

Local News

Tree preservation ordinance work to continue

BY RANDY PETERSEN
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A proposed tree preservation ordinance isn't quite ready for a Rochester City Council vote.

"I believe the ordinance is taking steps forward, but I think there are things that need to be looked at," Council Member Mark Bilderback said.

Council members, however, appeared split on what changes they would like to see.

Council Member Michael Wojcik referred to the proposal as potentially

the state's weakest tree preservation ordinance, while Council Member Shaun Palmer questioned the need for new regulations.

"I just think this is outrageous when compared to affordability (of homes)," Palmer said, noting the proposed ordinance could add to the cost of building new homes.

He said he believes developers will work to save trees, since they provide benefits for properties and future sales.

Council Member Nick Campion, however, pointed

to development that has cleared many trees in the northwest ward he represents.

"I think we have to be serious about taking a look at this," he said, suggesting the city could consider offering incentives for saving trees.

The proposed ordinance, crafted by the Committee on Urban Design and Environment with the help of Rochester City Forester Jeff Haberman, aims to protect trees in developing areas while also offering steps toward expanding the city's tree canopy.

Rochester's current canopy — the layer of tree leaves and branches that provide coverage of the ground — is estimated to be 26 percent, but the proposed ordinance suggests a goal of extending that to 40 percent coverage.

Barb Hudson, a Committee of Urban Design and Environment member who has been leading the ordinance effort, said the goal was to create an interim ordinance to be put in place while more detailed work continues.

"I feel it's a good start

for us," she said, noting the proposed ordinance includes flexibility to meet its goals.

Campion suggested the proposal may be too flexible, citing developers' ability to seek variances that would bypass the requirements.

"I think that's something we need to hone in on a bit," he said of defining when variances would be appropriate and how they would be judged.

Council Member Patrick Keane also expressed concerns about potential conflicts with city goals to

increase development in some parts of the city.

"We're putting things in here that are almost in conflict with some of our recent zoning changes," he said, noting a desire to see incentives for planting trees to expand the city's future canopy cover.

With the new insights from the council, the Committee on Urban Design and Environment is slated to meet at 1:30 a.m. Thursday in room 104 of City Hall, 201 Fourth St. SE. The ordinance is the only item listed on the committee's agenda.

Austin board to consider increased operating levy

BY BRIAN TODD
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AUSTIN — A shrinking fund balance and a disappearing levy is pushing the Austin School Board to do something it hasn't done in 16 years: ask voters for more money.

Lori Volz, the district's executive director of finance and operations, told the board that the comfortable cushion of reserves the district's unassigned general fund has enjoyed for many years will dip below the self-imposed minimum fund balance of 8.33 percent of the general fund during the 2019-2020 school year.

Volz also told the board that the current levy of \$342.70 will expire at the end of the 2020-2021 school year.

"We've generally had healthy fund balances," Volz said. But the 2018-2019 fund balance will end up right at the minimum, she said, and the fund balance for the upcoming school year is projected to fall to 5.98 percent.

Because of a change in how much school boards can approve on their own without voter approval, Volz said the 2019-2020 voter-approved levy amount will be \$42.70.

But just replacing the current levy amount isn't

If you go

A special session of the school board will be held at noon Monday in the district conference room to decide whether to put an operating levy referendum on the Nov. 5 ballot.

enough, she told the school board, citing the declining fund balance and a dip in enrollment last year.

And as costs go up — the board approved new collective bargaining agreements with the secretarial union, food service workers, and custodial and engineering union, all of which will see total salary and benefit increases over the next two years — the fund balance

will continue to drop.

Volz said the district needs to increase its operating levy amount through a referendum either this fall or next fall.

"The Legislature is not adequately funding education," she said.

"We're losing traction, actually. We need to bring in additional revenue streams."

The district has plenty of room to add to its levy,

she said. The \$342.70 per pupil levy in Austin is far below the state average of \$939 and below other area schools such as Red Wing at \$1,950, Winona at \$1,527.67 and Rochester at \$1,061.38.

Superintendent David Krenz pointed to a loss of students last year that dropped the district's income unexpectedly. But, like Volz, he said funding from the state, which is where 80 percent of the district's income comes from, has also slowed, and the annual 2 percent increases aren't enough to offset rising costs.

"It's 2 percent, 2 percent, 2 percent; you can't live off

that," Krenz said.

He did point to the positive sign of increased enrollment — the district is expecting 10 more kindergarten students than the projected enrollment of 370.

But without a levy increase, Volz said, the district could be looking at budget cuts.

A special session of the school board will be held at noon Monday in the district conference room to decide whether to put an operating levy referendum on the Nov. 5 ballot.

"We've been very fiscally responsible," Krenz said. "We've run the ship lean. It's just caught up with us."

Opioids

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the controlled substances statute, granular numbers revealing the daily workings of the pipeline feeding the nation's rising numbers of prescriptions.

The release of the ARCOS data, made possible thanks to legal action and subsequent publication by the Washington Post, offers a first-hand look at a mundane but ultimately deadly pipeline through which the drugs moved across the country between 2006-2012, a period when, as the Post reported last month, 76 billion pills were shipped, and 100,000 Americans died of overdose.

Millions of pills moved through Minnesota pharmacies large and small during this period, the height of the opioid epidemic.

The pharmacy receiving the most pills in the state was Omnicare-Minnesota of Brooklyn Center. A closed-door facility owned by CVS, it provides opioids to nursing homes and assisted living centers, and received 12.6 million pills. Omnicare was followed by Pharmerica of Fridely, a similar institutional dispensary, followed by Hennepin County Medical Center, which received over 6 million of the highly addictive pills, or a million each year.

The next two pharmacies receiving the most opioids in the state suggest numbers appearing to conflict with the surrounding population. At 14.3 million pills over six years, for example, just five Walgreens stores in Duluth, a city with a population of 86,000, received nearly as many opioids as the six

Mayo Clinic pharmacies in Rochester, which received nearly the same number of opioids (14.4 million), while treating hundreds of thousands of patients annually.

Observers say those numbers should have been hard to square.

"If in fact the Walgreens stores in Duluth dispensed almost as many opioids as all of Mayo Clinic," said Cody Wiberg, Executive Director of the Minnesota Board of Pharmacy, "yeah that would seem a bit odd."

In an effort to change practices, starting in 2014, Walgreens ceased to provide controlled substances to its customers.

"Seeing this, it is shocking to know just how long the distributors have been a part of this problem and really have turned a blind eye," said Rep. Liz Olson, who serves Duluth in the Minnesota House of Representatives and recently co-authored the omnibus opioid legislation which passed in the 2019 session. "So I'm surprised and not surprised."

"We knew this problem was coming from everybody that was touching the opioids, from the prescribers, to the manufacturers, to the distributors. But to see how much this has been impacted by the distributors themselves is really quite striking."

Olson believes the opioids in her district likely served patients from within and outside of Duluth. "We have a large medical community here. A lot of people come here from throughout the



Wiberg

region for their medical care. We have two large hospital systems within our community, so there is a lot or demand...which is part of it."

LARGE QUANTITIES

At 50 pills per person annually, Mille Lacs County received the most pills per capita in Minnesota on a countywide basis. Pharmacy-specific numbers in the county draw out what would have been an out-of-proportion pill-to-population ratio. A small drug store in Onamia, for example, a town of 861 residents, received 1.6 million pills over six year — a sum equal to 22,000 opioids a month, or very likely enough opioids to fill a pair of large packing crates.

Twenty miles to the south, a pharmacy in Milaca, population 2,890, received nearly 1.3 million pills between 2006 and 2012, or 18,000 pills a month on average. Ten miles to the east, a pharmacy in Isle, population 751, received over a million pills. Following Mille Lacs County on the list of hardest hit counties in the state were 40 pills received per capita annually in Carlton County, 39 in Saint Louis County, 37 in Pennington County and 33 in both Isanti and Cook County.

Though it is only part of the picture, Wiberg notes, all of the five counties in Minnesota receiving the highest numbers of opioids per capita either served as the home to or bordered tribal lands.

"Our prescription monitoring program data tracks the next step, where drugs are actually being dispensed to patients," he said. "You would expect similarities between those

two data sets, because most of the opiates that are (received) do end up getting dispensed... and that is exactly what I found... every one of the highest counties in our prescription monitoring program data either has tribal land within the county or in the next adjacent county."

Though the number of pills received by each county does not necessarily mean the pills remained in that county, Wiberg said the shipments underscored the depth of the crisis experienced on tribal lands in the state. "Three of the northern tribes declared public health emergencies on opioid abuse several years ago, leading then-Gov. Dayton to organize a conference at the request of tribal officials to formulate ways to combat the problem."

"For those who live here, and fight daily to combat the devastating effects of drug addiction in our communities, it comes as no surprise to learn that this area is ground zero for commercial opioid distribution," said Melanie Benjamin, chief executive of the Mille Lacs Band of Ojibwe in a statement. "The system is flawed when it allows such high quantities of addictive prescription drugs to flood into our streets unchecked."

'YOU FEEL A BIT BETRAYED'

For all of its out sized shipments, the highest-receiving Minnesota county numbers fall those of below regions hardest hit elsewhere in the country. Rural



Benjamin

counties in Virginia, South Carolina and West Virginia all received shipments surpassing 200 opioid pills per person annually. Wealthy enclaves like Palm Beach County, Florida (43 pills per person annually), and Clark County, Nevada (56 pills per person annually), even received more opioids per capita than four of the five hardest hit counties within Minnesota.

But the shipments of opioids to rural regions of northern Minnesota approached a doubling of the 24 pills per person shipped to Hennepin and Ramsey counties. Wiberg said pharmacists were operating on a distorted view of the drugs that was shaped by pharmaceutical marketing efforts. He said pharmacists, who have a dual responsibility by statute to fill legitimate prescriptions and to not provide pills which may be prescribed for illegitimate uses, were manipulated.

"As some of these internal documents come out and you realize this was a well-organized scheme, yeah, you feel a bit betrayed," Wiberg said. "Even the regulatory agencies got hoodwinked. Under my predecessor, the Boards of Pharmacy, Medical Practice and Nursing put out a joint statement on pain which pretty much catered to what we were being told by the industry."

Joseph Rannazzisi, a former DEA official for diversion control and agency whistle-blower who testified at the Minnesota legislature in 2018, said that the DEA, while it knew prescribing numbers were rising, were forced to follow the lead of prescribers. The pharmaceutical

distribution industry places blame on the DEA and doctors. Olson said distributors remain the lone participant in the epidemic to fail to accept responsibility.

"When we had the distributors at the testifiers table for this legislation, they still denied that they were anything more than someone who was essentially a go-between, someone that moved the pills. But we're seeing they knew the pills were going into these communities, with some of them being very few people living in these communities, and the number of pills that were being sent in, and that didn't sound any alarm bells. These pills were essentially making them a lot of money so it's easy to not have to dig too deep if your pockets are getting thicker from these pills. So they can no longer deny the role they've played in this, and it's time they step up to the plate, as every person in this chain has started to do."

Though prescribing has dropped, Benjamin said the work of repairing the problem is only beginning.

"While we continue fighting the addiction and related criminal activity here in our communities that comes from drug abuse," Benjamin continued in her statement, "other government agencies are failing to carefully control access to the prescription opioids that are the source of so much abuse and the gateway to a lifetime of addiction. This is not an issue of race or color or cultural heritage — this is a human issue, and we all should be outraged and demand accountability."

Mayo

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"Mayo Clinic reported the case to the FBI in 2016 because the situation constituted a significant diversion of assets and because Mr. Stafford could have been a person of interest to federal investigators," wrote Mayo Clinic representative Duska Anastasijevic in response to questions about why the case was handled as it was. "Mayo Clinic did not also report the theft to local law enforcement because

the FBI was actively investigating."

The FBI said it investigated the case for more than two years. In the end, no charges were filed by Minnesota's U.S. Attorney. No reason was given. The case was then dropped on Rochester police in late 2018.

"There were about two years there that were completely lost to us ... It has handicapped us a lot," Ostrem said. "There is also the nature of how and when it was taken. It's kind of a mess."

Ostrem said there are concerns about the statute

of limitations regarding the theft charges. While it was originally said that Stafford could face a maximum penalty of 20 years in prison, Ostrem said Stafford might not serve any prison time.

"It's been quite a challenge," Ostrem said.

A LOT OF CASH

During the investigation, Stafford was found to have made a number of cash purchases during the time of the alleged thefts, despite recently filing for bankruptcy and paying child support.

He purchased a

five-bedroom home in Rochester for \$407,000 in 2017 and made a \$70,000 down payment.

Investigators found "... he and his wife own 18 vehicles or trailers that require registration in the State of Minnesota." That includes a Gulf Stream motor home and an \$80,000 camper trailer. The couple leased a new Chevrolet pickup.

Special Agent Glenn Moule of the FBI is listed in the criminal complaint as talking to person who built a garage for Stafford in 2015 for \$15,000. When the

builder asked for a check for payment, Stafford reportedly said, "You will get cash or you will get nothing," according to the complaint. Moule also reported that Stafford purchased a boat in September 2015 for \$26,000 and he paid in cash.

It is unusual for Mayo Clinic to discuss a theft by an employee. In this instance, clinic officials reported a theft of \$300,000 or more to the IRS in an annual filing. The IRS had asked about any "significant diversion" of assets. Any amount of \$250,000

or more is considered "significant" in this context by the IRS.

Why the difference between Mayo Clinic's estimate of \$300,000 and the \$172,000 identified by Rochester police?

"The amount reported as stolen in Mayo's tax filings was the full amount of the theft validated by Mayo through investigation and analysis," Anastasijevic wrote early this year. "Please note that Mayo is continuing to cooperate with local law enforcement and the county attorney, as we understand this to be an ongoing investigation."