

Cass
County
Land
Department
Annual
Report

2012

Cass County Mission:

“The mission of Cass County is to deliver quality public services to the citizens in an effective, professional, and efficient manner.”

Cass County Land Department Mission:

“Manage the County’s forest land base within the confines of MN Statutes 282 and to improve the quality and value of the County’s forest land resources.”

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COUNTY COMMISSIONERS

2012

District 1

Neal Gaalswyk

District 2

Robert Kangas

District 3

Jeff Peterson*

District 4

James Dowson

District 5

Dick Downham

*CHAIRMAN

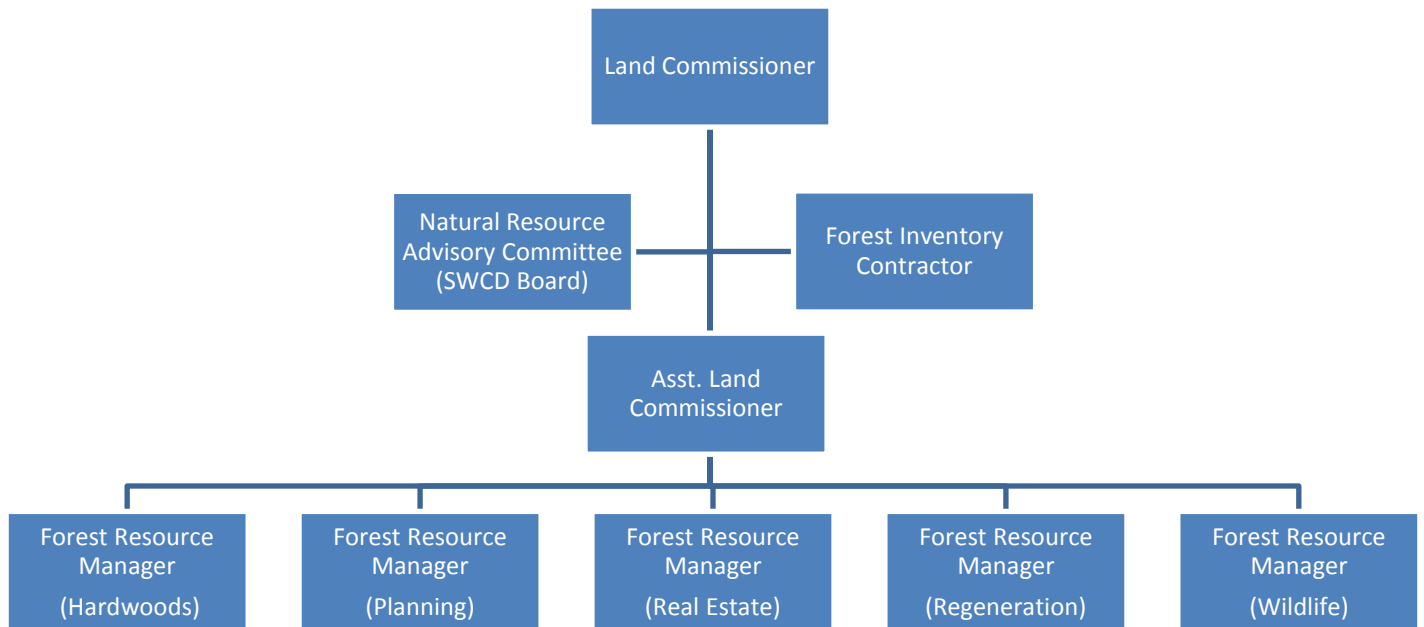
NATURAL RESOURCE ADVISORY COMMITTEE

2012 SWCD BOARD

District 1	Thomas Kuschel*
District 2	Kenneth LaPorte
District 3	James Ballenthin
District 4	J. David Harder
District 5	Willard Pehling

*CHAIRMAN

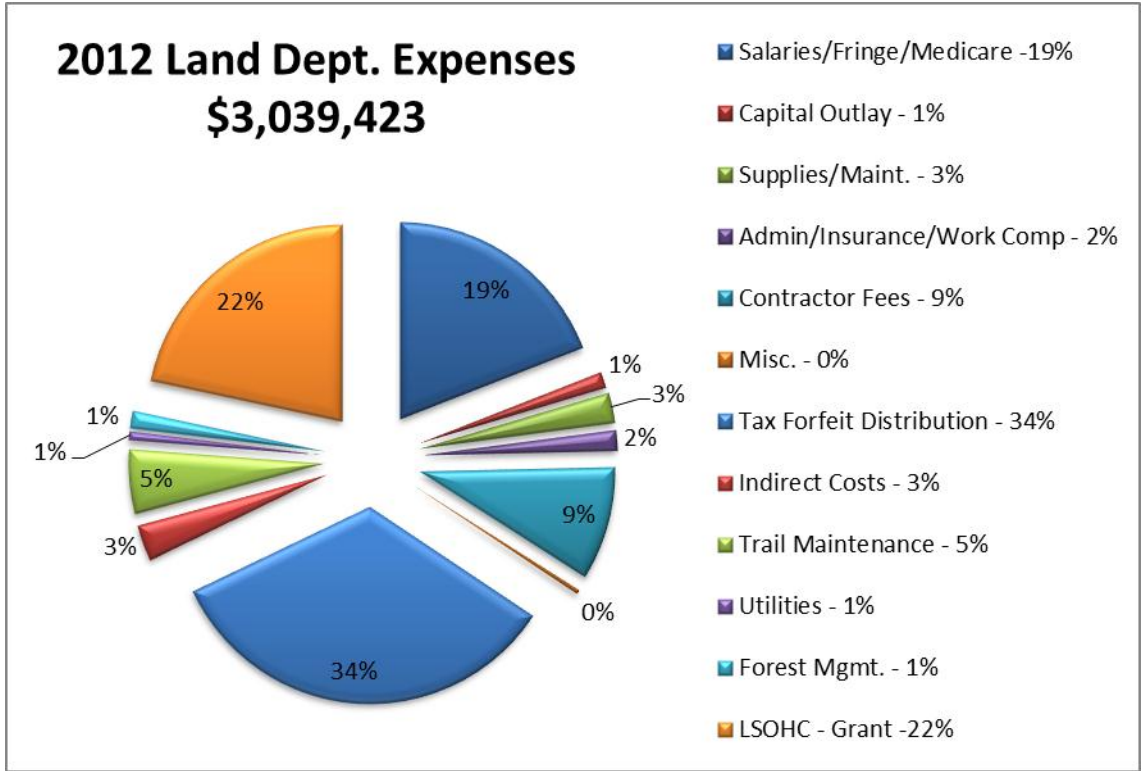
2012 Cass County Land Department Organizational Chart



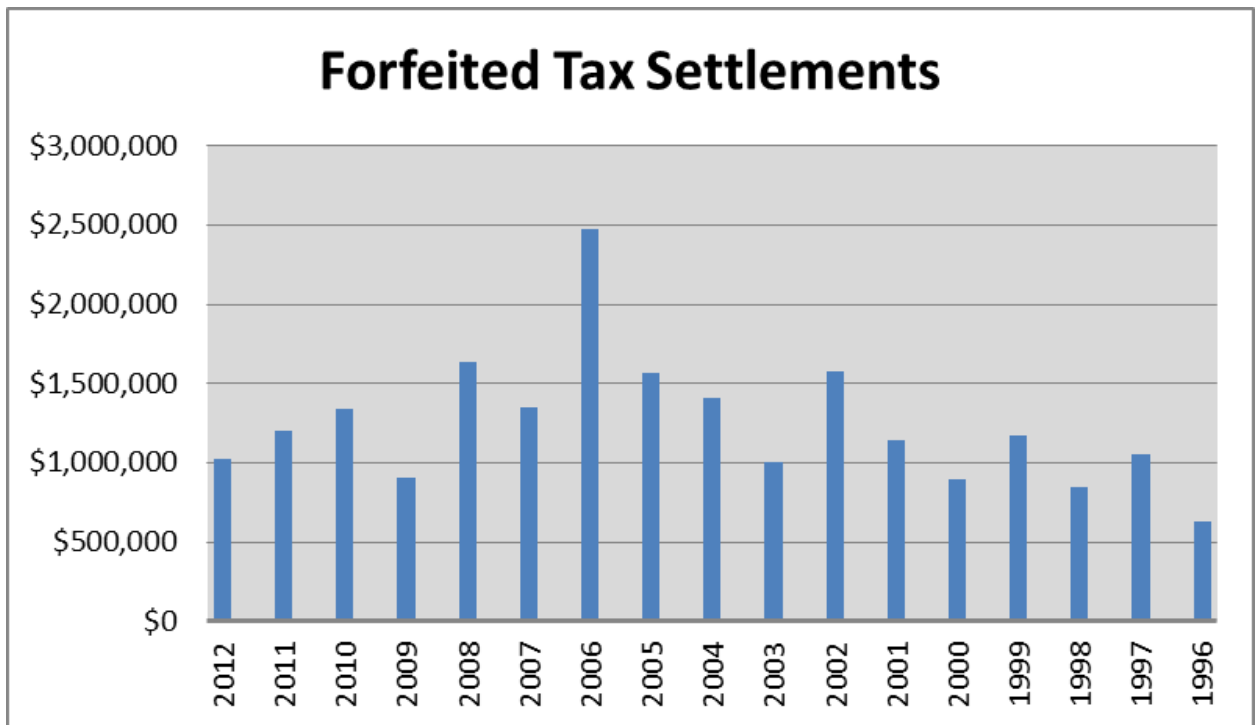
Expenses:

Land Department Expenses			
	2010	2011	2012
Permanent Salaries	\$383,171	\$420,238	\$420,940
IRS 125 - Flex	\$184	\$159	\$213
Fringe Benefits and PERA	\$103,386	\$111,114	\$106,462
Retired Employee Benefits	\$15,855	\$18,401	\$21,355
FICA / Medicare	\$28,097	\$31,015	\$31,383
Unemployment Compensation	\$19,987	\$0	\$0
Workers Compensation	\$11,914	\$7,746	\$13,698
County Uniforms & Clothing	\$1,461	\$1,338	\$1,140
Postage & PO Box Rental	\$0	\$1,204	\$2,689
Telephone / Internet	\$8,965	\$9,442	\$6,407
Printing, Publishing, Graphics	\$7,557	\$1,562	\$2,651
Committee, Membership Dues, and Licenses	\$4,011	\$6,299	\$7,483
Utilities	\$14,005	\$7,521	\$14,826
Trail Maintenance (Snowmobile/ATV/Ski)	\$254,064	\$255,905	\$160,223
Professional, Technical, Contract Service	\$157,788	\$115,863	\$283,176
Repairs, Maintenance & Janitorial - Building	\$31,537	\$22,029	\$28,013
Travel Expenses	\$961	\$95	\$1,037
Equipment Rental / Lease	\$7,507	\$8,525	\$8,126
Insurance (Property/Casualty)	\$29,420	\$27,148	\$24,529
Misc. Charges	\$1,889	\$1,267	\$2,213
Office Supplies	\$3,984	\$2,296	\$1,509
Field Supplies	\$9,447	\$7,841	\$8,755
Vehicle Repair and Expense	\$11,463	\$10,051	\$14,025
Vehicle Fuel	\$11,841	\$14,533	\$17,087
Capital Outlay, Equipment, Fixtures	\$22,539	\$22,300	\$40,342
Refunds & Remittance	\$1,533	\$15,699	\$6,105
Forest Management	\$16,132	\$38,984	\$44,238
Wildlife Management	\$10,150	\$500	\$0
Land Asset Mgmt.	\$102,598	\$3,293	\$263
Interfund Transfer (out)	\$1,341,021	\$1,201,930	\$1,021,682
Indirect Costs (out)	\$70,000	\$90,000	\$90,000
Sub Total	\$2,682,467	\$2,454,298	\$2,380,570
LSOHC - Grant**	\$0	\$575,960	\$658,853
Total Expenses	\$2,682,467	\$3,030,258	\$3,039,423

** The LSOHC-Grant is listed here as a pass through grant in the overall fiscal management of the department. The Land Department had a reduction of \$73,728 in expenses from 2011.



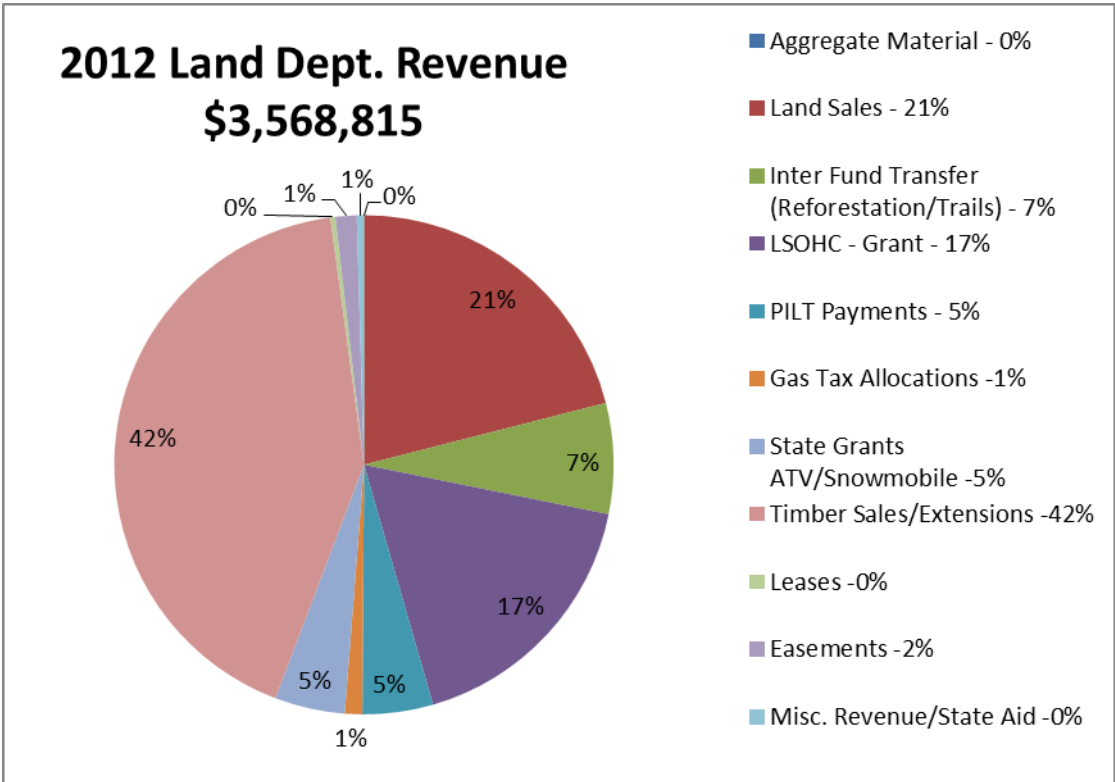
Note: 34% of the Department's expense accounts for \$1,021,682 transferred back as tax forfeited settlements to townships, towns/cities, schools, reforestation, trails, and general fund.



Revenue:

Land Department Revenue			
	2010	2011	2012
Aggregate Material - 0%	\$0	\$3,996	\$0
Land Sales - 21%	\$37,900	\$35,800	\$750,175
Inter Fund Transfer (Reforestation/Trails) - 7%	\$335,430	\$450,724	\$255,420
LSOHC - Grant - 17%	\$0	\$557,000	\$619,633
PILT Payments - 5%	\$158,271	\$162,824	\$162,851
Gas Tax Allocations -1%	\$36,846	\$41,118	\$40,347
State Grants ATV/Snowmobile/X-Ski -5%	\$180,596	\$211,244	\$161,928
Timber Sales/Extensions -42%	\$1,893,591	\$1,785,382	\$1,501,604
Leases -0%	\$17,247	\$11,492	\$11,510
Easements -2%	\$65,148	\$55,802	\$48,901
Misc. Revenue/State Aid -0%	\$1,804	\$3,286	\$16,446
Total	\$2,726,833	\$3,318,668	\$3,568,815

**** Increased revenue in 2012 is largely attributed to a high return from land sales and a Lessard-Sams Outdoor Heritage Grant awarded to Cass County for the purchase of 385.36 acres of land in the County.**



TIMBER SOLD - ALL SALES

From: 1/1/2012 to 12/31/2012

Product	Amount Sold	Value \$	Avg. Price 2012	Avg. Price 2011	Avg. Price 2010
ASPEN	31021	\$785,593.59	\$25.32	\$27.47	\$24.51
BIRCH	9733.5	\$169,857.38	\$17.45	\$18.39	\$16.42
BLACK SPRUCE	382	\$7,727.89	\$20.23	\$5.00	\$0.00
MAPLE	6020	\$85,670.81	\$14.23	\$14.39	\$12.81
ASH	689	\$15,436.31	\$22.40	\$9.45	\$9.37
BALSAM FIR	1891	\$40,718.73	\$21.53	\$20.34	\$19.75
BALSAM POPLAR	456	\$9,054.14	\$19.86	\$14.47	\$12.60
BASSWOOD	3150	\$39,900.62	\$12.67	\$12.25	\$12.99
JACK PINE	2129	\$58,964.54	\$27.70	\$25.97	\$26.93
JACK PINE PULP	2	\$45.79	\$22.90	\$10.35	\$12.92
PINE PULP	20	\$316.59	\$15.83	\$32.00	\$8.54
R.PINE BOLTS & PULP	1807	\$90,281.18	\$49.96	\$33.67	\$24.60
RED OAK	13156	\$325,783.88	\$24.76	\$29.30	\$24.71
SPRUCE	163	\$2,700.97	\$16.57	\$15.87	\$24.96
TAMARACK	2845	\$15,925.59	\$5.60	\$4.06	\$6.10
RED PINE PULP	112	\$1,795.72	\$16.03	\$13.02	\$14.29
WHITE SPRUCE	212	\$7,204.89	\$33.99	\$28.28	\$25.98
BUR OAK	217	\$2,854.68	\$13.16	\$10.81	\$13.63
FIREWOOD	530	\$1,325.00	\$2.50	\$2.50	\$2.50
Total Cords	74,535.50	\$1,661,158.30	\$22.29		
RED PINE SAWTMBR	314.43	\$40,980.56	\$130.33	\$158.68	\$133.49
R&W PINE SAWTMBR	93.5	\$12,938.19	\$138.38	\$137.84	\$129.69
Total MBF	407.93	\$53,918.75	\$132.18		
Grand Totals:		\$1,715,077.05			

Number of Timber Tracts Sold: 98

Timber Acres Sold: 3,845.2

Avg. Value per Acre Sold: \$446.03

Avg. Revenue per Auction: \$142,923.09

Avg. Revenue per Tract Sold: \$17,500.79

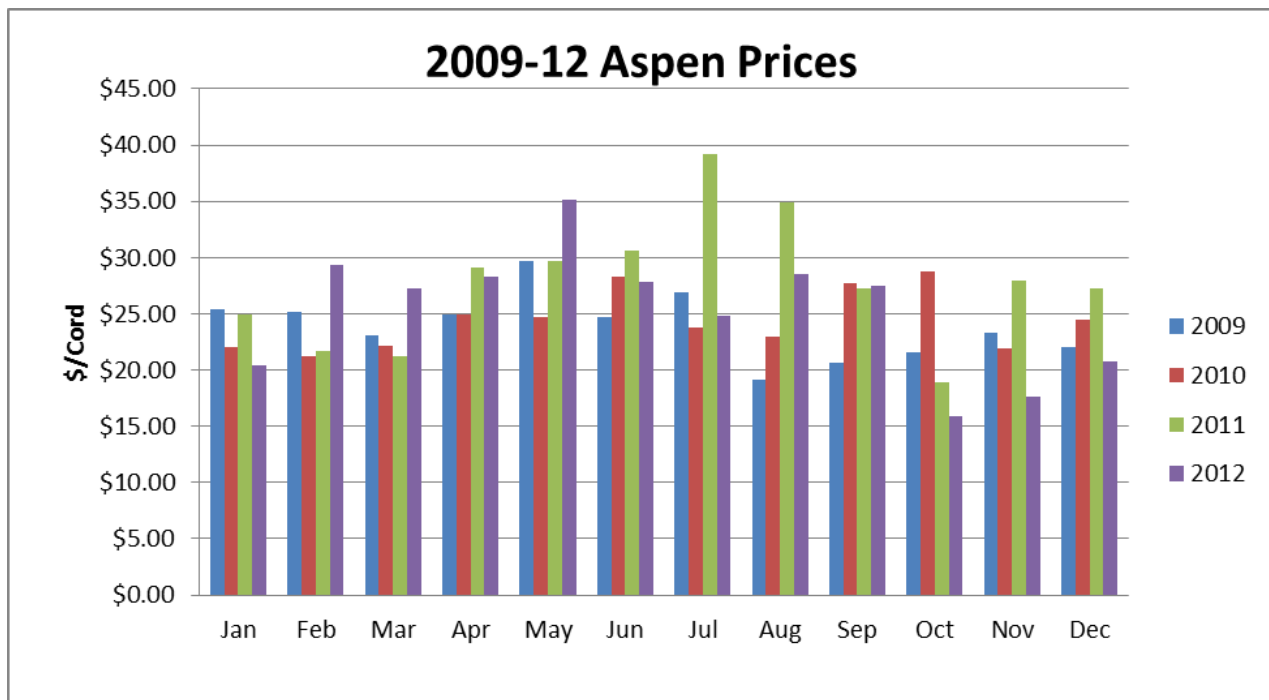
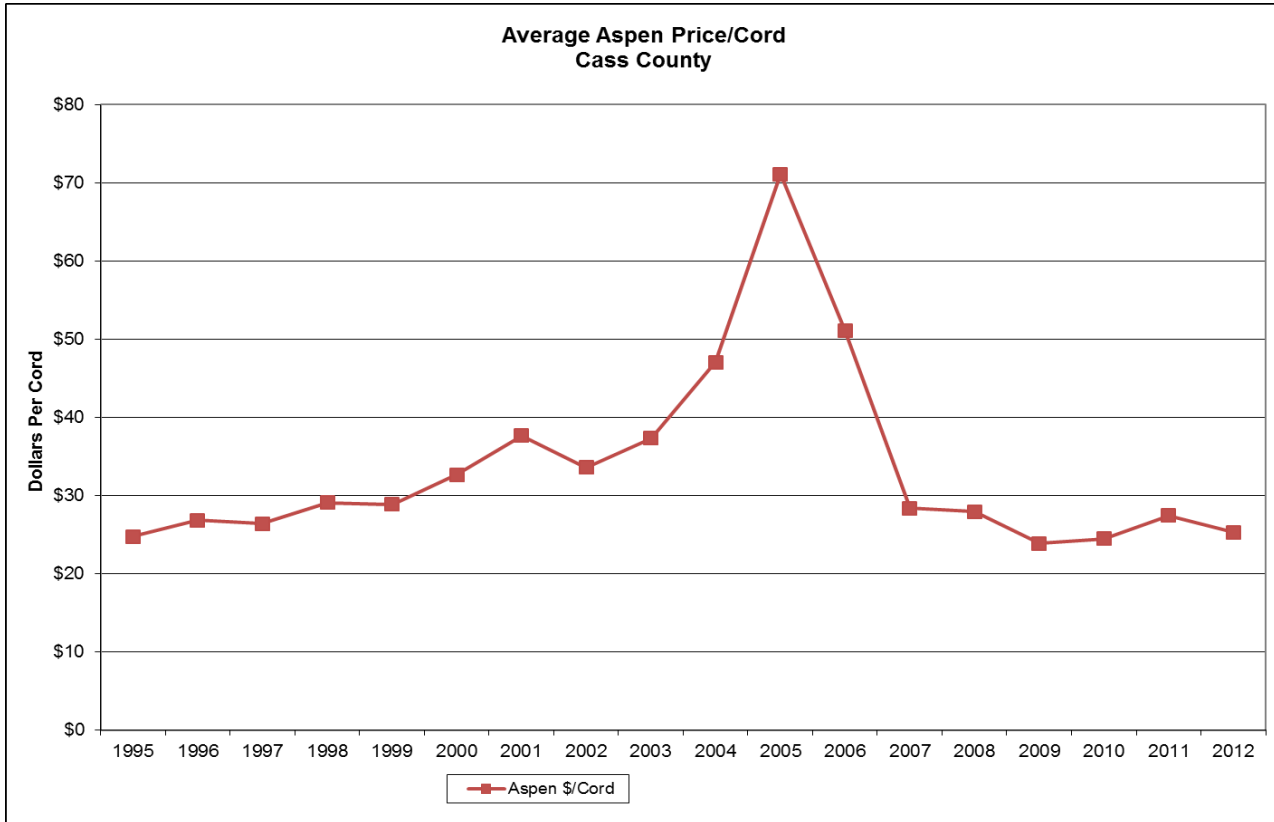
***Grand total sold will not match Timber Sale Revenues due to 2 year sales.*

Total Acres Sold (Between 1/1/2012 and 12/31/2012)

Timber Type	Acres	Timber Type	Acres
BLACK ASH	11.8	WHITE SPRUCE	2.5
QUAKING ASPEN	1,448.6	BALSAM FIR	100.2
PAPER BIRCH	405.2	BLACK SPRUCE	108.6
BALSAM POPLAR	59.0	TAMARACK	150.1
NORTHERN HARDWOOD	382.8	WHITE CEDAR	7.0
OAK	502.4	LOWLAND HARDWOOD	59.8
WHITE PINE	0.4	UPLAND GRASS	4.8
RED PINE	397.6	NOT LISTED	24.2
JACK PINE	180.2	Total Acres For All Timber Types:	3,845.2

A total of 4,017.5 acres were new acres set-up and offered in 2012.

Aspen Market Trends:



Conservation Trust Fund 73

Background:

The MN legislature in the years 1998 - 2000 directed Cass County and other counties to sell former State lakeshore lease lots and to legally reserve the principal amount of the proceeds in perpetuity (approximately \$4.1M). The interest earnings on the principal amount (approximately \$140.0K per year) are available to Cass County for “improvement of natural resources”. The financial activity is designated locally as Fund 73.

2012 Conservation Trust Fund Account 73		
Interest Earned in 2001-2011	\$1,685,027.19	
Interest Earned in 2012	\$114,695.72	
Total Interest Earned		\$1,799,722.91
Less Expenditures from 2003-11		-\$892,554.14
Less Expenditures from 2012		-\$320,258.78
Revenues from 2009-2011		\$43,250.01
Revenues from 2012		\$95,602.86
Total Revenues Reserved for Natural Resources		\$725,762.86
Permanent Trust Funds		\$4,124,700.00
Fund 73 Total Cash		\$4,850,462.86

--Revenues in 2012 were reimbursements from land sales connected to this account.

Discussion:

This fund was used for the following projects in 2012:

1. Pillager trail access project to obtain river access and storm sewer outfall area.
2. Leech Lake Band cooperative project on CR 75 (Casino Road) Trail.
3. AIS boat key chain campaign with local Lake Associations.
4. Phase 3 and 4 – Shingobee Trail Connection.
5. Conceptual trail design project with the City of Lake Shore.
6. Match funds for Outing storm water project.

**At the end of 2012, the useable fund balance had been allocated to projects.

Firewood Permit Sales:

53 Permits Issued	530 cords	\$1,325.00
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Firewood permits are available over the counter on a first come first served basis. Permits are written up post-timber harvest for the general public to purchase. Not all sales have firewood permits filed. If merchantable timber is left on the site after the logger closes the sales, then permits are written.

Forest Road Maintenance:

The Land Department graded the Deerfield, Beuber, Bull Moose, and Old Grade forest access roads twice during 2012, while the Moose Lake - Bungo Trail was graded once in 2012. Additionally, 25 road access permits were issued during 2012. Access permits are issued to residents who need to travel along forest access roads for trapping or hunting purposes during break-up or trail closure periods.

Grants and Trails:

Cass County received \$161,928 in state aid grants and spent \$160,223 on snowmobile, ATV, and cross country ski trails in 2012. The funds are received by the Land Department and dispersed to local clubs around the county to do trail grooming, signing, grading, brush work, and mentoring programs. The Land Department worked with 6 snowmobile, 2 ATV, and 1 cross-country ski club in 2012. State aid and local club involvement will be needed annually to sustain the County trail system.

Cass County Trail Maintenance 2012			
<i>Trail Designation</i>	<i>Activity</i>	<i>Mileage Completed</i>	<i>Trail Miles</i>
Snowmobile Trails	Grooming	127	434
ATV Trails	Grading	165	55
X Ski Trails	Grooming	25.9	25.9
Hunter Walking	Mowing	20	20

Cass County Trail Inventory 2012		
<i>Trail Designation</i>	<i>Surface</i>	<i>Trail Miles</i>
Snowmobile Trails	Natural	443
Snowmobile / Bike Trails	Paved	114
ATV Trails	Natural	55
X Ski Trails	Natural	26
Hunter Walking Trails	Natural	20
Horse Trails	Natural	7
State Forests - DNR		
ATV and OHM Trails	Natural	70
OHV Trails	Natural	11
Horseback/Mountain Bike	Natural	27
County Totals		773

Cass County does not maintain any paved or natural surface trails. All paved trails in Cass County are built and maintained by the local taxing districts or the State of MN. Natural surface trails are maintained by the State of MN or local clubs. The County offers assistance to clubs with some matching dollars for grants and bidding out projects. The match is normally about 35% of the cost via Capital Improvement Grants.

Forest Stewardship Council (FSC) Certification:

In 2012, the Land Department completed its annual audit through the SmartWood program of the Forest Stewardship Council. The County has been certified since 2001 and sought this certification to assure the public and consumers of products from the forest that the lands are being managed in an environmentally, economically, and socially sound manner. The auditing process is conducted by a third party and evaluates whether Site-level Forest Management Guidelines are being followed in the field and the office. The audit resulted in no new nonconformity reports and 1 new observation noted by the auditor. The Land Department retained its certification of the forested lands within Cass County.

Public Land Surveys:

The Land Department completed 11 survey projects for 25.25 miles of property line certified and posted. The total cost was \$72,272 with an average cost of \$2,862.25/mile. The contracts require the survey companies to find or restore all controlling corners of the project corridor, provide a signed certificate of survey, and post the boundary inter-visibly every 330' ft. with Welcome to Cass County Land signs. The projects have provided an opportunity to paint and set-up timber sales in areas where unknown property lines prevented management. Signing and monumenting the parcels will provide for better public access opportunities and secure the property line into the future.

Land Purchases:

The Land Department was successful in obtaining Lessard-Sams Outdoor Heritage Fund grants for \$557,000 in 2011 and \$619,633 in 2012 to purchase key tracts of forest land equaling 785.36 acres in Cass County. The acquired lands will be managed under the County's Forest Resource Management Plan and open to the public. The land purchases opened up an additional 1300 acres of previously inaccessible public land that now has public access. County General Fund dollars were not used to purchase the properties.

Land Sales:

The Land Department hosted two public tax-forfeited land auctions in 2012. In addition, parcels were available over-the-counter on a first come first served basis for parcels offered in prior year auctions that were not purchased. A total of 34 parcels were sold in 2012 for \$750,175 of revenue. The land being sold are parcels classified as non-conservation land and identified in the Forest Resource Management Plan to return to the tax rolls. These parcels may have no public access, public access surrounded by private property, platted land, or isolated acreage. The Land Department sold 583.4 acres in 2011 and 2012 combined. The Department plans on holding a Land Sale Auction during the summer of 2013 with new parcels available for purchase. Parcels continue to be available over-the-counter year-around.