



Grass Roots Report

ND Association of Township Officers
Finley, ND 58230

NDTOA

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Newsletter Editor
Notes...

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MAY 2004

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

Ten Percent Membership Attended Workshops

The bi-annual mid-February workshop program concluded with about 10% of the members of our association attending. This program began in the late 1970s and has been put on every off legislative year since then.

Some of the usual highlights of the program are to discuss the changes in the laws that were made in the immediate past legislative session as they pertain to the duties and responsibilities of your office in your township.

Free updates to your township manuals are distributed to as many officers as possible. Tom Moe, our Attorney-At-Law, has always been present to answer your questions and to resolve the legal problems that you may have.

Mark Verke, Risk Management Specialist from the NDIRF, puts on his slide show that helps us recognize what we can do to reduce the risk of accidents and problem areas in our townships.

This year we had representatives from the IRS to discuss and teach us what is required of us to comply with the federal laws on withholding Social Security and Medicare taxes from our wages as township officers.

Call Rhonda Kingsley at 701-239-5400 or Allyn Klamann at 701-227-0133 should you have any questions on the tax subject.

Near the end of each workshop a short skit, which shows the practical application of most of the newly passed laws from the immediate past legislative session, is enacted.

During this skit our legal expert, Tom Moe, explains how the new laws affect you as a locally elected township officer by using the members of the traveling crew as the not ready...but willing...for prime time players.



Group skit participants included Tom Moe, Mark Verke, Rhonda Kingsley, and Nolan Verwest.

If you have not attended a workshop, I ask you to find someone who has and discuss it with him or her as that information is necessary to keep you up to date as you serve your township.

Please make an extra effort to attend in 2006.



Mark, Nolan, and president Donny Malcomb who appears to be having a bad hair day.



Secretary Ken Yantes and Donny enjoyed the skit and workshop.



Allyn Klamann explains how to fill out the necessary forms.

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President's Message *Donny L. Malcomb*

Greetings once again township officers. Spring has finally sprung, as the snow is just about gone in our area and tractors are in the fields.

It was a long and more difficult than usual winter in some areas of our state. The northern half in most areas had above average snowfall and this created some difficult days with drifting snow and visibility.

It also created tremendous problems for some of our townships because of all the snow removal necessary to keep their roads open. Some townships spent their entire annual budget on snow removal.

This leaves them with little or no money for summer maintenance or repairs. Disaster aid or assistance from the federal level looks to be very poor as they are at this time allowing disaster for only three days of removal.

Most of the snow removal money will have to come from the townships treasury. What can be done to raise more money? The only real tool we have is to increase property taxes. I realize some of you are at your maximum levels now, but are you?

You can levy up to a maximum of 18 mills standard mill levy. With proper notification to your residents you can pass an excess mill levy of up to 50% of your 18 mills or another nine mills.

This is good for five years and must be renewed to continue. You can also pass another three mills for mowing and snow removal on top of the regular 18 mills and nine mills excess levy giving you a total of 30 mills. The three mills mowing and snow removal must be renewed each year.

To implement the mowing and snow removal mills they must be properly advertised and voted on by the residents of your township at an annual meeting or emergency meeting.

If you have unpaid taxes in your township you may also borrow money up to the unpaid amount of taxes from most lending institutions. See your township manual for more details and information on implementing these fund raising instruments.

Thank you for your participation in road show or as we call them workshops in February. Some of you risked some really bad roads and weather to make it to our workshops. We greatly appreciated your attendance!

Close to 600 people attended our workshops across the state. Hopefully

they were educational and maybe even entertaining. Overall I believe they were a great success.

Thanks to Ken Yantes, Tom Moe, and Nolan Verwest of our state association for taking time off from their families and occupations to help make the workshops such a success. Thanks also to all the district directors who attended meetings in their districts.

Thanks to the North Dakota Insurance Reserve Fund for allowing Mark Verke to attend our workshops and do such a wonderful job of informing us on road signage and road right of way clearance.

Thanks also to the NDIRF for sponsoring our township manual updates. Thanks to Vern Monger from the Local Technical Assistance Program from NDSU for providing us with additional road maintenance information and introducing us to their sources of information and assistance for townships.

THANK YOU EVERYONE!

The only downside of our workshops was that some of you were disappointed in having to pay a registration fee for attending our workshops. We apologize for not mentioning a registration fee in our announcements or ads.

You should have been forewarned. However the workshops cost several thousands of dollars to put on. We must pay for most locations we meet at, the coffee and cookies, mileage to get to the locations, hotel expenses for the workshop presenters from our association, etc.

This doesn't include reimbursement for lost wages or income these people lose for taking two weeks away from their jobs or professions. Your dues alone don't allow us to cover the expenses of these workshops, thus we need to charge registration fees. I believe our workshops are worth the fee because of the information and ideas shared.

It was my pleasure this past month to attend annual county meetings at Wells County and Mountrail County. I know our directors have attended county association meetings in other counties. Thank you for inviting us and thank you to those directors who attended those county association meetings.

One question I said I would address in this newsletter is compensation for township clerk and treasurer combined positions. Compensation can only be that of the clerk and that is \$20 per day and a maximum of \$600 per year.

Secretary's Corner *Ken Yantes*

Spring planting season is in full swing for some of us and for others it is nearing completion.

When I was first elected your State President in 1987, I had quite a surprise with the variables found in our state township problems from east to west and from north to south.

We still have those variables but what is constant is the best and the most responsive government, is the government closest to the people—township government.

Since 1987 population shifts have drastically reduced the numbers of rural residents but it has not reduced the number of township roads, signs required or the vigilance to dangerous road conditions.

These we all share and this holds us together as a state association and gives us the reasons for being an officer in the grassroots government organization called the North Dakota Township Officers Association.

Minimum Maintenance Roads

The township board may designate a road as a minimum maintenance road in accordance with sections 24-07-35 through 24-07-37 in the NDTOA handbook. The designation may be made if the board determines that the road is used only occasionally or intermittently for passenger or commercial travel.

The designation cannot be made if the road is used as a school bus route, mail route, or as the only access to any existing residence.

Signs shall be posted at the beginning of the road and at regular intervals along the road. If the signs are properly posted, that fact is evidence that adequate notice of the road's status as a minimum maintenance road has been given to the public.

Check Your NDTOA Handbook!

Look inside at the first or second page of your handbook. If the last update listed on that page is 2002 Revision (year dated pages), then you need to contact any one of the NDTOA officers and directors listed page 2 of this newsletter for the newest update marked **2004 Revision (year dated pages)**. There is no charge for the 2002 and 2004 updates.

Also note that these updates will not be helpful if you do not have the 2000 Revision (complete update). Complete handbooks may be purchased from Nolan Verwest or Ken Yantes at \$12.00 each.

*If you don't know where you're going,
you'll probably end up somewhere else.* —Laurence J. Peter



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Educational Opportunities

The following courses are available to assessment personnel through 2005. All courses will be held in Bismarck at the Comfort Inn.

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NOVEMBER 15-19, 2004

Tax Administration

MAY 9-13, 2005

Agricultural Land Valuation

NOVEMBER 14-18, 2005

Teaching Appraisal Techniques

For more information, contact LuElla Dahme, Property Tax Specialist at (701) 328-3143 or e-mail idahme@state.nd.us



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The Country Lawyer *Thomas R. Moe, Attorney-at-Law*



I trust all had a good winter and are looking for a productive spring.

We once again produced several township officer workshops in February and it was good to meet so many of you.

Still, the attendance at the workshops is not near what it should be. It's pretty frustrating to get phone calls from township officers the week after we get home from the workshop tour and have to answer the same questions we worked on at the meetings.

The state association can only plan the meeting topics and set a schedule and hope people will attend. It's the old "lead the horse to water but can't make him drink" theory at work!

One of the main topics at the workshops was the discussion about the IRS requirement to make employee tax filings. I know several are unhappy about having to do this, but it is the law and I think after listening to both Al Klaman and Rhonda Kingsley from the IRS explain the procedure, most people came away with the thought that the process really shouldn't be too tough to accomplish.

Give me a call should you have any troubles and watch this newsletter and our internet website for future information. You can contact the above folks at the IRS for their help, too.

Spring is a good time to do a road and sign survey in your township. You can determine how many signs need either refurbishing or replacement. I know a lot of signs end up with bullet holes—it is always amazing to me how those deer know enough to stand right behind those signs so the hunter has no other choice but to shoot through the sign to get the best shot!

Seriously, check for good reflectivity of the signs and proper placement. If the sign doesn't pass muster, either take it down, or get it replaced.

Have a safe summer.

Q. We decided to change the date of our annual meeting to an evening in April, after all our snowbirds came back. Was this legal?

A. I doubt it. The state law is pretty clear: "...the citizens of the township shall annually assemble on the third Tuesday in March..." There really isn't any wiggle room in the law. We've talked about going to the Legislature for a change, but we would have to satisfy the concerns about tax equalization, I think, because that meeting is in early April each year, and the township annual meeting would have to be before that; thus the historical reason for the March meeting.

Q. We only have about 20 residents in our township. In fact, 15 of them are from the same family unit. All three supervisors are therefore from the same family. Is this legal?

A. Nothing in the state law that I know of prohibits this. I suppose the argument could be made then that this family "controls" the township. While this is true, I don't believe it's against the law. Obviously, it's not good practice to have all from the same family, because one would want all views represented. Hopefully, the supervisors are watching out for the best interests of the township, and not just their family.

Q. We have a gravel supplier that will give us a good discount on gravel if we pre-pay for the gravel this spring. Is it legal to prepay expenses?

A. It's probably not good accounting practice for a political subdivision to do this, but if the savings to the township is substantial then it is probably prudent to do so. I believe it is legal to do this. Did you bring it up at the annual meeting? I would feel better if the patrons at the annual meeting gave you the authority. Also, you need to be concerned about assuring yourself that the supplier will actually deliver, and not run out on you.

Q. Can a supervisor waive his compensation. He doesn't think we should have to file those IRS forms, so if he doesn't get paid then we won't have to file. Right?

A. Anyone can refuse his pay. If all three supervisors plus the clerk and treasurer do the same, then you are right—no forms would have to be filed. Seems kind of harsh, though, to not pay someone the few dollars that we give them, just so we don't have to fill out a few forms!

Q. We had several landowners at the annual meeting that live in town. We told them they couldn't vote, but can they even be there?

A. Absolutely. A township meeting is a public gathering under our law and anyone, regardless of voting status, can attend. They can even participate and ask questions if the chair recognizes them to do so.

Q. "We only pay our officers \$100 a year. Do we have to file those darn IRS forms?"

A. YES!



Sound travels slowly. Sometimes the things you say when your kids are teenagers don't reach them until they are in their 40s.

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President's Message cont'd from page 2

Some of the problems we have worked on so far this winter and are still seeking resolutions are:

- Williams County townships are having difficulty certifying new tax assessors for their townships.

The director of tax equalization refuses to certify or train new assessors. At this time we have advised them to attend certification meetings in other counties as they do not have to be certified in the county they assess in—a temporary solution until we can determine a final solution.

- Wells County is having difficulties with assessors also in that the county commission and director of tax equalization has hired out-of-state appraisers to appraise property that certified township assessors have already assessed.

Some townships in Wells County are having difficulties with the county

commission, being billed for nonregular road maintenance projects, without first notifying and receiving approval from the township board.

This to me is lacking common courtesy and good business practices on behalf of the Wells County Commission and the Wells County Road Department. Hopefully further negotiations will correct this problem.

We realize the shortage of funds your townships are facing and it is difficult to come up with answers to increased funding for townships. As you are aware the state now has a lottery system.

It is believed that this system will generate \$10 to \$15 million revenue to the state general fund. This money we believe at this time is undesignated for any specific purpose.

The NDTOA is working on possible legislation to see if we can direct some of the funds to townships for road maintenance and emergency funds. Ideas are still very broad and indefinite so we

are open for discussion from you on this idea.

Setting up the bill and getting it passed in the next legislative session will be difficult and challenging. We will definitely need your support to get it passed if feasible.

Hopefully you made it through your annual meetings and the IRS requirements weren't too difficult for you. Next year will be easier as you will be doing the same thing over again. Change is difficult because we sometimes make it difficult. Next year this will be just our normal way of doing business.

Don't forget our annual meeting the November 29 & 30 in Bismarck. We are open for ideas for workshops, speakers and entertainment.

Hope you have a great spring. Even though you are in a hurry and working those long hours please think and remember safety in work and play. Talk to you in late summer. *Have a nice day!*

*A positive attitude will not solve all your problems,
but it will annoy enough people to make it worth the effort.* —Herm Albright

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Sometimes A Picture Is Worth A Thousand Words...

As a part of the NDIRF's commitment to assist townships in reducing their risk exposures through appropriate education, we maintain a well-stocked library of training videos covering subjects pertinent to our member's operations.

A complete list of the videos available and checkout procedures for Fund members is located online at <http://www.ndirf.com/tools/video.asp>

In an effort to keep these materials pertinent to current member issues, the video library is updated from time to time and a number of new videos have been recently added that may pertain to risks encountered by your township, including:

- **Safety Awareness For Seasonal Employees**

This video discusses a variety of safety hazards and safe practices applicable to seasonal and volunteer workers.

- **Managing Sanitary Sewer Overflows**

Provides in-depth (no pun intended) information regarding prevention, inspection and maintenance to help reduce the frequency and severity of these overflows.

- **Recreation Activity Liability**

A video designed to assist supervisors and managers of recreational facilities in

identifying physical and personnel exposures as well as possible controls to help prevent accidents.

- **Employment Practice Liability**

Describes how public officials can be sued for employment practice claims and teaches them how to avoid lawsuits.

- **Zoning and Land Use Issues**

Explains due process, adjudicatory decisions, discoverable testimony and the need to follow an entity's existing land-use regulations. Group home and adult entertainment business examples are used to illustrate the consequences to public officials of "targeting" certain projects.

- **Conducting Public Meetings**

Opening with a meeting that has become a shouting match, this video shows public officials how to avoid lawsuits while maintaining control during controversial public meetings.

- **Understanding Governmental Liability**

Examines some of the common liability situations that your employees can encounter while providing services and functions.

- **Volunteers and Liability**

This video will help you to identify,

plan for and address the various risks posed by volunteers. It provides useful tips such as appointing a volunteer coordinator, establishing volunteer management programs and evaluating hazards.

- **Special Events—Special Liabilities**

A program that stresses the importance of pre-event planning. It covers such topics as site safety surveys, crowd control, establishing emergency plans, traffic control and common liability exposures.

The NDIRF has obtained and manages these videos in a lending library for your use. They can provide an essential component of the training toolkit for your public officials and employees.

Please feel free to make use of them in your continuing education programs. If, after reviewing our website, you have questions on ordering a training video, please contact Doug Griffin, Mark Verke, or Ross Warner in the NDIRF office.



*The trouble with doing nothing
is that you never know
when you are done.*

REMINDER: IRS FORM 941 DUE APRIL 30, 2004

IRS Form 941, Employer's Quarterly Federal Tax Return, for the first quarter of 2004 is due April 30, 2004. The U.S. Supreme Court has held that public officials, such as elected and most appointed township officials, are employees of the public entity they serve. If compensation is paid to employees of the township, whether they are paid monthly, quarterly, or yearly, a Form 941 filing requirement is established. Compensation paid to elected and most appointed township officials, as well as other employees of the township, is subject to social security and Medicare taxes. See IRS Publication 463, Travel, Entertainment, Gift, and Car Expenses for treatment of reimbursed expenses.

If compensation is paid to these individuals during January, February, or March 2004, the Form 941 is completed showing the total compensation paid as well as the amount of Federal income tax withheld (as applicable), social security and Medicare taxes withheld. A tax liability for the quarter of less than \$2,500 may be paid with the Form 941, using the payment voucher Form 941-V, if the taxes are paid in full with a timely filed Form 941.

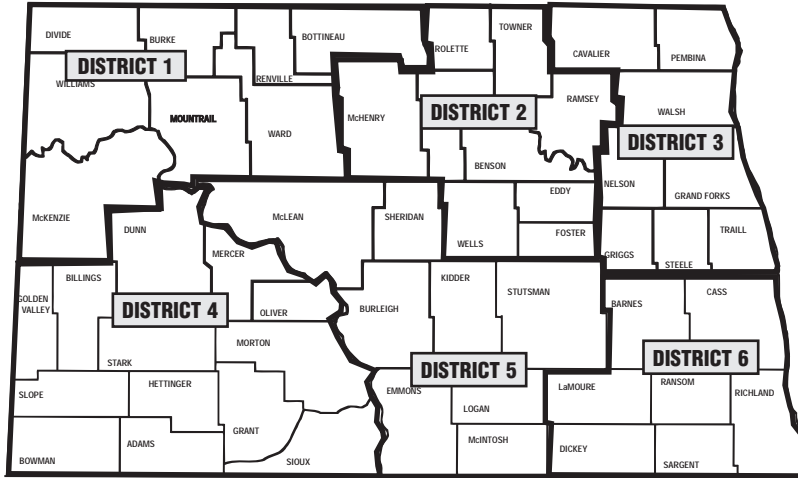
If no compensation is paid during the first quarter of 2004, but will be paid in a later quarter, the Form 941 for the first quarter of 2004 will be completed showing zeros on lines 2 through 15. The instructions for Form 941 contain additional information regarding this form.

Please contact IRS Federal, State and Local Government Specialists Allyn Klamann at 701-227-0133 (e-mail allyn.r.klamann@irs.gov) or Rhonda Kingsley at 701-239-5400, ext 261 (e-mail rhonda.g.kingsley@irs.gov) with questions regarding the Form 941 or any other township Federal employment tax responsibility.

If you don't think cooperation is necessary, watch what happens to a wagon if one wheel comes off!

NDTOA Board Districts

Go to the sidebar on page 2 to find the address and phone number of your district director.



Farmer or Farm Laborer?

Some individuals incorporate their farm business and receive wages from the corporation for their work on the farm. Those individuals are laborers and their wages are non-farm income.

Residences occupied by those individuals are not eligible for exemption as farm residences because they are not occupied by a farmer as defined in NDCC 57-02-08(15)(b)(2).

It allows exemption of buildings and structures located on agricultural land and used as part of a farm plant.

It is the position of the Office of State Tax Commissioner that a residence is eligible for exemption as a farm building if it is used to house a farm worker or farm laborer and is part of a farm plant.

Eligibility for exemption as a farm building is not affected by the farm or non-farm income of a farm laborer residing in that building.

Warning Signs

Any person in charge of any work or repairs on any public road, culvert, or bridge who fails or neglects to erect and maintain suitable warning signs as provided in Section 24-03-09 and 24-03-10 of your Township Officer's Manual is guilty of a class B misdemeanor.

Upcoming Convention

It's not too early to make plans to attend the NDTOA annual convention to be held on November 29 and 30th in Bismarck.

Please contact any of the officers or directors if you have ideas for the workshop, speakers or entertainment.

Last year's convention was well attended and we look forward to seeing you in Bismarck! Watch for more information on this in the next newsletter.

DISTRICT 1: Floyd Miller, Director
Williston, ND

Counties included in District 1 are Divide, Burke, Renville, Bottineau, Williams, Mountrail, McKenzie, and Ward.

DISTRICT 2: Ralph Olson, Director
Maddock, ND

Counties included in District 2 are Rolette, Towner, Benson, Ramsey, Pierce, Eddy, Foster, McHenry, and Wells.

DISTRICT 3: Larry Syverson, Director
Mayville, ND

Counties included in District 3 are Cavalier, Pembina, Walsh, Nelson, Grand Forks, Griggs, Steele, and Traill.

DISTRICT 4: Kerry Schorsch, Director
New England, ND

Counties included in District 4 are Golden Valley, Billings, Slope, Bowman, Adams, Hettinger, Stark, Dunn, Morton, Sioux, Oliver, and Mercer.

DISTRICT 5: Barb Knutson, Director
McKenzie, ND

Counties included in District 5 are McLean, Sheridan, Burleigh, Kidder, Stutsman, Emmons, Logan, and McIntosh.

DISTRICT 6: Robert Forward, Director
Oakes, ND

Counties included in District 6 are Barnes, Cass, Ransom, LaMoure, Dickey, Richland, and Sargent.



*Things turn out differently in different situations.
As the country western song says, "Sometimes you're the windshield,
and sometimes you're the bug."*

**A special thanks to V-W Motors
of Carrington on the use of a van
during our workshops!**

Be sure to sign up! If you are interested in receiving this newsletter by e-mail, please contact Kerry Schorsch at Rt. 2 Box 15, New England, ND 58647; (701) 579-4703; e-mail kerry@globaladvertising.com or log on to www.ndtoa.com and fill out the form.