694 (Great Scott)	1,963	1,212		3,175	34,241	26,099		60,340
703 (Mt. Iron)	321,573	198,578		520,151	464,399	353,982		818,381
St. Louis Ct. Unorganized McDavitt	40,293	15,054	\$ 7,201	62,548	43,560	7,528	\$ 9,682	60,770
706 (Missabe Mtn, Virginia)	12,799	4,782		17,581	18,625	3,304		21,929
697 (Eveleth)	26,836	10,026		36,862	21,872	3,739		25,611
693 (White)	62,875	22,131		85,006	77,369	48,664		126,033
691 (White, Hoyt Lakes)	276,710	97,398	226,935	601,043	348,394	219,133	296,720	864,247
692 (Babbitt, Bassett)	184,739	41,203	225,057	450,999	223,719	70,324	307,964	602,007
Total School Dists.	\$985,928	\$399,529	\$459,193	\$1,844,650	\$1,301,197	\$755,969	\$614,366	\$2,671,532
St. Louis County General Fund	\$429,197	\$199,765	\$213,423	\$842,385	\$563,910	\$377,984	\$270,261	\$1,212,155
			Unmined Taconite 60,015					59,052
			Road and Bridge Fund	275,813				369,581
			From Production Tax (298.241)					

* - township

** - city

- a) This report quotes data from the Saint Louis County budget for 1973, the latest year for which figures are generally available. To be consistent, we quote the taconite taxes for 1972 that were due in 1973.
- b) 1972 was a bad year for the steel business. A fair discussion of taconite taxes requires using data for another year. The 1973 figures for taxes due in 1974 are available and are quoted here.

The figures cited in the discussion describing these taxes are 1973 taxes due in 1974. The actual analysis, however, uses 1972 data.

Production Tax (298.24)

The production tax is levied on mined taconite in place of a property tax on the mine or the beneficiation plant. Its structure reflects the tonnage of taconite mined and shipped out. There are adjustments for the cost of living and a small adjustment for the value of the taconite in terms of iron content.

Of the production tax collected under section 298.24 of the Minnesota Statutes, only 3 percent stays in the state treasury. The rest is distributed as follows:

taconite property relief fund	47%
schools	27%
county	11.5%
local government	11.5%

The money for tax relief is used to help local homestead owners whose taxes would otherwise go up sharply because of a severe reduction of iron ore value in their municipality or school district. The tax relief is given by allowing a 27 percent reduction in taxes up to \$190 per homestead. If the tax relief is given by residency in a school district (rather than by municipality) that suffered a loss in the evaluation of iron ore, the rate is 21 percent to a maximum of \$150. The tax relief fund is distributed according to statute without regard to the source of the revenue. One county may pay more taxes to the taconite tax relief fund than it gets back in the form of tax relief.

The money for schools is distributed according to the taconite revenue resulting from its mining or beneficiation activity. Some school districts, like 691 or 692, cover significant areas in addition to the locations from which the revenue comes. The entire school district, then, benefits from the taconite revenue generated by a small part of the

district. The extreme case of this is the unorganized school district of St. Louis County, which covers the area not organized into independent districts. These funds are used for all county schools, even those that are remote from taconite operations. The amount involved for St. Louis County schools is \$43,560.

The money for the county from the taconite production taxes totals \$564,725 for 1973. This money goes into the general fund for countywide services. The money distributed to local governments is equal to the amount given to the county. These figures are given in Column 1 of Table 13. The figures in this column indicate both how much taconite revenue money was returned to the municipality and how much money went from the municipality to the county government.

Production Tax (298.241)

A second production tax, required by Minnesota Statutes, section 298.241, is based on the tonnage of taconite mined and beneficiated. The tax is 9¢ per ton, adjusted by the cost of living. The 9¢ is distributed as follows:

Municipal Aid Account	4¢
Property Tax Relief	3¢
Dept. of Iron Range Resources & Rehabilitation	1¢
County Roads and Bridges	1¢

For 1973 taxes, payable in 1974, the 9¢ figure has been adjusted to 10.3¢ and the figures cited above have been increased proportionately.

Funds in the municipal aid account can be distributed to municipalities in distress according to statutory qualifications. Qualifying municipalities will be those presently or recently involved in iron and taconite mining or processing. These funds are distributed by state agencies without regard to the source of the funds.

Property tax relief was described earlier in this report under Production Tax (298.24). The point is worth repeating that these funds are distributed without regard to source.

The Department of Iron Range Resources and Rehabilitation is a Department of the State of Minnesota chartered to ensure continued jobs, products and income for the northern part of Minnesota while balancing these considerations against conservation of resources. The operation of this department transcends county lines.

The county road and bridge fund goes back to the counties where the revenue is derived. St. Louis County is one of four counties recovering revenue from this fund, and gets the largest share -- about 77 percent of it or, for 1973 taxes, \$369,581. This money is used countywide at the discretion of the county government.

Occupation Tax

The taconite occupation tax resembles an income tax. It is determined by the Lake Erie price of the mined and beneficiated taconite, adjusted according to the costs of getting the taconite from the ground to Lake Erie. The adjustment reflects other taxes, production costs, transportation and financial charges.

Basically the state keeps 75 percent of the money and returns 25 percent to the vicinity where the revenue came from. Of this 25 percent, 60 percent goes to the communities that generated the income through

beneficiating the taconite ore and 40 percent goes to the communities that generated the income by mining the ore. This money is then distributed to the counties, municipalities and school districts. The final result of this procedure is the following distribution of funds:

State school support	40%
State general revenue	25%
University of Minnesota	10%
schools	12.5%
county	6.25%
local government	6.25%

The money for schools is distributed according to the revenue generated from the various school districts. The comments made about school funds in connection with the production tax (298.24) apply here, also. The amount of money going to unorganized St. Louis County schools is \$15,054.

The amount going to the county general fund from taconite occupation taxes is \$377,984 for 1973.

The amounts from the taconite occupation taxes going to the various municipal governments are given in column two of Table 13.

Railroad Tax

The taconite railroad tax, like other railroad taxes, is assessed for an area on the basis of miles of track in use and number of terminals in use. In Minnesota, railroad taxes are collected by the state and used for statutory purposes without regard to the source of the funds. The taconite shipped by railroads carry only taconite. These are railroads operated by the Erie Mining Company and the Reserve Mining Company. The tax on the taconite they carry is assessed and collected by the state twice a year and distributed as follows:

schools	50%
county	22%
local governments	22%
state general funds	6%

The distribution given above is called for in the Minnesota statutes, section 294.26. We observe that, in practice, unorganized school districts come in for a share both as school districts and local governments. The total amount given to the St. Louis County unorganized school district is \$9,682 for 1973.

The funds given to the county based on 1973 railroad taxes total \$270,260.81. Of this amount \$2,265.59 is part of the 22 percent nominally allocated to local governments in the general statute.

The amount given to local governments is actually less than the nominal 22 percent because of some funds allocated to county general funds and county school districts. The local municipalities in St. Louis County fared better in 1973 than those in Lake County. The details for the assessments for 1973 and 1972 are given in Table 13.

Unmined Taconite Tax

The unmined taconite tax is an assessment of \$1 per acre of taconite land owned or otherwise acquired by a mining company, but not in production. All of this tax is turned over to the county for discretionary use without regard to source of the funds. The unmined taconite tax turned over to St. Louis County for 1972 was \$60,015; the amount to be turned over for 1973 is \$59,052.

Excise Tax

All of the excise tax on taconite collected by the state is turned over to the municipal governments and local school districts.

Taconite Royalty

All of the taconite royalties collected by the state are kept in the state's general funds.

Table 14
The Taconite Money Paid to the County from the Eleven
Municipalities Mining or Processing Taconite

1972		1973	
R & B	P + O + R + (R & B)	R & B	P + O + R + (R & B)
Stuntz \$ 22,551	\$ 61,152	\$ 26,884	\$ 78,390
Great Scott 556	1,998	9,855	37,489
Mountain Iron 91,146	327,401	133,668	508,459
McDavitt 11,412	36,101	12,154	33,911
Missabe Mtn. 692	6,297	613	3,324
Virginia 3,625	11,467	5,358	14,943
Eveleth 6,908	17,746	5,508	13,728
White 23,172	77,914	29,294	112,562
Hoyt Lakes 63,353	312,867	81,610	444,140
Babbitt 52,398	246,030	64,636	310,399
Bassett 12,557			14,573
\$ 275,813	\$1,111,530	\$ 369,580	\$1,571,918

For each of the two years, the first column shows how much money went to the County Road and Bridge Fund for each municipality. The second column for each year shows the total amount paid to the county from the municipalities from production, occupation, and railroad taxes. The second column includes the road and bridge allocation.

Table 15 shows the total taconite taxes paid by the Cities and Townships to the County for 1972 and 1973. It also shows the part of those taxes which was returned to these local units of government from the County. Finally, it shows the property tax relief allocations back to the local units of government for 1973. Note that only Range Cities and Townships in St. Louis County are involved. If the contributions to county funds from these minor civil divisions are added to the contributions from the ad valorem taxes, the proportionate contributions of the Range become even larger.

Map 41 shows the distribution of the taconite homestead credit by Township for 1973. It is apparent that this relief is distributed to most of the Townships, with the notable exception of those in the Duluth area. There are excellent reasons for and against this distribution of these funds. An analysis of these arguments is beyond the scope of this study.

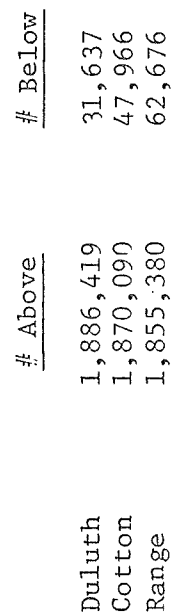
Table 15

	1972			1973		
	Total ¹ Taconite Taxes to County	Total Taconite Taxes to Local Gov't	Property Tax Relief to Municipal Homesteads	Total ¹ Taconite Taxes to County	Total Taconite Taxes to Local Gov't	Property Tax Relief to Municipal Homesteads
Stuntz	\$ 61,152	\$ 38,601	Numbers for 1972 Omitted	\$ 78,390	\$ 51,506	\$ 76,482
Hibbing	-	-		-	-	493,533
Total	(61,152)	(38,601)		(78,390)	(51,506)	(570,015)
Great Scott	1,998	1,442		37,489	27,634	4,546
Buhl	-	-		-	-	40,349
Kinny	-	-		-	-	2,139
Total	(1,998)	(1,442)		(37,489)	(27,634)	(47,034)
Nichols	-	-		-	-	-
Mountain Iron	327,401	236,255		508,459	374,791	44,503
Leonidas	-	-		-	-	1,023
Total	(327,401)	(236,255)		(508,459)	(374,791)	(45,526)
McDavitt	36,101	24,689		33,911	22,317	3,765
Missabe Mt.	6,297	5,605		3,324	2,711	2,347
Virginia	11,467	7,842		14,943	9,585	339,408
Eveleth	17,746	10,838		13,728	8,474	113,911
Franklin	-	-		-	-	-
Gilbert	-	-		-	-	64,783
Total	(35,510)	(24,285)		(31,995)	(20,770)	(520,449)
White	77,941	54,742		112,562	83,268	13,707
Aurora	-	-		-	-	56,079
Total	(77,914)	(54,742)		(112,562)	(83,268)	(69,786)
Hoyt Lakes	312,867	249,514		444,140	362,530	58,326
Babbitt	246,030	193,632		310,399	245,763	37,452
Bassett	12,557	12,557		14,573	14,573	302
Column Total	\$1,111,530	\$835,717		\$1,571,918	\$1,203,152	\$1,352,655

¹Not including unorganized school districts administered by the county. These amounts include money paid to the county general Fund and to the Road and Bridge Fund.

NOTE: To arrive at column totals omit numbers in parentheses.

Taconite Homestead Credit,
By Township: 1973



Does not include unorganized townships: 50,116

Map 40 shows revenues derived from each Township for these three funds and revenues allocated back to each Township through these three funds. It does not include the allocations of the taconite taxes, which are treated next. It does, however, include the iron ore taxes as part of the ad valorem taxes.

Note that a partition drawn at the Duluth Line would levy 53 percent of the taxes on the southern county, and that county would receive 60 percent of the revenues returned. If the Cotton Line were to be used, the southern county would receive 55 percent of the taxes levied and 65 percent of the revenues returned. If the Range Line were to be used, the southern county would receive 56 percent of the taxes levied and 68 percent of the revenues returned. A partition made at the Duluth Line would be most equitable, though there would still remain a 10 percent discrepancy between taxes levied and revenues returned in favor of the Duluth County. This means that, in the event of partition, there would either have to be a 10 percent reduction in disbursements for the three funds considered here, or an increase in the Duluth County taxes, or a reallocation of existing revenues.

The latter course would seem most desirable. Map 19 shows that a partition at the Duluth Line would place 53 percent of the demand for county services in the Duluth County. Map 18 shows that this area presently contributes 52 percent of the ad valorem taxes to the county. This indicates that these adjustments are feasible, at least in the long run.

CHAPTER IV

ST. LOUIS COUNTY GOVERNMENT ORGANIZATION

CHAPTER IV

St. Louis County Government Organization

At present the St. Louis County government is organized as shown on the next page. The total number of persons employed in 1973 was 1909, with a total payroll of approximately 15,681,000. In order to examine the geographic placement of government personnel, the following analysis shows the breakdowns by position title, annual salaries, and geographic location.

This analysis begins with the county board, and describes the organization reporting to this board. Next, those positions filled through general election procedures are treated. No analysis is made of functions at this point.

The Board of Commissioners has seven members, each residing in his respective territory as shown on Map 6. There are five Commissioner's Clerks, two in Duluth, and one each in Hibbing, Virginia, and Ely.

The County Highway Engineer reports to the Board of Commissioners. There are seven divisions in the county, but one, three and five have been combined.

<u>Division 2 - Duluth</u>		Number	
Position		Employed	
Highway Division Supt II		1	
Auto mechanic foreman		1	
Highway Foreman I		3	
Heavy Equipment Operator		6	
Auto mechanic		2	
Light Equipment Operator		5	
Highway Division Clerk		1	
Storekeeper I		1	
Highway Maintenance I		1	
		<hr/>	
Total		32	Payroll \$293,460

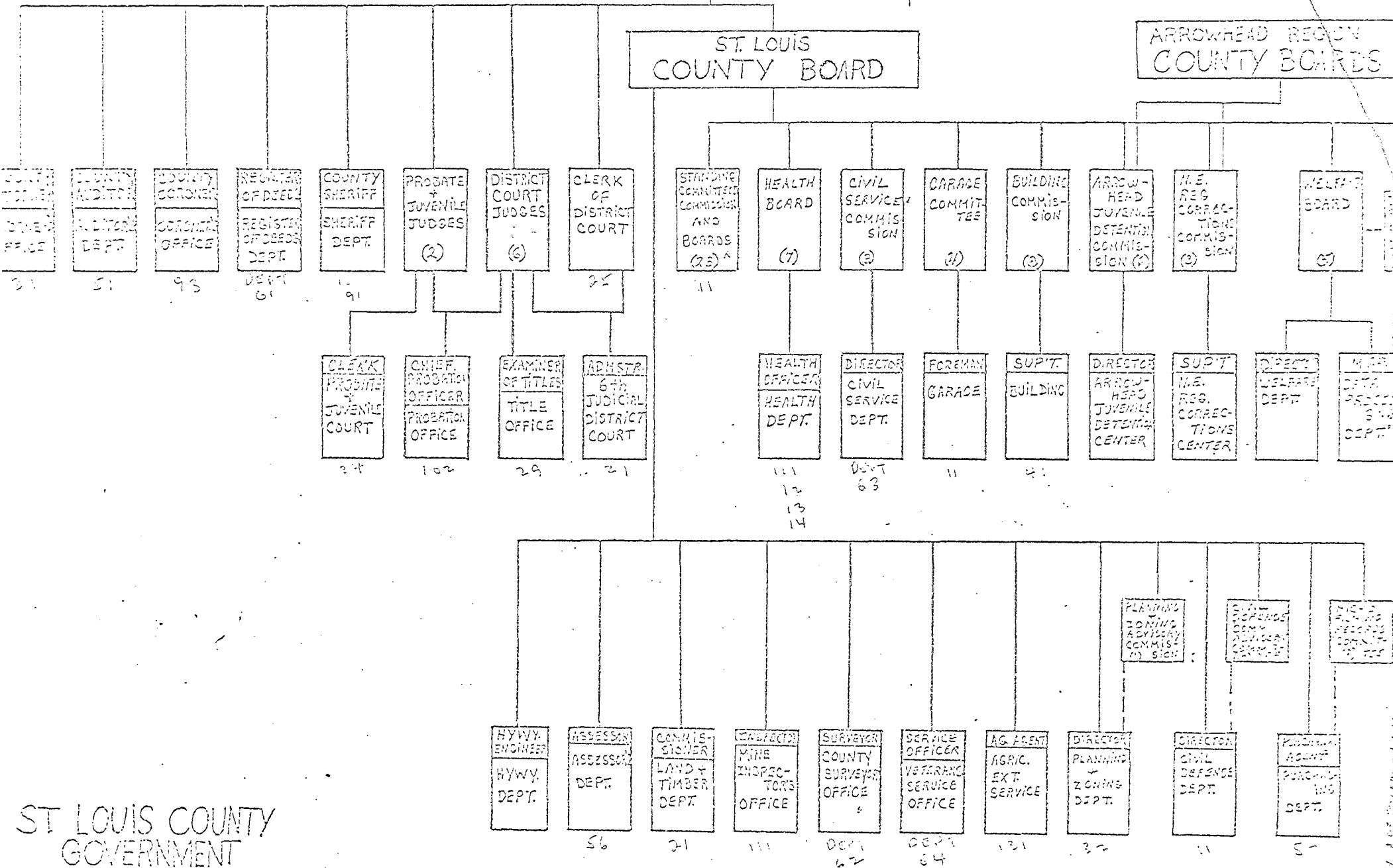
ELECTORATE

DATA
PROCESSING
ADVISORY
COMMITTEE

-112-

ST. LOUIS COUNTY BOARD

ARROWHEAD REGION COUNTY BOARDS



ST LOUIS COUNTY
GOVERNMENT
7/21/72

Division 4 - Ely

Highway Division Supt. II	1	
Auto Mechanic foreman	2	
Highway foreman II	1	
Highway foreman I	7	
Heavy Equipment Operator	20	
Light Equipment Operator	18	
Blacksmith	2	
Auto mechanic	4	
Highway Division Clerk	2	
Storekeeper I	1	
Painter I	1	
Mechanic Trades Helper	2	
Highway Maintenance I	11	
Total	74	Payroll \$681,083

Division 6 - Virginia

Highway Division Supt. II	1	
Auto Mechanic Foreman	2	
Highway Foreman I	5	
Heavy Equipment Operator	15	
Light Equipment Operator	9	
Auto Mechanic	4	
Blacksmith	1	
Highway Division Clerk	1	
Storekeeper	1	
Highway Maintenance I	5	
Mechanic Trades Helper	1	
Utilityman II	1	
Clerk-typist	1	
Total	47	Payroll \$452,640

Division 7 - Hibbing

Highway Division Supt II	1
Highway Division Supt I	1
Auto Mechanic Foreman	1
Highway Foreman II	2
Highway Foreman I	3
Heavy Equipment Operator	19
Light Equipment Operator	11
Auto Mechanic	8
Building Maintenance I	1
Highway Division Clerk	1

Storekeeper	1	
Mechanic Trades Helper	4	
Highway Maintenance II	1	
Highway Maintenance I	8	
Clerk III	1	
Clerk-typist I	1	
Total	64	Payroll \$614,421

Divisions 1, 3 and 5 - Pike Lake (Duluth)

Highway Division Supt. II	1	
Auto Mechanic Foreman	2	
Highway Foreman II	1	
Highway Foreman I	7	
Heavy Equipment Operator	20	
Light Equipment Operator	18	
Blacksmith	2	
Auto Mechanic	4	
Highway Division Clerk	2	
Storekeeper I	1	
Painter I	1	
Mechanic Trades Helper	2	
Highway Maintenance I	11	
Total	72	Payroll \$681,083

<u>Division 8</u>	Duluth	Virginia	Hibbing	Ely	Total
County Highway Engineer	1				1
Civil Engineer III		1			1
Civil Engineer II		1			1
Civil Engineer I	3	1	1	1	6
Planning & Prog. Engineer	1				1
Highway Maintenance Engineer	1				1
Right-of-way Agent	2				2
Bridge Engineer	1				1
Engineering Aide II	3	3	2	2	10
Engineering Aide I	11	3	1	1	16
Draftsman	1		1		2
Clerk Drafting Aide		1			1
Clerk-Steno II	1				1
Total employed	25	10	5	4	44
Total payroll	\$254,628	\$100,599	\$50,001	\$41,544	\$446,772

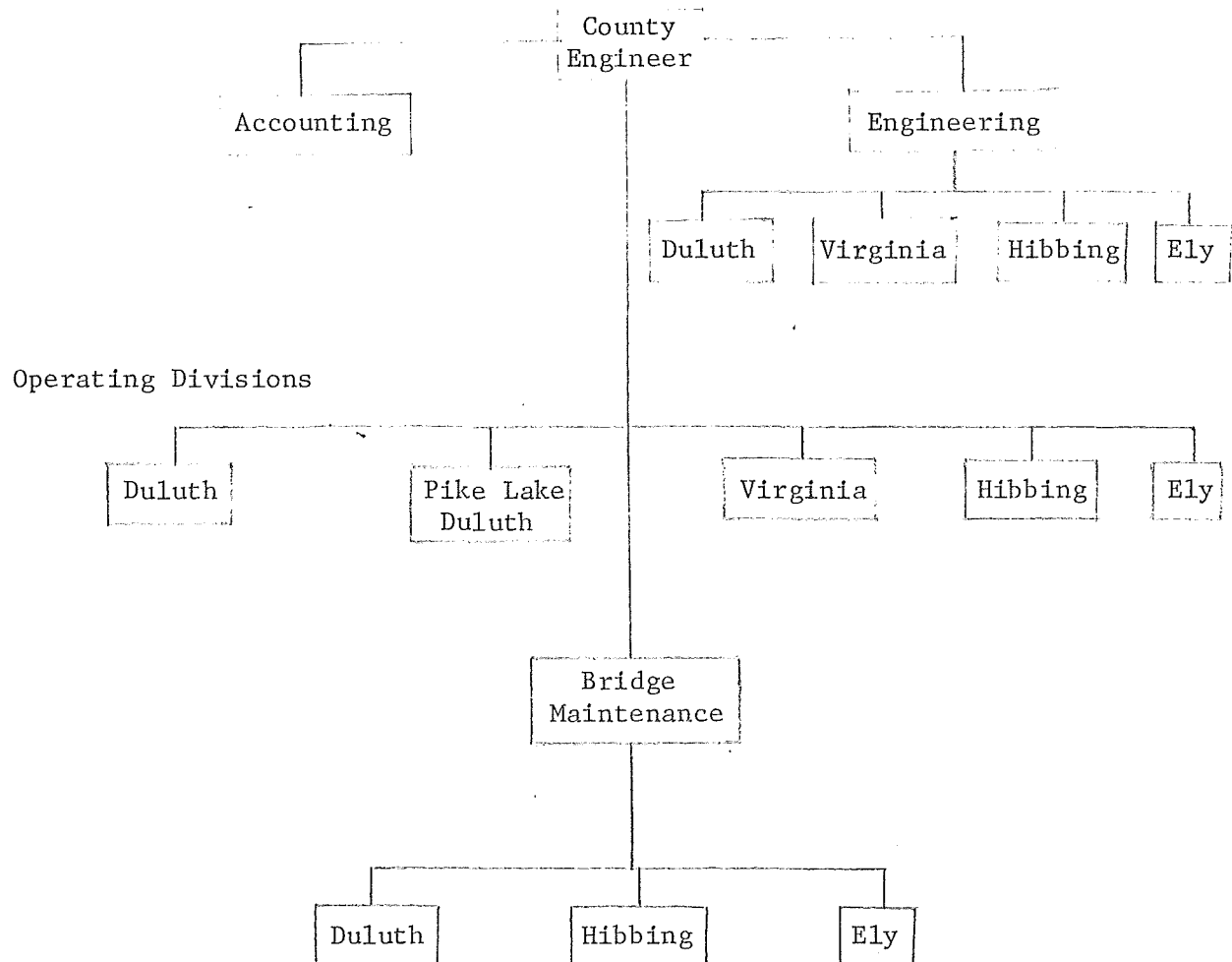
Division 13 - Bridge Maintenance

	Duluth	Hibbing	Ely	Totals
Bridge Maintenance Supervisor	1			1
Bridge Utilityman II	1		1	2
Bridge Utilityman I	2	1	1	4
Utilityman II	1			1
	<hr/>	<hr/>	<hr/>	<hr/>
Total employed	5	1	2	8
Total payroll	\$54,984	\$10,140	\$22,440	\$87,564

Division 16 - Duluth - Accounting and Records

Accountant II	1	
Clerk IV	1	
Clerk III	2	
Clerk-Typist	1	
	<hr/>	
Total	5	\$41,954

ORGANIZATION OF HIGHWAY DEPARTMENT



SUMMARY OF ROAD AND BRIDGE

	Duluth		Hibbing		Virginia		Ely		Totals
32	\$293,460	64	\$614,421	47	\$452,640	74	\$681,083	217	\$2,041,604
72	681,083							72	681,083
25	254,628	5	50,001	10	100,599	4	41,544	44	446,772
5	54,984	1	10,140			2	22,440	8	87,564
5	41,954							5	41,954
139	\$1,326,109	70	\$674,562	57	\$553,239	80	\$745,067	346	\$3,298,977

County Assessor - Duluth

County Assessor	1
Property Assessor III	1
Property Assessor II	5
Property Assessor I	4
Assessment Clerk I	1
Clerk III	2
Clerk II	1
Clerk-Typist	1

Total	16
-------	----

Payroll \$154,374

Land and Timber Department

	Duluth	Virginia	Hibbing	Ely	Total
Land Commissioner	1				1
Land Manager III	3	1		1	5
Land Manager II	2			1	3
Land Manager I	1	1	1	1	4
Utilityman II	1				1
Clerk-Steno II	1				1
Clerk-Steno I	1				1

Total employed	10
----------------	----

2

1

3

16

Total payroll \$93,792

\$19,494

\$7,464

\$31,056

\$151,806

Memorial Forests - Duluth

Tractor Operator	1
Land Manager III	1
Utilityman II	1

Total	3
-------	---

Payroll \$25,970

Mine Inspector's Office - Virginia

Mine Inspector	1
Asst. Mine Inspector	1
Mine Inspector I	1
Clerk-Steno I	1

Total	4
-------	---

Payroll \$37,680

County Surveyor's Office - Duluth

County Surveyor	1	
Engineering Aide II	1	
Engineering Aide I	<u>1</u>	
Total	3	Payroll \$ 31,095

Veteran's Service Office

	Duluth	Hibbing	Virginia	Ely	Total
Veteran's Serv Of Uncl	1				1
Veteran's Service Officer III			1		1
Veteran's Service Officer II		1	1	1	3
Veteran's Service Officer I	1	1			2
Clerk IV	1				1
Clerk-Steno II	1	1	1	1	4
	—	—	—	—	—
Total Employed	4	3	3	2	12
Total Payroll	\$38,877	\$28,131	\$31,056	\$18,456	\$116,520

Agriculture Extension Service

	Duluth	Hibbing	Virginia	Ely	Total
Extension Agent	1	1			2
Extension Home Econ.	2		1		3
Ass't. Extension Agent	2				2
Clerk-Steno II	1		1		2
Clerk-Steno I	1				1
	—	—	—	—	—
Total Employed	7	1	2	0	10
Total Payroll					
County	\$31,263	\$ 5,340	\$10,140		\$ 46,743
State & Federal	<u>37,762</u>	<u>8,645</u>	<u>7,250</u>		<u>53,657</u>
Total	\$69,025	\$13,985	\$17,390		\$100,400

Planning and Zoning Department

	Duluth	Virginia	Total
Director - unclassified	1		1
Senior Planner	1		1
Zoning Planner I	1	1	2
Planning Technician	4	2	6
Clerk-Steno II	1		1
Clerk-Steno I	1	1	2
	—	—	—
Total Employed	9	4	13
Total Payroll	\$80,634	\$32,457	\$113,091

Civil Defense Department

	Duluth	Virginia	Total
Director	1		1
Deputy Director	1		1
Communications Planner		1	1
Coordinator	1		1
Clerk-Typist II	1		1
	—	—	—
Total Employed	4	1	5
Total Payroll	\$47,688	\$13,284	\$60,972

Purchasing Department

	Duluth	Virginia	Hibbing	Total
Purchasing Agent	1			1
Assistant Purchasing Agent	1			1
Buyer I	3	1	1	5
Clerk III	1			1
Clerk-Typist I	1			1
	—	—	—	—
Total Employed	7	1	1	9
Total Payroll	\$66,015	\$9,768	\$9,768	\$85,551

Microfilming Records - Duluth

Microfilm Operator II	1
Microfilm Operator I	3
	—
Total Employed	4
Total Payroll	\$26,871

Health Department - reports to the County Health Board which reports to the County Board. There is an administrative office with four sections under its direction. These sections are Nursing, Sanitation, Health Education, and Communicable Diseases.

Health Administration

	Duluth	Virginia	Hibbing	Ely	Eveleth	Total
Executive Officer	1					1
Business Admin.	1					1
Admin. Secretary	1					1
Account Clerk I	3	1				4
Clerk-Steno II	1					1
Clerk-Steno I	3			1		4
Clerk-Typist	1					1
	—	—	—	—	—	—
Total Employed	11	1	0	1	0	13
Total Payroll	\$108,112	\$8,040		\$6,456		\$122,608

Nursing

Director	1					1
PH Nurse Super.		1	1			2
Nursing Home Insp.	1					1
PH Nurse II		1	1			2
PH Nurse I	6	1	2	1		10
	—	—	—	—	—	—
Total Employed	8	3	4	1	0	16
Total Payroll	\$99,255	\$37,554	\$49,794	\$10,536		\$197,139

Sanitation

Environmental Health Dir.	1					1
Sanitarian IV	2					2
Air Pollution Eng.	1					1
PH Tech II	1					1
Sanitarian III					1	1
Sanitarian II	10	1	1	1	1	14
Reg Med Tech II	1					1
Sanitarian Aide	1					1
Laboratory Aide	2					2
	—	—	—	—	—	—
Total Employed	19	1	1	1	2	24
Total Payroll	\$227,031	\$11,388	\$12,300	\$12,780	\$25,056	\$288,555

Health Department - Continued

<u>Communicable Disease</u>	Duluth	Virginia	Hibbing	Ely	Eveleth	Total
PH Nurse II	1					1
PH Nurse I	1					1
Licensed Practical Nurse.	1					1
Clerk IV	1					1
Clerk-Steno I	1					1
Clerk-Typist I	2					2
Dictating Mach. Transc					1	1
	—	—	—	—	—	—
Total Employed	7	0	0	0	1	8
Total Payroll	\$56,850				\$5,490	\$62,340

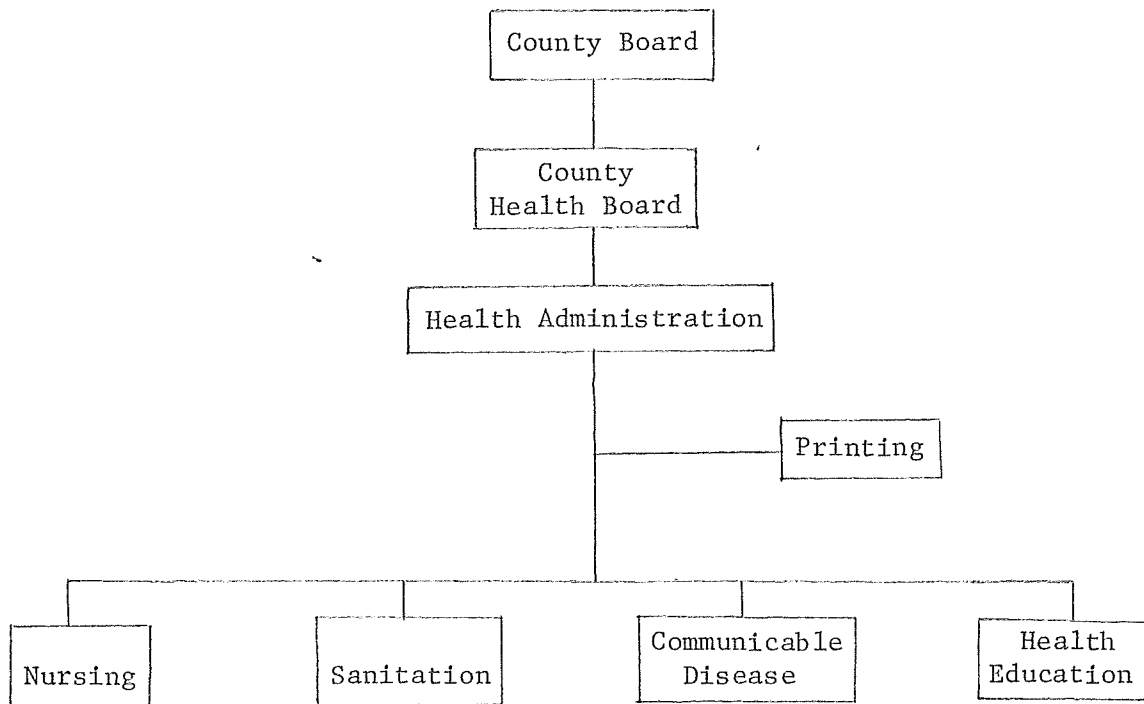
Health Education

Health Education Dir.	1					1
PH Educator I					1	1
	—	—	—	—	—	—
Total Employed	1	0	0	0	1	1
Total Payroll	\$13,416				\$10,956	\$24,372

The chart on the next page shows the organization structure and summarizes the numbers employed and total payroll at each location.

Printing - Duluth

Reproduction Unit Supervisor	1
Duplicating Machine Operator I	1
Clerk I	1
	—
Total Employed	3
Total Payroll	\$20,172



	Duluth	Virginia	Hibbing	Ely	Eveleth	Total
Employed	46	5	5	3	4	
Payroll	\$524,836	\$56,982	\$62,094	\$29,772	\$41,502	\$715,186

Civil Service Department - The Civil Service Director reports to the Civil Service Commission, which reports to the County Board. All employees are headquartered in Duluth.

Civil Service Director	1
Personnel Technician II	2
Personnel Technician I	2
Clerk IV	1
Clerk-Steno I	1
	—
Total Employed	7
Total Payroll	\$53,538

County Transportation Department - The Garage Foreman reports to the Garage Committee, which reports to the County Board. All employees are headquartered in Duluth.

Auto Mechanic Foreman	1
Auto Mechanic	1
Auto Mechanic Journeyman	1
Mechanic Trades Helper	2
Accounting Clerk II	1
	—
Total Employed	6
Total Payroll	\$57,282

The Dispatchers are located in Virginia. There are five of them with a total payroll of \$41,184.

Building Department - The Building Superintendent reports to the Building Commission, which reports to the County Board.

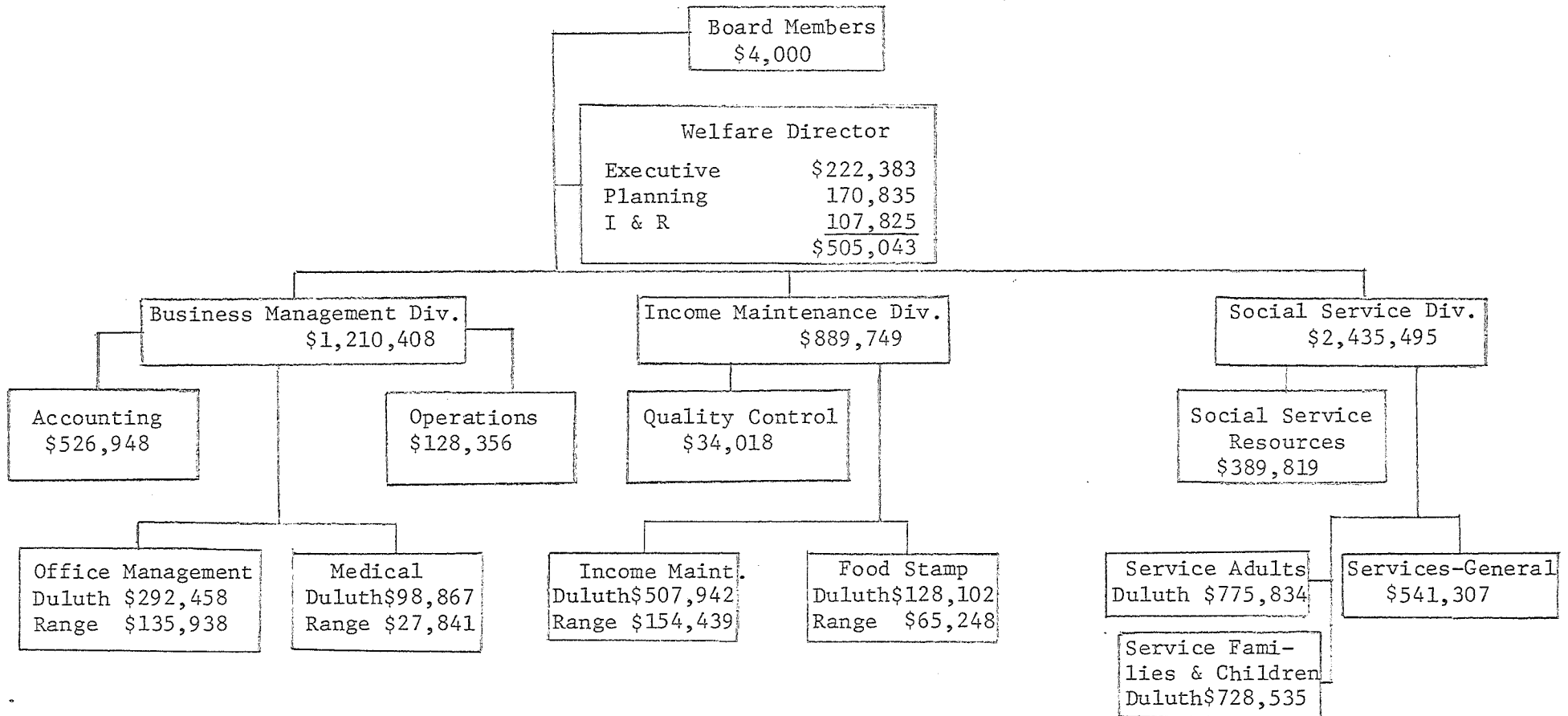
	Duluth	Hibbing	Virginia	Total
Building Sup't.	1			1
Building Maint. II	1			1
Building Maint. I	1	2	2	5
Carpenter	1			1
Painter II	1			1
Utility Plasterer	1			1
Custodial Worker Supvr. II		1	1	2
Custodial Worker Supvr. I	1			1
Custodial Worker III	11	4	5	20
	—	—	—	—
Total Employed	19	7	8	34
Total Payroll	\$172,950	\$60,609	\$64,350	\$297,909

The Arrowhead Juvenile Detention Center - is supported by five counties. The Director reports to the Arrowhead Juvenile Detention Commission, which reports to both the St. Louis County Board and the Arrowhead Region County Board. No analysis is made of the employment and payroll for this facility

The Northeast Regional Correction Center - is supported by four counties. The Superintendent reports to the Northeast Regional Corrections Commission which reports to the St. Louis County Board and the Arrowhead Region County Board.

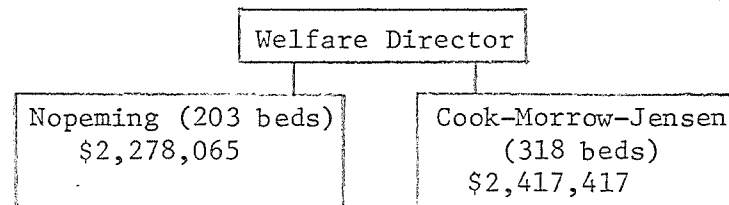
Welfare Department - The Welfare Department is organized as shown on the next page. The expense figures shown are from the 1974 budget.

Organization of the Welfare Department



TOTAL EXPENSES

TOTAL ADMINISTRATION HUMAN SERVICES (including 200,000 contingency)
\$ 5,240,695



SOURCE: St. Louis County Welfare Department,
1974 Proposed Budget

1974 Total Expense ----- \$9,936,177

Welfare Department - Not Including Nursing Home* EDP

	Duluth	Virginia	Hibbing	Total
Welfare Director	1			1
Assistant Welfare Director	1			1
Director-Social Services	1			1
Director-Income Maintenance	1			1
Director-Business Management	1			1
Personnel Director II	1			1
Social Welfare Supervisor III		1		1
Assistant County Attorney	2			2
Administration Secretary	1			1
Social Welfare Supervisor II	3	1		4
Social Welfare Supervisor I	15	4		19
Medical Care Advisor		1		1
Homemaker Supervisor	1			1
Homemaker Coordinator	1	1		2
Staff Training Supervisor II	1			1
Work Experience & Training Specialist	1			1
Accountant II	1			1
Accountant I	4			4
Custodial Worker Supervisor	1			1
Custodial Worker III	4			1
Building Maintenance I	1			1
Social Worker III	12			12
Social Worker II	58	15	2	75
Social Worker I	16	10		26
Volunteer Services Coordinator II	1			1
Volunteer Services Coordinator I	2			2
Administrative Assistant	6			6
Homemaker	43	19		62
Adolescent Shelter Worker	6			6
Day Care Supervisor	1			1
Case Aide	2	1		3
Social Service Tech.	2			2
Investigator	2	1		3
Adult Services Aide	12	7	1	20
Child Care Aide	16			16
Communities Activities Coordinator II	1			1
Communities Activities Coordinator I	1			1
Group Home Parents	6			6
Property Resources Specialist	1			1
Eligibility Specialist III	12	4	2	18
Eligibility Specialist II	34	15		49
Eligibility Specialist I	7	1		8
Switchboard Operator	3			3
Office Manager	1			1

* Using 1973 Employment, 1974 Payroll Data

	Duluth	Virginia	Hibbing	Total
Clerk V	1			1
Clerk IV		1		1
Clerk III	6	1		7
Clerk II	4			4
Clerk-Typist I	30	5		35
MT/ST Operator	8	3	2	13
Cashier II	1			1
Cashier I	2	3		5
Clerk-Typist II	6			6
Clerk-Steno II	6	2		8
Clerk-Steno I	1	1		2
Accounting Clerk II	3			3
Accounting Clerk I	2			2
Cook II	1			1
Cook I	2			2
Food Service Helper	4			4
Teacher Leader	1			1
	—	—	—	—
Total Employed	365	97	7	469
Total Payroll (Excluding Nursing Homes & EDP)	\$3,084,251	\$789,047	\$63,157	\$3,936,455
Nursing Homes	498			498
Payroll				\$2,947,591
Data Processing	42			42
Payroll	—	—	—	—
	905	97	7	1009
Total Payroll Excluding EDP ----	\$6,884,046			

The following St. Louis County Departments are headed by elected officials.

County Attorney

	Duluth	Virginia	Hibbing	Total
County Attorney	1			1
Assistant County Attorney	7	1	1	9
Legal Assistant	1			1
Investigator	3		1	4
Clerk IV	2			2
Clerk-Steno II	2	1	1	4
Eligibility Specialist I	1			1
	—	—	—	—
Total Employed	17	2	3	22
Total Payroll	\$ 234,386	\$ 19,056	\$ 30,426	\$ 283,868

County Auditor - Duluth

County Auditor	1
Administrative Assistant II	1
Clerk of County Board	1
Tax Div. Supervisor II	1
Tax Div. Supervisor I	3
Accountant III	1
Accountant I	3
Administrative Services Suprv.	1
Cost Analyst Supervisor	1
Clerk V	4
Clerk IV	10
Clerk III	13
Clerk II	2
Clerk I	2
Cashier III	1
Cashier II	1
Cashier I	1
Bookkeeper-Cashier	1
Account Clerk II	2
Account Clerk I	3
Draftsman Property Records	1
Clerk Steno II	1
Clerk Steno I	1
Clerk Typist II	4
Clerk Typist I	4
Key Punch Oper.	4
	—
Total Employed	65
Total Payroll	\$ 576,591

County Coroner - Duluth

Coroner	1
Clerk-Steno I	1
	—
Total Employed	2
Total Payroll	\$22,614

Register of Deeds - Duluth

Register of Deeds	1
Administrative Assistant	1
Clerk V	1
Clerk IV	2
Clerk III	4
Clerk II	1
Clerk I	4
Clerk-Typist II	1
Clerk-Typist I	3
	—
Total Employed	18
Total Payroll	\$139,932

County Sheriff

	Duluth	Virginia	Hibbing	Floodwood	Cook	Ely	Tower	Total
Sheriff	1							1
Under-Sheriff II	1							1
Deputy Sher. Capt.	1							1
Deputy Sher. Suprv.	1	1	1					3
Deputy Sher. Lt.	4	2	2					8
Deputy Sher. II	20	14	7	1	1	1	1	45
Criminal Investgr.	1							1
Clerk-Steno II	1		1					2
Clerk-Steno I	2	1						3
Acct'g Clerk I		1	1					2
	—	—	—	—	—	—	—	—
Total Employed	32	19	12	1	1	1	1	67
Total Payroll	\$384,070	\$209,942	\$141,120	\$11,160	\$11,715	\$11,604		\$780,351
							\$10,740	

LEAA-paid

Deputy Sher. II	1	1	2					4
Deputy Sher. I		1						1
Dict. Mac.	1							1
Transcrbr.	—	—	—	—	—	—	—	—
Total Employed	2	2	2	0	0	0	0	6
Total Payroll	\$16,236	\$17,306	\$20,472					\$54,014

Maintenance of Prisoners - Duluth

Jailor II	1
Jailor I	10
Matron	4
Cook II	1
Cook I	1
	—
Total Employed	17
Total Payroll	\$ 154,944

Maintenance of Jail Building - Duluth

Custodial Supervisor	1
Building Maintenance	1
	—
Total Employed	2
Total Payroll	\$ 20,175

County Court

	Duluth	Virginia	Hibbing	Ely	Eveleth	Total
Judge	4	1	1			6
Administrator	1					1
Referee	1					1
Chief Deputy Clk.	2					2
Reporter	4	1	1			6
Judicial Officer	2	2	4	1	1	10
Auditor	1					1
	—	—	—	—	—	—
Total Employed	15	4	6	1	1	27
Total Payroll	\$ 274,052	\$ 40,680	\$ 60,320	\$ 5,448	\$ 5,100	\$ 385,600

County Court Clerk

Clerk of Court	1					1
Contract Ct. Offcr.	1					1
Admin. Ass't I		1	1			2
Admin. Ass't I-A	1					1
Assignment Clerk	1					1
Deputy Ct. Clerk	6	3	2			11
Courtroom Clerk	4					4
Traffic Ord. Clk.	3	1	1			5
Guidianship Clk.	1					1
Credit Col. Mgr.	1					1
Advisor on Alcoholism	1					1
Estate Clerk	1					1
Commitment Clerk	1					1
Certified Copy Clk.	1					1
Clerk-Steno II	2					2
Clerk-Typist II	1					1
	—	—	—	—	—	—
Total Employed	26	5	4	0	0	35
Total Payroll	\$ 233,394	\$ 44,100	\$ 37,290			\$ 314,784

District Court

	Duluth	Virginia	Hibbing	Total
Judge	4	1	1	6
Administrator	1			1
Court Reporter	4	1	1	6
	—	—	—	—
Total Employed	9	2	2	13
Total Payroll	\$ 90,200	\$ 17,800	\$ 17,800	\$ 125,800

Clerk of District Court

Clerk of Court	1			1
Administrative Ass't I		1	1	2
Administrative Ass't I-A	1			1
Clerk V	1			1
Clerk IV		2	2	4
Clerk III	2			2
Clerk II	1			1
Clerk I	1	1	1	3
Bookkeeper-Cashier	1			1
Court Clerk	1			1
Ct. Clk. Supvr. Deputy	1			1
Torrens Clerk	1			1
Criminal Clerk	1			1
Clerk-Steno II	1			1
Clerk-Typist II	6			6
	—	—	—	—
Total Employed	19	4	4	27
Total Payroll	\$147,966	\$35,778	\$36,528	\$220,272

Public Defender

Public Defender	1	Payroll - \$14,500
-----------------	---	--------------------

Law Library

Law Librarian	1	Payroll - \$7,533
---------------	---	-------------------

Examiner of Titles

Examiner of Titles	1
Clerk-Steno II	1
	—
Total Employed	2
Total Payroll	\$27,937

Probation Office

	Duluth	Hibbing	Virginia	Total
Probation Officer IV	1			1
Probation Officer III	1	1	1	3
Probation Officer II	1			1
Probation Officer I	14	1	3	18
Clerk V	1			1
Clerk III	2			2
Case Aide I	1			1
Account Clerk I		1	1	2
Clerk-Steno II	1	1	1	3
Clerk-Steno I	3			3
Clerk-Typist I	1			1
	—	—	—	—
Total Employed	26	4	6	36
Total Payroll	\$267,159	\$42,612	\$61,713	\$371,484

Table 16 summarizes employment and payroll by location. This table shows that the county has total employment of 1909 and a total direct payroll of \$15,725,681. Of these numbers, 1446 or 75.7 percent of those employed are employed in Duluth, 222 or 12.2 percent in Virginia; 132 or 6.9 percent in Hibbing; and 98 or 5.2 percent in other locations. Duluth has 72.5 percent of the payroll, while Virginia has 13.5, Hibbing has 8.3 percent, and the remaining towns have 5.8 percent.

This chapter describes the existing county organization, and provides a basis for analysis of the divisibility of the functions. The next chapter undertakes this analysis in order to show what the costs of government might be for the two resulting counties should a partition be effected.

Table 16

	Duluth	Virginia	Hibbing	Ely	Eveleth	Other	Total
Road and Bridges	139 \$1,326,109	57 \$553,239	70 \$674,562	80 \$745,067			346 \$3,298,977
County Assessor	16 154,374						16 154,374
Land & Timber	13 119,762	2 19,494	1 7,464	3 31,056			19 177,776
Mine Inspector		4 37,680					4 37,680
County Surveyor	3 31,095						3 31,095
Veterans' Service	4 38,877	3 31,056	3 28,131	2 18,456			12 116,520
Ag Extension	7 69,025	2 17,390	1 13,985				10 100,400
Planning & Zoning	9 80,634	4 32,457					13 113,091
Civil Defense	4 47,688	1 13,284					5 60,972
Purch. & Microfilm	11 92,886	1 9,768	1 9,768				13 112,422
Health Department	46 503,664	5 56,982	5 62,094	3 29,772	4 \$41,502		63 694,014
Printing	3 20,172						3 20,172
Civil Service	7 53,538						7 53,538

Table 16 (Continued)

	Duluth	Virginia	Hibbing	Ely	Eveleth	Other	Total
Transportation	6 \$ 57,282	5 \$ 41,184					11 \$ 98,466
Building Department	19 172,950	8 64,350	7 \$ 60,609				34 297,909
Welfare	365 3,084,251	97 789,047	7 63,157				469 3,936,455
Data Processing	42 NA						42 NA
Nursing Homes	498 2,947,591						498 2,947,591
County Attorney	17 234,386	2 19,056	3 30,426				22 283,868
County Auditor	65 576,591						65 576,591
Coroner	2 22,614						2 22,614
Register of Deeds	18 139,932						18 139,932
Sheriff Inc. LEAA-Paid	34 400,306	21 227,248	14 161,592	1 \$11,604		3 \$33,615	73 834,365
Jail	19 175,119						19 175,119
County Court	15 274,052	4 40,680	6 60,320	1 5,448	1 \$5,100		27 385,600
County Court Clerk	26 233,394	5 44,100	4 37,290				35 314,784
District Court	9 90,200	2 17,800	2 17,800				13 125,800

Table 16 (Continued)

	Duluth	Virginia	Hibbing	Ely	Eveleth	Other	Total
District Court Clerk	19 \$ 147,966	4 \$ 35,778	4 \$ 36,528				27 \$ 220,272
Public Defender	1 14,500						1 14,500
Law Library	1 7,533						1 7,533
Examiner Titles	2 27,937						2 27,937
Probation Office	26 \$ 267,159	6 \$ 61,713	4 \$ 42,612				36 \$ 371,484
Total Employed	1,446	233	132	90	5	3	1,909
Percent of Total	75.7	12.2	6.9	4.7	.3	.2	100.0
Payroll	\$11,411,587	\$2,112,306	\$1,306,338	\$841,403	\$46,602	\$33,615	\$15,681
Percent of Payroll	72.5	13.4	8.3	5.3	.3	.2	100.0

CHAPTER V

DIVISION OF THE COUNTY GOVERNMENT AS A RESULT OF PARTITION

CHAPTER V

DIVISION OF THE COUNTY GOVERNMENT AS A RESULT OF PARTITION

In Chapter I it is shown that the administrative expenses per capita for St. Louis County are higher than is the case for other counties of its population size. This is due in part to the immense geographical territory served by the county government, but it is also due, in part, to the differing needs and political sensitivities of Duluth and the Range cities. At the present time there exists to a great extent, two county governments. The following analysis examines the feasibility of dividing the present county government organization into two formally distinct organizations. The government sections are treated in the same order as is found in the preceding chapter.

The County Commissioners

There are presently seven County Commissioners. Minnesota statutes specify that there are to be five Commissioners per county. In the event that the county is partitioned, the Governor is to appoint the required additional Commissioners, in this case three. The County Board is to determine the boundaries of the Commissioner districts. If the new Commissioners are to be paid the same salaries as is true now, \$13,308 per year, the additional payroll would be \$39,924 plus an extra \$600 for the Board Chairman, bringing the total to \$40,524.

If each of the new Commissioners is to have a Clerk at \$6,012, the Clerks' salaries would amount to \$21,643. Thus the total costs of salaries for the new offices would total \$62,167. Each county would have payroll costs of \$97,200, for a total of \$194,400. This is \$70,584 more than the present \$123,806.

Road and Bridge Department

The present distribution of employees may remain as is, except that the Range County would need a County Engineer, a Planner, a Bridge Engineer, a Right-of-Way Agent, a Bridge Maintenance Supervisor, and an Accounting and Records Office. If the present Civil Engineer III, stationed in Virginia were to be appointed the County Engineer, the present salary of \$14,916 would be increased to \$22,404, an increment of \$7,488. The planning probably could be handled by one of the existing Civil Engineer II's or the equivalent, a Bridge Engineer would cost \$12,540, and a Right-of-Way Agent would cost \$12,780. Perhaps an additional Engineering Aide II at \$11,000, and another Clerk-Steno at \$6,000 would be necessary.

The Bridge Utilityman II at Ely could be promoted to Bridge Maintenance Supervisor, supervising the two Bridge Utilitymen I. This would mean an increase in salary of about \$1,500. The Accounting and Records Office would consist of an Accountant II, perhaps two Clerk III's, and a Clerk-Typist I. This would mean additional salaries of \$33,022.

As shown in Chapter IV, the salaries paid to Road and Bridge employees in Virginia, Hibbing, and Ely amount to \$1,972,868. The additional positions would cost \$84,330, bringing the new total to \$2,057,198. This total is based on the assumption that the partition would be made along the Cotton Line. If this were to be the case, the Duluth County would have the existing payroll of \$1,326,109 reduced by one Right-of-Way Agent at \$12,780, and one Clerk III from the Accounting and Records Office at \$7,464. Because part of the planning function would be transferred to the Range County, it is likely that about four Engineering Aide I's could be terminated, reducing salaries by another \$28,800. This would bring the total salaries paid for Road and Bridge by the Duluth County down by \$49,044, to \$1,277,065. Total salaries for both counties would then be \$3,334,263, up \$35,286 from the present \$3,298,977. If there were to be a partition, it is likely that all positions would come under review, and that the total salaries would remain about the same.

If the partition were to be made along the Range Line, adjustments that would have to be made because of the addition of those Townships between the Cotton Line and the Range Line, some 11 Townships and 4 Unorganized Territories, containing approximately 577.25 miles of county roads, or 19.43 percent of the total county roads. While it may be true that there is no constant relationship between the amount of salaries paid and the miles of roads, in the short run, there should be a fair congruency over the long run. Based upon this assumption, the Range County, with 48.3 percent of the road mileage would have 48.3 percent of the total budget of \$3,334,263, or \$1,610,449. The Duluth County would have 51.7 percent or \$1,723,814. It is to note that the budget of \$3,334,263 includes the costs of two administrative organizations, so the resulting salary budgets for the two resulting counties seems workable.

If the partition were to be made along the Duluth Line, the Duluth County would have 19.4 percent of the \$3,334,263, or \$646,847, while the Range County would have 80.6 percent or \$2,687,416.

To summarize, partition of the county would increase total costs of direct payroll for the Road and Bridge Division by \$35,286. It is likely that the review which would accompany partition would result in efficiencies which would keep the total payroll approximately as is. Nonetheless, for purposes of this analysis, the total direct payroll budget is taken to be \$3,334,263 rather than the \$3,298,977 it is at present. The following figures indicate the allocations of this budget for the three illustrative partition lines selected.

	<u>Range County</u>	<u>Duluth County</u>
Range Line	\$1,610,449	\$1,723,814
Cotton Line	2,057,198	1,277,065
Duluth Line	2,687,416	646,847

County Assessor

At present, the Assessor's Office has 16 employees, the County Assessor, 10 Property Assessors and 5 Clerks. If the Property Assessor III were to be County Assessor for the new county, the difference between his present salary and that of the County Assessor, or \$7,752 would be added to the total payroll of \$154,374, bringing the new total to \$161,946. The Assessors and Clerks are to be distributed to the counties on the basis of ad valorem taxes. A distribution on the basis of numbers of parcels would be better, but time does not permit the acquisition of this information.

If the partition were to be along the Range Line, the southern County would have approximately 55 percent of the ad valorem taxes, therefore it would be allocated five of the remaining Assessors and three of the Clerks. The northern County would be allocated four Assessors and two Clerks. If the Cotton Line were to be chosen, the southern County would have 54 percent of the ad valorem taxes, and the allocation of personnel would be the same as it is for the Range Line. If the Duluth Line were to be chosen, the southern County would have 52 percent of the ad valorem taxes, and the allocation would be the same as for the other partitions.

Thus, the payroll for the resulting counties would break down as follows:

	<u>Range</u>	<u>Duluth</u>
County Assessor	1 \$20,352	1 \$20,352
Property Assessor II	3 31,737	2 21,158
Property Assessor I	2 16,750	2 16,750
Assessment Clerk	1 9,036	1 9,036
Clerk II	1 6,174	0
Clerk-Typist	<u>1 5,490</u>	<u>1 5,490</u>
Totals	9 \$89,539	7 \$72,786

The salaries for the Property Assessors II and I is found by taking an average of the salaries now being paid to the incumbents. The total direct

payroll for both counties would be \$162,325, which is \$7,951 more than the present payroll of \$154,374. Again, a thorough-going personnel review could probably result in keeping this budget at its present level.

Land and Timber Department

At present, the Land and Timber Department has 16 employees, the Land Commissioner, 12 Land Managers, 1 Utilityman and 2 Clerks. If one of the Land Manager III's were to be selected as Land Commissioner for the new county, the difference between his present salary and that of the Land Commissioner would be an added cost, in this case, \$3,684. Each resulting County would have one Utilityman and one Clerk-Steno, and the Land Managers should be allocated on the basis of workloads determined by percentages of forest lands in each of the counties. If the partition were to be made along the Range Line, the northern County would have 63 percent of the forestlands, while the southern County would have 37 percent. The northern County would have 7 of the remaining 11 Land Managers, while the southern County would have 4. If the partition were to be made along the Cotton Line, the Range County would have 83 percent of the forestlands, while the Duluth County would have 17 percent. The Range County would have 9 Land Managers while the Duluth County would have 2. If the partition were to be made along the Duluth Line, the Range County would have 93 percent of the forestlands, while the Duluth County would have 7 percent. The Range County would have 10 Land Managers, and the Duluth County would have 1 but practicalities indicate that the Range would still have the 9 and Duluth 2. At the present time, the Range has 6 Land Managers allocated to it, and the southern part of the County also has 6.

The direct payroll costs associated with each of the illustrative partition lines are as follows:

<u>Range Line</u>		<u>Range County</u>		<u>Duluth County</u>
Land Commissioner	1	\$ 15,504	1	\$ 15,504
Land Manager @ \$9,700	7	67,900	4	38,800
Utilityman	1	6,948	1	6,948
Clerk-Steno @ \$6,480	<u>1</u>	<u>6,480</u>	<u>1</u>	<u>6,480</u>
Totals	10	\$ 96,832	7	\$ 67,732

<u>Cotton Line and Duluth Line</u>		<u>Range County</u>		<u>Duluth County</u>
Land Commissioner	1	\$ 15,504	1	\$ 15,504
Land Manager	9	87,504	2	19,400
Utilityman	1	6,948	1	6,948
Clerk-Steno	<u>1</u>	<u>6,480</u>	<u>1</u>	<u>6,480</u>
	12	\$ 116,232	5	\$ 48,332

The total direct payroll for both counties would be \$164,564, which is \$12,758 more than the present payroll of \$151,806. A thorough-going personnel review could probably result in maintaining this budget at its present level.

Memorial Forests

This office has 3 employees with a total direct payroll of \$25,970. It would remain entirely in the Duluth County regardless of where a partition line might be drawn.

Mine Inspector's Office

This office has 4 employees in Virginia with a payroll of \$37,680. It would remain entirely in the Range County regardless of where a partition line might be drawn.

County Surveyor's Office

This office employs 3 persons in Duluth with a direct payroll of \$31,095. It would be duplicated for the new County, so this would mean an increase of \$31,095 over the present budget.

Veteran's Service Office

At present this office has 12 employees, 4 in Duluth and 8 on the Range, with a total direct payroll of \$116,520. There is 1 appointee, 6 Veteran's Service Officers, and 5 Clerks. If the top-ranking Veteran's Service Officer were to be appointed Director in the new County, an amount

equivalent to the difference between his present salary and that of the Appointee would be added to the direct payroll budget, in this case \$1,080. Each new County would have one Appointee, one Clerk and one Clerk-Steno, while the Service Officers would be allocated on the basis of number of veterans in each of the counties.

If partition were to be made at the Range Line, the northern County would have 43 percent of the veterans while the southern County would have 57 percent. Of the five remaining Service Officers, the Range would have 2 while Duluth would have 3. If the partition were to be made at the Cotton Line, the northern County would have 44 percent of the veterans and the southern County would have 56 percent. The Range would still have 2 Service Officers and Duluth would still have 3. If the partition were to be made at the Duluth Line, the northern County would have 45 percent of the veterans and the southern County would have 55 percent, so the allocation of Service Officers would remain the same. The resulting direct payroll budget would be as follows:

		<u>Range</u>		<u>Duluth</u>
Service Officer Director	1	\$ 13,860	1	\$ 13,860
Veteran's Officer @ \$11,195	2	22,390	3	33,585
Clerk	1	7,533	1	7,533
Clerk-Steno @ \$6,990	<u>1</u>	<u>6,990</u>	<u>1</u>	<u>6,990</u>
Totals	5	\$ 50,773	6	\$ 61,968

The combined direct payroll would be \$112,701, which is \$3,819 less than the present budget of \$116,520.

Agriculture Extension Service

At the present this office has 10 employees, 7 in Duluth and 3 on the Range, with a total direct payroll of \$100,400. Of this amount, approximately 47 percent is paid by the County and the remainder is paid by the State and Federal governments. In the event of partition, each County would have 1 Extension Agent, 1 Extension Home Economist, 1 Assistant Extension Agent, and 1 Clerk-Steno. Each County would have a direct payroll

of \$54,611, for a combined amount of \$109,222. The County share would be 47 percent of this, or \$51,334. This would be \$4,591 more than the County now pays, but a review of personnel would probably result in maintaining the direct payroll budget at its present level.

Planning and Zoning Department

At present, this office employs 13, 9 in Duluth and 4 on the Range, with a direct payroll of \$113,091. In the event of partition, each County would have 1 Director, 1 Zoning Planner, 2 Planning Technicians, and 1 Clerk-Steno. The payroll for each county would be \$47,052, for a total of \$94,104. This is \$18,987 less than the present payroll budget.

Civil Defense Department

At present, this office employs 5, 4 in Duluth and 1 on the Range, with a direct payroll of \$60,972. In the event of partition, each County would have 1 Director, 1 Communications Planner and Coordinator, and 1 Clerk-Typist, with a payroll of \$40,452. This is a combined payroll of \$80,904, or \$19,932 more than the present budget.

Purchasing Department

At present this office employs 9, 7 in Duluth and 2 on the Range, with a payroll of \$85,551. In the interests of purchasing efficiency, it is suggested that this office remain as it is, with the Range County paying a share of the payroll equivalent to its share of the dollar value of purchases. Because it is not possible to anticipate what this might be, for the purposes of this study, the Range share is assumed to be 50 percent, or \$42,776. The same reasoning, namely, efficiency in operations, applies to the Records Microfilming function. This function has a payroll of \$26,871, so 50 percent would be \$13,436.

Health Department

There are four sections in this Department, Nursing, Sanitation, Communicable Diseases, and Health Education, in addition to the Administrative group. There are 63 employees, with a direct payroll of \$694,014. This Department is large enough so that if budgets were to be allocated on the basis of population, the budgets would be adequate to continue to provide adequate services. The following figures indicate the budgets for each of the resulting counties for each of the illustrative partition lines.

	<u>Range</u>		<u>Duluth</u>	
	<u>Percent of Population</u>	<u>Budget</u>	<u>Percent of Population</u>	<u>Budget</u>
Range Line	40	\$ 277,606	60	\$ 416,408
Cotton Line	41	284,546	59	409,468
Duluth Line	43	298,426	57	395,588

The combined budgets would, of course, be the same dollar amount as at present.

Civil Service Department

At present there are 5 employees in this office with a total direct payroll of \$53,538. There is 1 Director, 2 Personnel Technicians and 2 Clerks. Each of the resulting counties would have 1 Director, 1 Personnel Technician and 1 Clerk. The budget should be equally divided between the two counties, with no appreciable increase in costs. If this were to be the case, each County would have a direct payroll of \$26,769. If there were to be a partition, this office would have a temporarily larger workload, and would need more personnel for a time. No attempt is made here to determine what the extra costs would be.

County Transportation Department

At present there is a Foreman, and there are also 2 Mechanics, 2 Helpers, 1 Clerk, and 5 Dispatchers. It is suggested that this office remain as is, with the Range County paying a mileage fee for the use of the vehicles. No attempt is made here to determine what that fee should be, but if it were to defray half of the payroll costs, each County would have a direct payroll of \$49,233.

Building Department

At present this office has 34 employees, 19 in Duluth and 15 on the Range, with a total direct payroll of \$297,909. It is suggested that the allocation of employees remain as it is at present except that a Building Superintendent would be appointed for the Range County. If the Building Maintenance II man in Duluth were to be assigned the job, there would be an increase in total payroll equivalent to his increase in salary, which would be \$2,040. The payroll costs to the Range County would be \$139,299, while Duluth County would have costs of \$160,650. The combined payroll would rise from \$297,909 to \$299,949.

Welfare Department

A division of the costs of welfare between the Range and Duluth was estimated by the St. Louis County Welfare Department, and the figures which resulted are used in this study. Table 17 shows the division of Administrative Services costs. Of these costs, \$1,666,175 is directly associated with Duluth services, \$587,698 is directly associated with Range services, and \$584,069 is a cost common to both regions.

Table 17

ADMINISTRATIVE AND HUMAN SERVICES BUDGET DIVISION: 1974

	South	Range	Duluth Support Services for Both
<u>Headquarters</u>			
Board			\$ 4,000
Executive			234,091
Planning			180,016
I & R (67/33)	\$ 75,617	\$ 37,244	
<u>Business Management</u>			
Office Management- Duluth	303,406		
Office Management- Range		142,244	
Accounting			539,063
Medical-Payments (10/. /80)	10,470		94,228
Medical-Range		29,540	
Operations-Duluth	131,727		
<u>Income Maintenance</u>			
Duluth	539,796		
Range		164,354	
Quality Control			36,163
Food Stamps-Duluth	135,593		
Food Stamps-Range		69,502	
<u>Social Services</u>			
Adults - Duluth	814,707		
Families - Duluth	764,165		
Range Services		569,704	
Treatment Resources (80/20)	327,132	81,783	
Subtotal	\$3,102,613	\$1,094,371	\$1,087,561
	58.7	20.7	20.6
Contingency	117,400	41,400	41,200
Total	<u>\$3,220,013</u>	<u>\$1,135,771</u>	<u>\$1,128,761</u>
51.74% County Funds	\$1,666,175	\$ 587,698	\$ 584,069

Table 17 (Continued)

Support Services

It is estimated that if equal services are to be provided the Support Services in Southern St. Louis County could possibly be 80 percent of present costs, but the Range would have to have at least 50 percent of this amount added to their budget so as to handle administrative, planning and accounting functions now done in Duluth.

	<u>Total Budget</u>	<u>County Share</u>
South St. Louis: \$1,128,761 x 80% = \$	903,009	\$ 467,217
North St. Louis: \$1,128,761 x 50% = \$	<u>564,380</u>	\$ <u>292,010</u>
New Total	\$1,467,389	\$ 759,227
Old Total	<u>1,128,761</u>	<u>584,069</u>
Increase	\$ 338,628	\$ 175,158

Table 18 shows the total Welfare budget for 1974. The figure for Duluth Central Office Administrative Functions, of \$584,069 is reallocated as shown above. Thus, the new budget for the Duluth County would be \$8,883,339 instead of \$9,000,191, and the new figures for the Range County would be \$4,516,986 instead of \$4,224,976. The entire combined budget would be increased by \$175,158.

Table 18

ST. LOUIS COUNTY WELFARE
1974 BUDGET
South St. Louis County vs. North St. Louis County

Department No. Name	Total Budget	County Share(1)	County Share for			
			South		North	
			%	\$	%	\$
11 Administrative Services	\$ 5,484,545	\$ 2,837,942		\$ 1,666,175		\$ 587,698
Duluth Central Office Admin. Functions				584,069		
12 Direct Relief	4,212,700	3,229,699	63	2,034,710	37	1,194,989
13 Indirect Relief	171,100	165,300	63	110,751	37	54,549
21 Cook Home	991,727	991,727		991,727		
51 Nopeming	935,480	935,480		935,480		
61 Purchased Services	2,027,000	657,150	62	407,433	38	249,717
63 Day Care Centers	502,415	61,615	50	30,808	50	30,807
64 Group Homes	115,925	14,151	100	14,151		
65 Crisis Shelter	223,966	77,366	47	36,362	53	41,004
66 Residential After Care	141,841	23,051	100	23,051		
67 Senior Citizens Center	274,162	78,515	100	78,515		
17/19 AFDC	8,589,646	1,808,174	70	1,265,722	30	542,452
19 Medical Assistance	11,383,842	2,953,460	62	1,831,145	38	1,122,315
14 SSI	216,942	216,942	59	127,996	41	88,946
Retired Employees	50,525	50,525	59	29,810	21	20,715
Sub-totals	\$35,321,816	\$14,101,097		\$10,167,905		\$3,933,192
Administrative Adjustment	338,628	175,070		(116,714)		291,784
TOTAL	\$35,660,444	\$14,276,167		\$ 9,000,191		\$4,224,976

(1) Includes beginning balance of \$2,422,464

County Attorney

This office employs 22 persons and has a direct payroll of \$283,868. This budget is to be allocated to the counties on the basis of population. Depending upon where the partition line were to be drawn, the Duluth County would have between 57 and 60 percent of the population. For the purposes of this study, the lower figure seems appropriate. This would result in an allocation of \$161,805 to the Duluth County, and \$122,063 to the Range County.

County Auditor

This office employs 65 persons and has a direct payroll of \$576,591. This payroll is also to be allocated on the basis of population, using the same reasoning as described above. This would result in the Duluth County receiving a cost allocation of \$328,657, while the Range County would receive \$247,934.

County Coroner

The services of the County Coroner should be contracted for by the Range County on the basis of services used. No attempt is made here to estimate what the costs of these services might be, but an allocation of 50 percent of payroll costs is used here. The Coroner's office has a Coroner and a Clerk, and a total payroll of \$22,614. The Range County would assume \$11,307, and the Duluth County would assume the same amount.

Register of Deeds

This office employs 18 persons and has a payroll of \$139,932. There is 1 Register of Deeds, 1 Administrative Assistant, 12 Clerks and 4 Clerk-Typists. If the Administrative Assistant were to be made Register of Deeds for the new County, there would be an increase in total payroll costs equivalent to the difference between his present salary and that of the Register of Deeds, in this case, \$4,236. The Clerks and Typists should be evenly divided between the two counties. If this were to be the case, each County would have payroll costs of approximately \$72,084.

County Sheriff

This office employs 73 persons and has payroll costs of \$834,365. Of this amount, \$54,014 is paid by LEAA, so the County pays \$780,351. This sum should be allocated on the basis of population, so, as in the case of the County Auditor, 57 percent of the costs are allocated to the Duluth County and 43 percent to the Range County. The payroll costs would be \$444,800 for the Duluth County and \$335,551 for the Range County. As a matter of fact, however, Duluth now pays \$395,230 (Duluth and Floodwood), while the Range pays \$385,121. In order to maintain the same level of services, the factual figures are used in this study.

Maintenance of Prisoners and Jail

These functions employ 19 persons and have a payroll of \$175,119. The Range should contract for these services on the basis of use. No attempt is made here to determine the percentage of use, and 50 percent is taken as an estimate. This would result in the Duluth County paying \$87,560, and the Range County the same.

County Court

This office employs 27 persons and has a direct payroll of \$385,600. Duluth employs 15, including 4 Judges, an Administrator, a Referee, 2 Chief Deputy Clerks, 4 Reporters, 2 Judicial Officers and an Auditor. There are County Courts in Duluth, Virginia, and Hibbing. If the County were to be partitioned, the Duluth County payroll could be reduced by \$16,000, the salary of a Chief Deputy Clerk. The Range County would need to add an Administrator at \$20,000, a Referee at \$18,852, a Chief Deputy Clerk at \$16,000, and an Auditor at \$12,000, in addition to the 2 Judges, 2 Reporters, and 8 Judicial Officers now located there. The resulting payroll budgets would be \$258,052 for the Duluth County, and \$178,400 for the Range County. The combined total would be \$436,452, or \$50,852 more than the present budget.

County Court Clerk

This office employs 35 persons, 26 in Duluth and 9 on the Range, with a payroll of \$314,784. The budget is to be allocated on the basis of population, with the Duluth County receiving 57 percent of \$179,427. The Range County would be allocated payroll costs of \$135,357.

District Court

There are District Courts in Duluth, Hibbing, and Virginia. In Duluth there are 4 Judges, 4 Reporters, and an Administrator, with a total payroll of \$90,200. The Range has 2 Judges and 2 Reporters with a payroll of \$35,600. The Range County would add an Administrator at \$19,000, bringing the total payroll to \$54,000. The combined payroll would, of course, be \$19,000 higher than it is at present, bringing it to \$144,800.

Clerk of the District Court

This office employs 27 persons with a total payroll of \$220,272. As with the County Court Clerk, an allocation should be made on the basis of population, so that the Duluth County would receive 75 percent of the budget, or \$110,136. The Range County would receive the same cost allocation.

Public Defender

There is 1 Public Defender in Duluth at a salary of \$14,500. In the event of partition, the Range County would have to appoint a Public Defender at about the same salary.

Law Library

At present there is 1 Law Librarian in Duluth, with a salary of \$7,533. In the event of partition the Range County would have to hire one at about the same salary.

Examiner of Titles

This office has 1 Examiner and 1 Clerk-Steno with a payroll of \$27,937. In the event of partition, the Range County would have to hire an Examiner and a Clerk-Steno at about the same salaries.

Probation Office

This office has 36 employees with a payroll of \$371,484. In the event of partition this payroll would be allocated to the new counties on the basis of population. The Duluth County, with 57 percent of the population would receive a cost allocation of \$211,746, while the Range County would be allocated \$159,738.

Table 19 summarizes the payrolls of the resulting counties for each of the three illustrative partition lines. There it is shown that personnel costs to the Duluth County would be \$12,632,183 if a partition were to be made at the Duluth Line. These costs would rise if the line were to be drawn farther to the north, so that a partition at the Range Line would result in personnel costs of \$13,740,370. Thus there is a difference of approximately \$1.1 million depending on the size of the area to be administered. No analysis is made in this study of differences in capital budgets and operating supply budgets.

Table 20 shows that total county government costs would increase by \$460,448 if there were to be two separate governments. As noted throughout the chapter, the personnel review which would accompany partition would probably result in reductions in payrolls, so the actual costs of government for the resulting counties would probably be much closer to what the cost is at present. It should also be noted that many of the services can be contracted by the new county from the old one. In the negotiation processes, it may become desirable to make some user charge analyses, so that a fair cost for service can be established. If such studies are made of county services, there would probably be substantial economies effected in many of the government departments. In any case, even if the total costs of government were to increase by \$460,448, and if these costs were to be evenly

divided between the resulting counties, the added costs for each new county would not seem to be so high as to preclude a partition. It is, of course, impossible to know how the added costs would be distributed between the two new counties because there is no baseline to work from. The development of such a baseline would depend heavily on accounting allocation techniques and policies, and such an exercise is beyond the scope of this study.

Table 19

Costs of Personnel for Duluth County
on Basis of Selected Partition Lines

<u>DULUTH COUNTY</u>			
	<u>Range Line</u>	<u>Cotton Line</u>	<u>Duluth Line</u>
County Commissioners	\$ 97,200	\$ 97,200	\$ 97,200
Road and Bridge	1,723,814	1,277,065	646,847
County Assessor	72,786	72,786	72,786
Land and Timber	67,732	48,332	48,332
Memorial Forests	25,970	25,970	25,970
Mine Inspector's Office	-0-	-0-	-0-
Veterans Service	61,968	61,968	61,968
Agriculture Extension Service	54,611	54,611	54,611
Planning & Zoning	47,052	47,052	47,052
Civil Defense	40,452	40,452	40,452
Purchasing	42,776	42,776	42,776
Records Microfilming	13,436	13,436	13,436
Health Department	416,409	409,468	395,588
Civil Service	26,769	26,769	26,769
Transportation Department	49,233	49,233	49,233
Building Department	160,650	160,650	160,650
Welfare	8,883,339	8,883,339	8,883,339
County Attorney	161,805	161,805	161,805
County Auditor	328,657	328,657	328,657
County Coroner	11,307	11,307	11,307
Register of Deeds	72,084	72,084	72,084
County Sheriff	395,230	395,230	395,230
Maintenance of Prisoners & Jails	87,560	87,560	87,560
County Court	258,052	258,052	258,052
County Court Clerk	179,427	179,427	179,427
District Court	90,200	90,200	90,200
Clerk of District Court	110,136	110,136	110,136
Public Defender	14,500	14,500	14,500
Law Library	7,533	7,533	7,533
Examiner of Titles	27,937	27,937	27,937
Probation	211,746	211,746	211,746
	<hr/>	<hr/>	<hr/>
	\$13,740,370	\$13,267,281	\$12,623,183

Table 20

Present Personnel Costs Compared with
Projected Personnel Costs for Two Counties

	Present	Projected	Difference
County Commissioners	\$	\$ 194,400	\$ 70,584
Road and Bridge	3,298,977	3,334,263	35,286
County Assessor	154,374	161,946	7,752
Land & Timber	151,806	164,564	12,758
Memorial Forests	25,970	25,970	-0-
Mine Inspector	37,680	37,680	-0-
County Surveyor	31,095	62,190	31,095
Veterans' Service	116,520	112,701	-3,819
Ag. Extension	104,631	109,222	4,591
Planning and Zoning	113,091	94,104	-18,987
Civil Defense	60,972	80,904	19,932
Purchasing	85,551	85,551	-0-
Records Microfilming	26,871	26,871	-0-
Health Department	694,014	694,014	-0-
Civil Service	53,538	53,538	-0-
County Transportation	98,466	98,466	-0-
Building Department	297,909	299,949	2,040
Welfare	13,225,167	13,400,325	175,158
County Attorney	283,868	283,868	-0-
County Auditor	576,591	576,591	-0-
County Coroner	22,614	22,614	-0-
Register of Deeds	139,932	144,168	4,236
County Sheriff	780,351	780,351	-0-
Maintenance of Prisoners & Jails	175,119	175,119	-0-
County Court	385,600	436,452	-0-
County Court Clerk	314,784	314,784	-0-
District Court	125,800	144,800	19,000
Clerk of District Court	220,272	220,272	-0-
Public Defender	14,500	29,000	14,500
Law Library	7,533	15,066	7,533
Examiner of Titles	27,937	55,874	27,937
Probation	371,484	371,484	-0-
Totals	\$22,023,017	\$22,607,101	\$460,448

CHAPTER VI

SUMMARY AND CONCLUSIONS

CHAPTER VI

SUMMARY AND CONCLUSIONS

Chapter I enumerates some of the reasons why the partition of St. Louis County is contemplated from time to time, and examines the feasibility of partition in five particulars.

The major reason for contemplating partition is that it is often expressed by parties from the Range and from Duluth, that the resources of one population group are being used by the county government to pay for services largely utilized by the other population group. This argument takes many forms, but the basis for the argument is the opinion that there is inequity in the allocation of tax revenues. This argument has evolved because the Range cities and Duluth form population concentrations separated by a large rural-village hinterland, so that these population centers have developed almost as separate cultures, certainly as separate socioeconomic entities. And the existence of the hinterland has made it seem that a partition line could be drawn through it with little disturbance of existing population centers.

None of the factors examined in Chapter I would seem to preclude partition. There is great flexibility and discretion available to the county government in terms of the numbers and kinds of services to be provided, so that it is not a matter of being forced to provide services regardless of the ability to pay for them. County partitions have occurred on two prior occasions in Minnesota, so that there is some precedent for doing so and the Minnesota Statutes clearly contemplate the possibility that other partitions may occur.

If partition were to occur, the resulting counties would be of a geographic size and population size which would still be significant. While St. Louis County now ranks 40th in terms of geographic size, the resulting counties would rank about 147th out of 3,107. In terms of population size, St. Louis County now ranks 179th, while the resulting counties would rank about 333rd.

St. Louis County now has General government expenses per capita which are roughly double the average for counties of its size. The cost curves for current expenses by county governments is U-shaped, so that per capita expenses go down as the size of the population increases to about 100,000, and then start up again. This means that a partition, and consequent reduction in the population sizes of the resulting counties, may provide conditions favorable to a reduction in current expenditures per capita.

Finally, there appear to be no other governmental or administrative boundaries which would be seriously violated by a partition. Prior partitions have been made on the basis of Township lines, and if this precedent is followed, there would be no division of townships, cities, or villages. On all the bases considered to this point, a partition of St. Louis County appears to be feasible.

Chapter II shows a comparison of potential demand for county services and potential resources available to support this demand on a Township basis. This analysis is based upon selected indicators of demand and resources. Map 38 summarizes the data and shows that, regardless of where a partition line might be drawn between Duluth and the southern edge of the Range, the Duluth County would have a demand approximately 10 percent greater than the resources available to support this demand. This means that there would be little advantage to Duluth to annex Townships to the north, up to the southern edge of the Range. In fact, solely on the basis of this type of analysis, there is no advantage to Duluth in partitioning the county. On the other hand, there are advantages to the Range County. In any case, the examination of potential demand and potential resources is not exhaustive. Analysis is also made of the existing revenue contributions and service allocations on a Township basis.

Chapter III treats this matter, and examines Township contributions and receipts from the three major county government funds; General Administrative, Welfare, and Road and Bridge. The analysis shows that the farther

north the partition line might be drawn, the larger the discrepancy becomes between tax contributions and receipts. This discrepancy favors the Duluth County. If the collection and distribution of the taconite taxes are included, the discrepancy becomes even more pronounced. There is some evidence to indicate, however, that sufficient revenues are generated from the ad valorem taxes from the Duluth area to support the levels of services received there. A reallocation of existing funds would be necessary, however, and no comprehensive analysis of the possibilities is made here.

Chapters IV and V describe the organization of the present county government and examine the possible division of this organization for the administration of two counties. Chapter IV shows that county employees are widely distributed geographically, considering that administrative functions are headquartered in Duluth. The Duluth area, with approximately 57 percent of the total county population, has 76 percent of the employees and 73 percent of the payroll. Chapter V, describing the reallocation of county personnel, indicates that \$460,448 would be added to payroll costs as a result of partition. The personnel review which would accompany partition would probably reduce this increase substantially, and there are possibilities that the new county would contract for services with the old one in order to keep costs down. So it would seem that the same level of services may be provided at costs very near what they are at present. Perhaps the main reason why this would be so is that there are, at present, almost two separate county governments.

In general, partition is feasible, and there is very little difference in where the line is drawn, as long as it is somewhere between the Duluth metropolitan area and the southern edge of the Range. The hinterland between the population centers can contribute little in the way of resources, and makes little demand on county services. The exception to this is the roads, which traverse it. These roads must be maintained and cleared, but would seem to provide very little direct benefits to the hinterland area.

While there would be demonstrable benefits to the Range as a result of partition, they would not seem to be very large. The present revenue collections and disbursements appear to be favoring the Duluth area by about 10 percent, so that this, by itself would not appear to be unduly discriminatory. On the other hand, the inconveniences of distance to the county seat, and other annoyances may make partition advisable. It would seem to be a matter best to be settled by ballot.

While there appear to be few benefits accruing to the Duluth area as a result of partition, there is one possible benefit which is impossible to derive at present which may be possible if there were to be a partition. If a partition were to be drawn at the Duluth Line, there would be great congruence between the area presently served by the Duluth municipal government and that served by the resulting county government. This would make it feasible to examine the possibility of consolidating the municipal government with the county government.

At present, there are 21 consolidated city-county jurisdictions. Four have been approved since 1969, and 13 have been approved since 1947.⁽¹⁾ Even though the odds against consolidation passage are 3 to 1, there appears to be increasing interest in this type of consolidation. The five most frequently cited benefits from city-county consolidation are;

1. promoting greater efficiency in the provision of services,
2. promoting economy of scale and co-ordination of services,
3. reducing the amount of governmental fragmentation,
4. permitting an area to bring together the resources of the central city and the surrounding area, and
5. reducing the need for the creation of special districts or authorities.

⁽¹⁾ FACT, op.cit., pp. 59ff.

It seems possible, then, that the advantages to the Duluth area would be greater as a result of a consolidation of the city and county governments than they are at present with the single county set-up. It also seems that such a consolidation could not be undertaken unless there were to be a partition.

A county partition and a city-county consolidation would probably have large and lasting benefits for the existing population concentrations. If a partition were to be made at the Duluth Line, however, those residents in the southwestern part of the present county would be almost as inconvenienced by distance to the county seat as those residents north of the Range are at present. Yet cursory analysis of populations and distance indicates that no single county seat could be located without inconveniencing someone in a county as large as St. Louis County.