

CAUCUS

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As far as the issues go, Stone said the caucus discussed the situation of one party controlling the governorship as well as both chambers of the legislature, as is currently the case with the DFL.

Participants also expressed displeasure over new taxes approved by the Legislature, as well as the stadium tax levied to fund a portion of the new Minnesota Vikings stadium being built in Minneapolis.

“No one seemed happy with the new MNsure taxes and the abject failure of that system,” Stone said.

The caucuses also conducted a straw poll to see who the party would favor locally in elections for various races. The caucus preferred Marty Seifert to run against Gov. Dayton, Stone said, which is consistent with state results. To run against U.S. Sen. Franken, Stone said the caucus preferred Mike McFadden, which differs from

“People are energized about working to make sure everyone understands the issues.”

Joe Boyle
DFL Party chairman



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Terry Stone
Republican Party chairman



the statewide preference for state Sen. Julianne Ortman.

“I think it’s because the state’s out of sync,” Stone said. “I had dinner with McFadden the night before the caucus and he’s grown exponentially as a candidate.”

To run against Rep. Nolan, Stone said the caucus preferred Stuart Mills III,

an executive with Mills Fleet Farm.

The GOP will hold its county convention at 6 p.m. Tuesday, May 6, at the Littlefork Community Building, Stone said.

If people want to attend the convention, he said they’d be welcome. As far as setting up a local party headquarters, that’s “not what we do,” Stone said.



STAFF PHOTO

Northland Fishing Tackle is ending production at its Ranier facility Feb. 28. The total number of people affected by the closure is around 25, with some working part time and others serving as full-time employees.

CLOSING

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“It’s more people chasing after fewer jobs,” Nevanen said. “It shows how precarious things are out there. We’re competing with places all over the world.”

The decision to close the facility was a “really unfortunate event,” Braun said. The facility had been experiencing extended operating losses, he said, and NFT couldn’t absorb those losses anymore.

“We’re trying to make sure the closure is done

the right way,” Braun said. “We want to do it within the Northland Fishing Tackle values system.”

The right way involves providing advance notice to employees as well as putting together severance packages, Braun said. NFT will also provide community assistance and job training, he said, as well as putting employees in touch with placement resources. The company will work with employees to put them in touch with any resources they may need, he said.

Peterson founded NFT in 1976, and purchased the

Ranier production facility in 1999, Braun said. In 2009 Peterson sold NFT to a group of private equity investors and stayed on as a partner and a member of the board of directors.

Losing more jobs in Koochiching County places a greater emphasis on keeping the jobs and businesses that are already here, Nevanen said.

“We just can’t take any of these jobs for granted,” he said. “It underscores the need to keep what we have healthy and continue to pursue bringing other jobs to the area.”

LOGGING

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“Unfortunately the change is not going to be within the capability of the loggers. They have already cut their operations down to the bare bones as far as being efficient and lean. There is no more room to cut.”

Instead, he said, change must come in the form of policy and from the way forest managers do business.

The conditions have been exacerbated locally with a long, frigid period causing machines and trucks to use more expensive diesel fuel, as well as a price cut by the Boise Paper mill, leaders in the industry said.

PRICE CUT

Dane said Packaging Corporation of America, which acquired in October the Boise Paper mill in International Falls along with the other Boise facilities, reduced the price paid to loggers by 1.5 to 2.5 percent for delivered wood.

“This price cut that PCA implemented ... just drove the other 20 percent of loggers into that break even or loss category,” Dane said.

The Jan. 1 price cut came at “the worst possible time when loggers go into the make or break winter harvest season and it puts loggers in a position that they may very well come out of the winter making no money,” Dane said.

Lori Lyman, Boise Paper public affairs manager, called the price cut a propriety issue and declined to comment.

Dennis Wagner, owner of Wagner Logging, said he wasn’t surprised by the price cut.

“The only loyalty they owe is to their shareholders,” Wagner said of PCA. “If I was shareholder, I’d say they were doing a good job; but if I’m a logger, I’d say they were doing it at my expense.”

But Wagner stressed he wanted to discuss the issue with management. Instead, he said local mill foresters contacted all the contractors to tell them of the price cut.

He credited the foresters for pleading the loggers’ case, “but probably not as hard as we would have,” he said. “I’ve worked 40 years for the company, and some loggers a lot longer, and when a decision is made like that I’d like to have a conversation with the person making that decision, not just the messenger.”

Dane, too, said no one

holds the local paper mill employees and the company foresters responsible for the price cut. He said PCA has determined what it will pay.

Wagner said the cuts were reflected as a \$3.50 cut per cord across the board, or \$2.50 on open market wood and \$1.50 on controlled wood. Controlled wood, he said, is wood the company purchases from the state, county or other private landowners and loggers cut it for them. Open market wood is stumpage purchased by the logger from the county, state or other source which is cut and sold to the company. Stumpage refers to standing timber.

He said the cut represents a loss of about one-third of the income of some loggers.

“This is definitely going to affect everybody’s bottom line,” he said. “It’s going to hurt.”

Wagner said he may be more fortunate than others in the local logging community because he has other market sources, while many loggers do not.

“Most loggers have no other choice but to cut the wood,” he said. “They have no other place to go. This emphasizes the need for another source.”

Wagner said he is no longer delivering wood to the Boise Paper mill because of the cut.

“We chose not to cut the controlled they gave us, but I think we’re the only ones,” he said. “But we had another choice with wood supply with International Bildrite, so we’re still delivering open market wood.”

He said the decision was tough, as his father logged for the local mill for 35 years before he began his 40-year logging stint.

“I have never turned down a contract,” he said. “Just the economics didn’t work out.”

One of the explanations for the price cut, Dane said, was the company wanted to drive the price of stumpage down.

Dane said Minnesota could take actions to make the state more competitive in the forest products industry by opening more lands to logging and driving the price of stumpage down.

“However, doing a price cut on Jan. 1 for wood that was purchased in the previous 12 to 24 months has no bearing on the price of that

wood being harvested right now,” Dane said.

With no advance warning, loggers couldn’t plan for the cut when they purchased the wood, he said.

The extreme cold weather is compounding the effect of the price cut, he said.

“Loggers are behind on production, the cost of production has gone up and we’ve faced record high fuel prices because loggers have pretty much had to buy No. 1 diesel fuel as opposed to the blends, or No. 2, which do not operate in these extreme cold conditions,” Dane said.

The price puts loggers in a very difficult position when they evaluate the future of their business, he said. The cut represents a \$600,000 to \$1 million annual loss directly impacting loggers.

Wagner said many loggers are older and will choose to absorb the price reduction as long as they can and hold out to replace aging equipment down the road. At that point, he said new equipment will require a huge investment for operations that cost in the millions of dollars.

“If I were 70 years old, I would think twice about putting that money back into it,” he said.

He said the real struggle will come in three or four years when the average logger decides whether to make an investment in equipment and whether bankers will help them with that investment.

“I have never seen a harder working group of individuals than these loggers,” he said. “I know what they have to do to make the margins they have to. The local foresters know, too. But this is not their decision.”

Dane said he could not suggest other loggers to comment on the price cut because they are reluctant to voice their opinion for fear of having their supply agreements impacted.

The price cut combined with the other stresses of this winter will likely impact spending in the local community on just about everything — from trucks to groceries.

In addition, Wagner said Koochiching County’s will not get the maximum return for the wood it sells under the price cut, which impacts local taxpayers.

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ORDINANCE NO. 11, 5th SERIES

AN ORDINANCE OF THE CITY OF INTERNATIONAL FALLS, MINNESOTA, AMENDING CITY CODE CHAPTER 5 ENTITLED “LIQUOR, WINE AND BEER LICENSING AND REGULATION” BY AMENDING SECTION 5-43 “SUNDAY SALES” TO ALLOW 10:00 A.M. SUNDAY SALES

THE CITY COUNCIL OF THE CITY OF INTERNATIONAL FALLS, MINNESOTA DO ORDAIN AS FOLLOWS:

Section 1. City Code Section 5-43 entitled “SUNDAY SALES” is amended to read as follows:

A Sunday liquor license may be issued for on-sale to hotels, motels, restaurants or clubs, as herein defined, and which have facilities for serving not less than 30 guests at one time, may serve liquor between the hours of 10:00 a.m. and 12:00 o'clock midnight on Sundays except when New Year's Eve occurs on a Sunday, and then the establishment can be open from 10:00 a.m. on Sunday until 1:00 a.m. on Monday.

Section 2. After adoption, signing and attestation, this Ordinance shall be published once in the official newspaper of the City and shall be in effect thirty (30) days after the date following such publication.

Robert W. Anderson
Robert W. Anderson, Mayor

Attest:

Betty Bergstrom, Interim City Administrator

Passed its first reading this 21st day of January 2014.
Passed its second reading this 3rd day of February 2014.

Published: Saturday, February 8, 2014
Effective: Tuesday, March 11, 2014

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