

CASS
COUNTY LAND
DEPARTMENT
ANNUAL
REPORT

2016



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.”

Table of Contents

County Commissioners.....2

Natural Resource Advisory Committee- Cass County SWCD Board.....3

Cass County Land Department Org Chart.....4

Expense Report.....5

 Expense and Tax Settlement Graphs.....6

Revenue Report.....7

 Timber Sold per Species and Acreage.....8

 Aspen Prices last 14 years in Cass County (Graph).....9

 Conservation Trust Fund Account 73.....10

Firewood Permits, Forest Road Maintenance, Grants and Trails.....11

Forest Certification, Public Land Surveys, Land Purchases and Sales.....12

COUNTY COMMISSIONERS

2016

District 1	Neal Gaalswyk
District 2	Robert Kangas
District 3	Jeff Peterson*
District 4	Scott Bruns
District 5	Dick Downham

*CHAIRMAN

NATURAL RESOURCE ADVISORY COMMITTEE

2016 SWCD BOARD

District 1

Thomas Kuschel

District 2

Kenneth LaPorte

District 3

James Ballenthin*

District 4

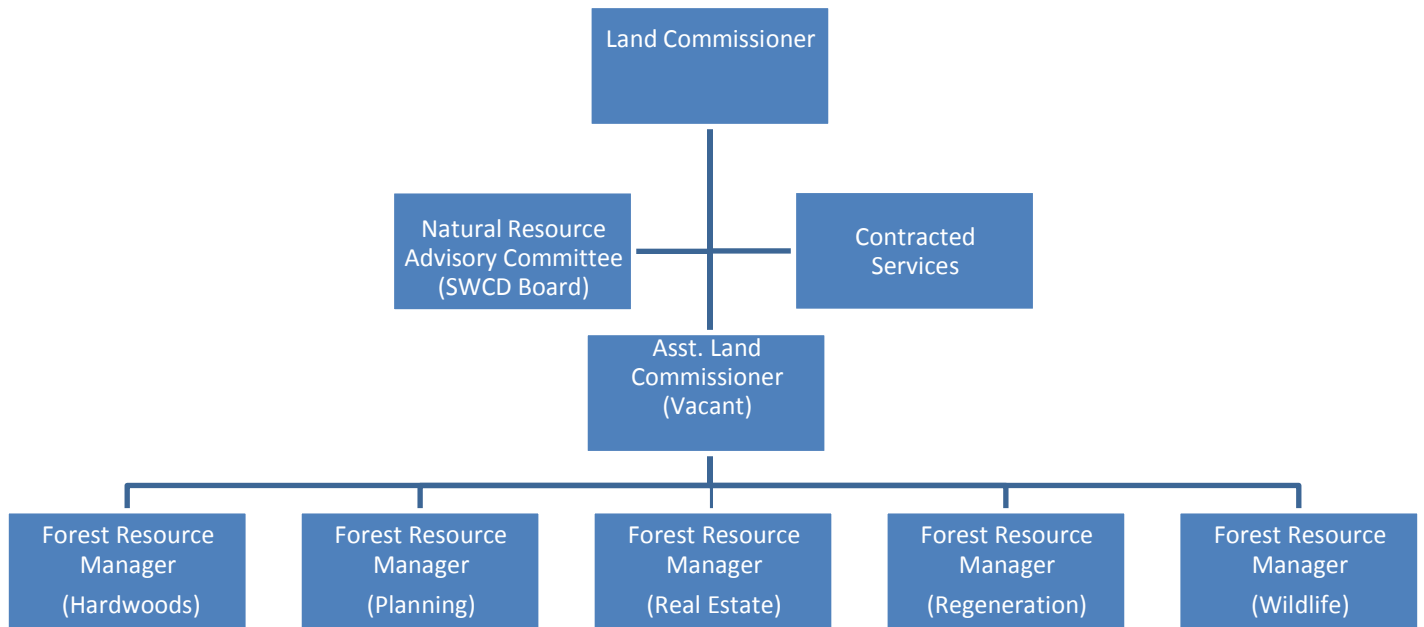
Clifton Peterson

District 5

Jane Ekholm

*CHAIRMAN

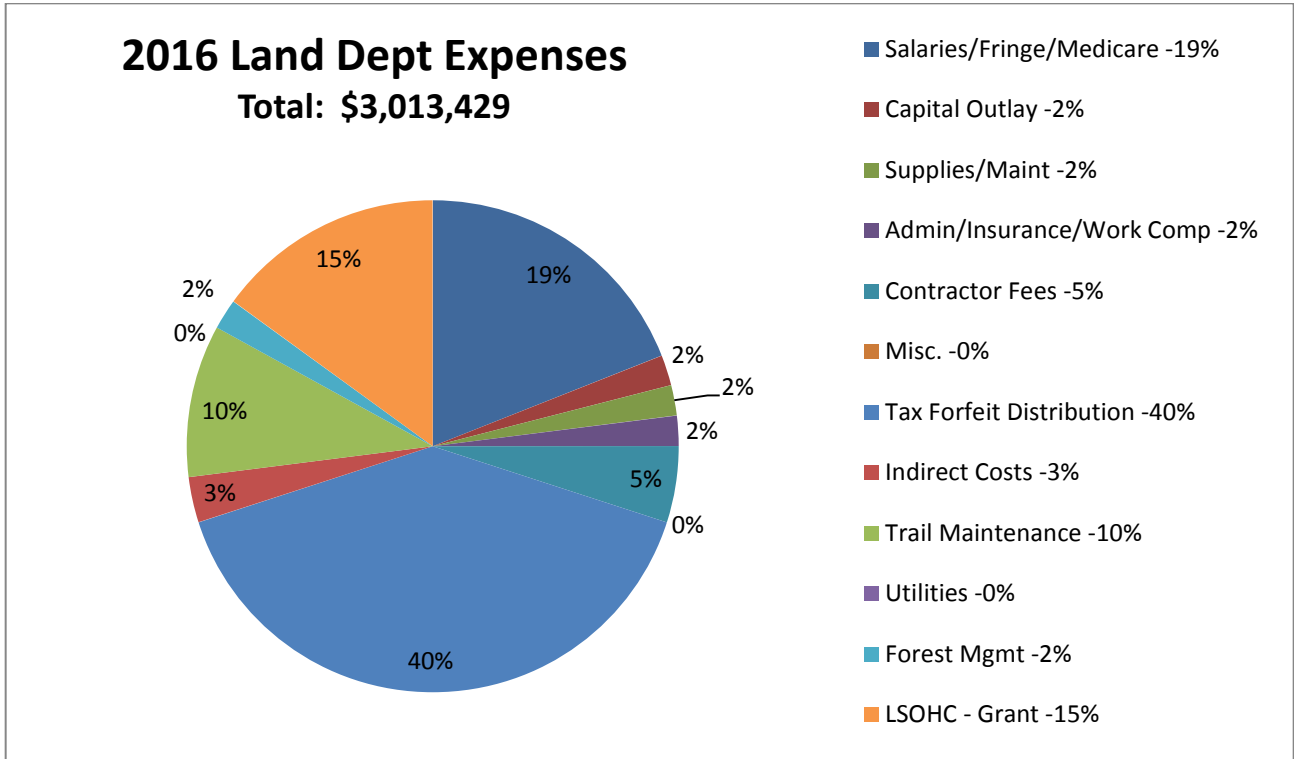
2016 CASS COUNTY LAND DEPARTMENT ORGANIZATIONAL CHART



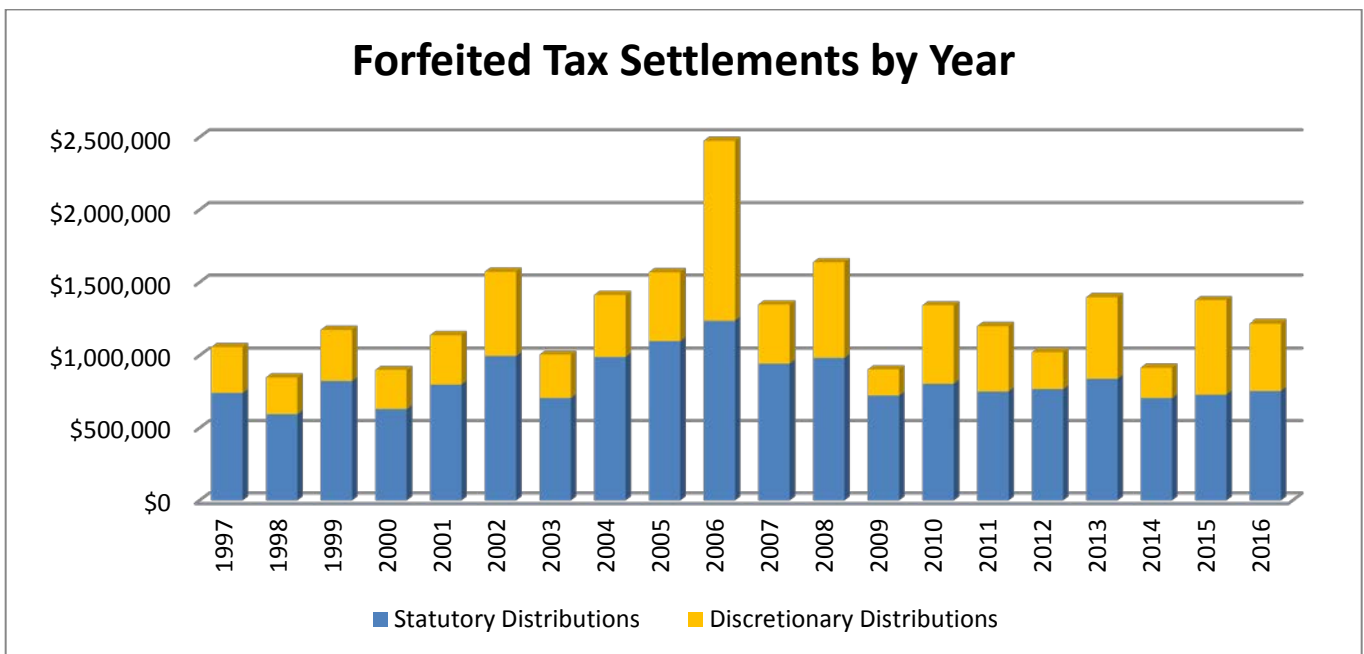
Expenses:

Land Department Expenses			
	2014	2015	2016
Permanent Salaries	\$408,821	\$422,060	\$402,923
IRS 125 - Flex	\$237	\$146	\$124
Fringe Benefits and PERA	\$111,598	\$111,039	\$106,858
Retired Employee Benefits	\$35,229	\$37,581	\$35,313
FICA / Medicare	\$30,538	\$32,134	\$30,376
Unemployment Compensation	\$0	\$0	\$0
Workers Compensation	\$16,520	\$6,724	\$14,411
County Uniforms & Clothing	\$1,334	\$1,782	\$1,683
Postage & PO Box Rental	\$1,940	\$1,871	\$1,887
Telephone / Internet	\$2,071	\$2,162	\$1,797
Printing, Publishing, Graphics	\$2,263	\$1,321	\$2,145
Committee, Membership Dues, and Licenses	\$6,477	\$9,688	\$3,899
Utilities	\$18,250	\$15,223	\$14,172
Trail Maintenance (Snowmobile/ATV/Ski)	\$280,955	\$287,673	\$289,962
Professional, Technical, Contract Service	\$104,991	\$193,483	\$144,564
Repairs, Maintenance & Janitorial - Building	\$29,061	\$29,431	\$27,248
Travel Expenses	\$1,080	\$1,131	\$1,724
Equipment Rental / Lease	\$8,685	\$6,002	\$6,339
Insurance (Property/Casualty)	\$26,475	\$25,830	\$28,034
Misc. Charges	\$2,972	\$1,048	\$1,211
Office Supplies	\$1,031	\$591	\$533
Field Supplies	\$10,210	\$5,502	\$6,100
Vehicle Repair and Expense	\$9,592	\$5,868	\$7,695
Vehicle Fuel	\$16,040	\$11,202	\$8,790
Capital Outlay, Equipment, Fixtures	\$46,781	\$13,701	\$51,801
Refunds & Remittance	\$0	\$6,872	\$310
Forest Management	\$9,140	\$17,656	\$46,868
Wildlife Management	\$6,069	\$4,220	\$7,400
Land Asset Mgmt.	\$900	\$0	\$0
Interfund Transfer (out)	\$915,231	\$1,376,217	\$1,219,192
Indirect Costs (out)	\$90,000	\$75,000	\$85,000
Sub Total	\$2,194,491	\$2,703,158	\$2,548,359
LSOHC - Grant**	\$743,883	\$1,019,770	\$465,070
Total Expenses	\$2,938,374	\$3,722,928	\$3,013,429

** The LSOHC-Grant is listed here as a pass through grant in the overall fiscal management of the department.

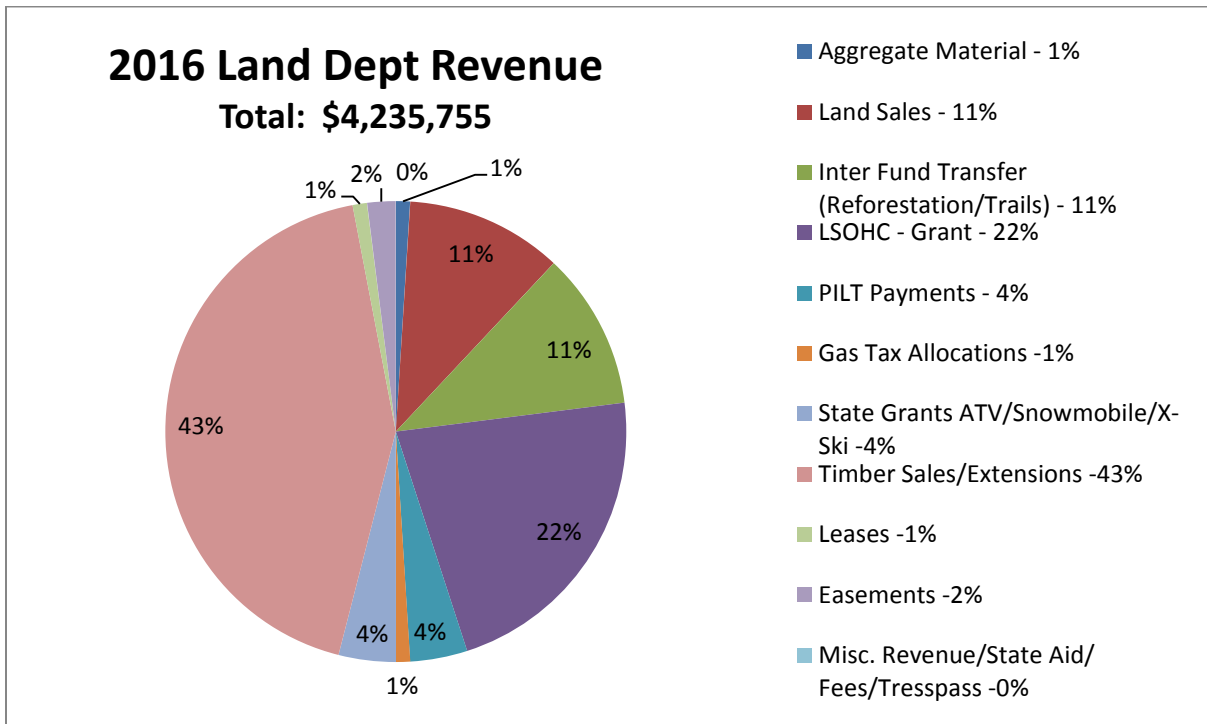


Note: 37% of the Department's expense accounts for \$1,219,192 transferred back as tax forfeited settlements to townships, towns/cities, schools, reforestation, trails, and general fund.



Revenue:

Land Department Revenue			
	2014	2015	2016
Aggregate Material	\$10,830	\$8,060	\$24,455
Land Sales	\$408,775	\$231,448	\$483,210
Inter Fund Transfer (Reforestation/Trails)	\$210,504	\$646,822	\$464,269
LSOHC - Grant	\$563,000	\$587,000	\$948,650
PILT Payments	\$162,550	\$162,460	\$162,267
Gas Tax Allocations	\$41,254	\$41,783	\$42,202
State Grants ATV/Snowmobile/X-Ski	\$208,241	\$239,409	\$174,390
Timber Sales/Extensions	\$1,821,278	\$1,738,077	\$1,833,007
Leases	\$0	\$33,337	\$16,490
Easements	\$54,638	\$35,906	\$84,186
Misc. Revenue/State Aid/ Fees/Trespass	\$13,238	\$11,478	\$2,629
Total	\$3,494,308	\$3,735,780	\$4,235,755



TIMBER SOLD - ALL SALES					
<i>From: 1/1/2016 to 12/31/2016</i>					
Product	Amount Sold	Value \$	Avg. Price 2016	Avg. Price 2015	Avg. Price 2014
ASPEN	24,793	\$979,903.29	\$39.52	\$29.15	\$26.71
BIRCH	6,398	\$165,127.24	\$25.81	\$18.82	\$16.90
BLACK SPRUCE	2	\$31.89	\$15.94	\$5.04	\$14.04
MAPLE	4,493	\$96,012.05	\$21.37	\$17.60	\$14.83
ASH	2,308	\$36,212.75	\$15.69	\$15.92	\$11.55
BALSAM FIR	973	\$17,863.10	\$18.36	\$11.14	\$13.99
BALSAM POPLAR	360	\$6,110.96	\$16.97	\$19.24	\$12.40
BASSWOOD	3,813	\$79,052.46	\$20.73	\$17.69	\$11.68
CEDAR	30	\$255.00	\$8.50	\$0.00	\$0.00
JACK PINE	509	\$13,886.04	\$27.28	\$22.61	\$30.99
JACK PINE PULP	52	\$1,086.64	\$20.90	\$8.10	\$8.87
MIXED HARDWOOD	11	\$165.00	\$15.00	\$0.00	\$8.30
R.PINE BOLTS & PULP	518	\$21,265.80	\$41.05	\$23.14	\$19.49
RED OAK	10,444	\$507,295.05	\$48.57	\$32.22	\$28.68
SPRUCE	282	\$6,426.84	\$22.79	\$17.27	\$20.52
TAMARACK	6	\$22.00	\$3.67	\$9.74	\$3.53
R & W PINE BOLTS	5	\$150.00	\$30.00	\$28.16	\$18.20
RED PINE BOLTS	33	\$3,973.00	\$120.40	\$0.00	\$0.00
RED PINE PULP	29	\$390.76	\$13.47	\$9.82	\$10.75
WHITE SPRUCE	5	\$140.53	\$28.11	\$15.55	\$28.95
BUR OAK	1,850	\$36,383.29	\$19.67	\$16.98	\$12.73
YELLOW BIRCH	-	\$0.00	\$0.00	\$0.00	\$11.15
Total Cords	56,913.00	\$1,971,753.69	\$34.65		
RED PINE SAWTMBR	368.2	\$51,227.38	\$139.13	\$170.01	\$135.46
R&W PINE SAWTMBR	397.4	\$41,776.00	\$105.12	\$199.96	\$120.67
Total MBF	765.6	\$93,003.38	\$121.48		
SALVAGE ACRES	267.08	\$47,274.42			

Grand Totals: \$2,112,031.49

Number of Timber Tracts Sold: 72

Timber Acres Sold: 3,433.4

Avg. Value per Acre Sold: \$615.14

Avg. Revenue per Auction: \$176,002.62

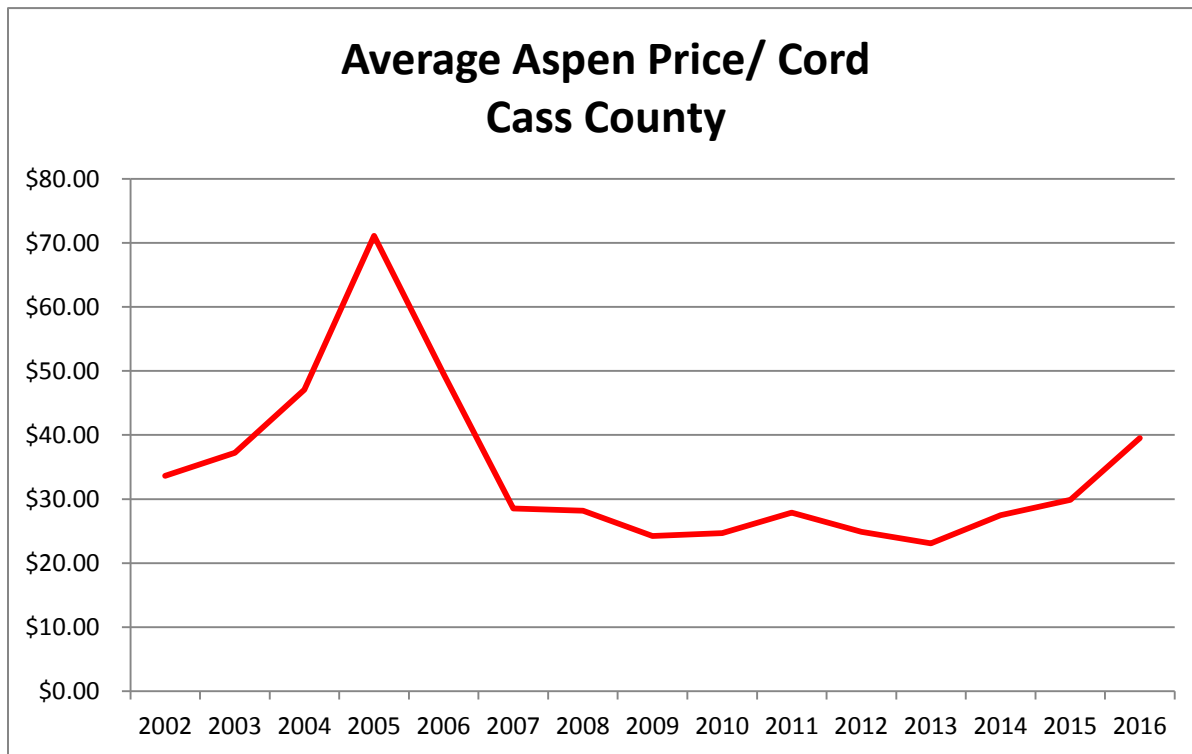
Avg. Revenue per Tract Sold: \$29,333.77

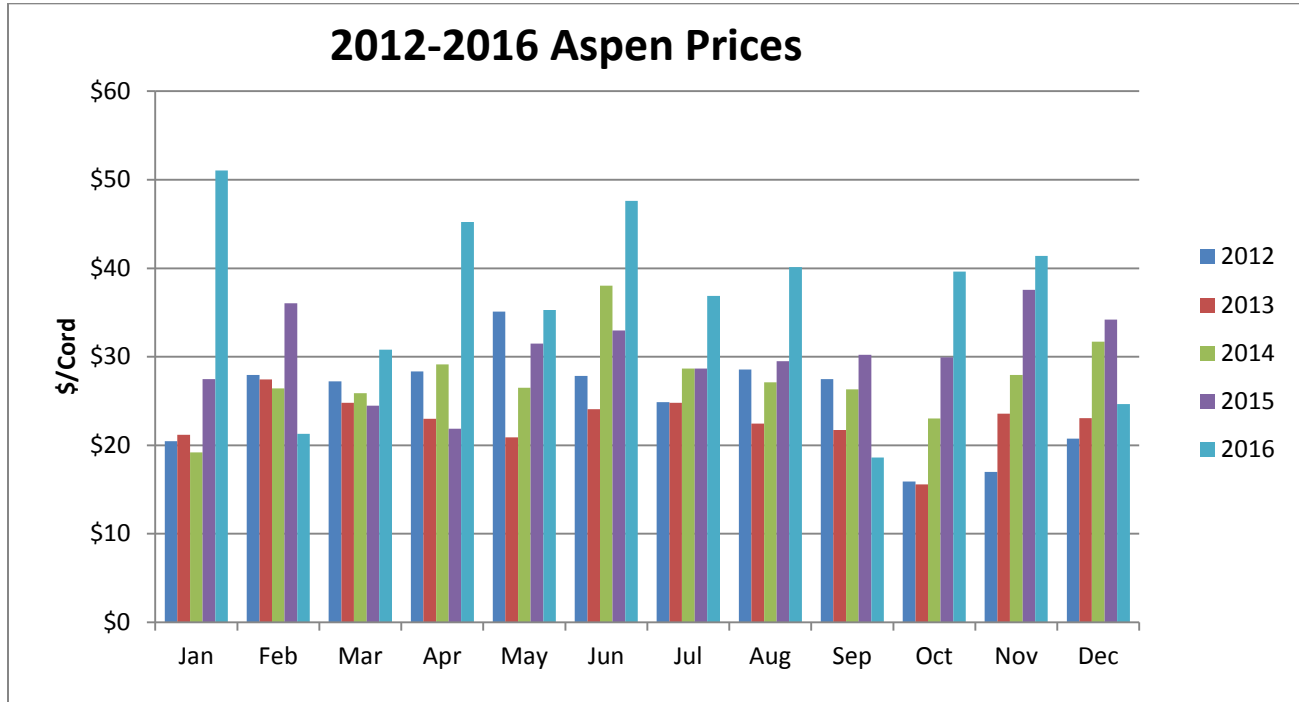
***Grand total sold will not match Timber Sale Revenues due to 2 year sales.*

The Land Department contacted 45 private landowners in 2016 regarding timber management adjacent to their property.

Between 1/1/2016 and 12/31/2016			
<i>Timber Type</i>	<i>Acres</i>	<i>Timber Type</i>	<i>Acres</i>
BLACK ASH	137	WHITE SPRUCE	0
LOWLAND HARDWOOD	14	WHITE CEDAR	8
QUAKING ASPEN	1,692	BALSAM FIR	64
PAPER BIRCH	187	BLACK SPRUCE	10
BALSAM POPLAR	77	TAMARACK	1
NORTHERN HARDWOOD	314	UPLAND GRASS	17
OAK	335	LOWLAND BRUSH	8
WHITE PINE	6	MARSH	2
RED PINE	508	NOT LISTED	17
JACK PINE	36	<i>Total Acres For All Timber Types:</i>	3,433

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 \$100.0K per year) are available to Cass County for "improvement of natural resources". The financial activity is designated locally as Fund 73.

2016 Conservation Trust Fund Account 73	
Interest Earned in 2001-2015	\$2,058,165.65
Interest Earned in 2016	\$83,821.82
Total Interest Earned	\$2,141,987.47
Less Expenditures from 2003-2015	\$1,682,890.13
Less Expenditures from 2016	\$0.00
Total Expenditures	\$1,682,890.13
Total Revenues Reserved for Natural Resources	\$751,189.13
Permanent Trust Funds	\$4,124,700.00
Fund 73 Total Cash	\$4,875,889.13

This fund was not used for the any projects in 2016.

Firewood Permit Sales:

64 Permits Issued	612 cords	\$2,375.00
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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, Bull Moose, Moose Lake –Bungo and Old Grade forest access roads twice during 2016. Additionally, 21 road access permits were issued during 2016. 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 \$252,860 in state aid grants and spent \$260,854 on snowmobile, ATV, and cross country ski trails in 2016. There is carryover in grants due to the difference in the fiscal year versus the calendar year. 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 monitoring programs. The Land Department worked with 4 snowmobile, 2 ATV, and 1 cross-country ski club in 2016. State aid and local club involvement is needed annually to sustain the County trail system.

Cass County Trail Maintenance 2016			
<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 2016			
<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 total cost of the project.

Forest Stewardship Council (FSC) Certification:

In 2016, the Land Department completed a surveillance audit using Rainforest Alliance under the Forest Stewardship Council (FSC) standard. 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 an independent third party that evaluates whether the Land Department's forest practices and operations align with the FSC standard. The audit resulted in no major or minor non-conformances and no new observations. The Land Department retained its FSC certification of the county managed forest lands.

This certification continues to validate that the county's forest lands are sustainably managed and will continue to provide multiple benefits for future generations, based on principles that promote sustainable forest management, including objective standards and measures to protect water quality, biodiversity wildlife habitat and species at risk.

Public Land Surveys:

The Land Department completed 13 survey projects for 30 miles of property line certified and posted. The total cost was \$104,829.00 with an average cost of \$3,494.30/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 set-up timber sales in areas where unknown property lines prevented forest management in the past. By signing and monumenting, the parcels will provide better public access opportunities and define the property lines into the future.

Land Purchases:

The Land Department was successful in obtaining Lessard-Sams Outdoor Heritage Fund grants for \$442,000 in 2016 to purchase key tracts of forest habitat land. In 2016, 280 acres of land were acquired in Cass County with the consent of Townships. The acquired lands will be managed under the County's Forest Resource Management Plan and are open to the public for hunting, fishing and the taking of game. The land purchased provides upland access to 560 acres of existing public land, protects 540 feet of lakeshore habitat, and eliminated 1.25 miles of public property line. County General Fund dollars were not used to purchase the properties.

Land Sales:

The Land Department hosted one public tax-forfeited land auction in 2016. In addition, unsold parcels from previous land sales were available for over-the-counter purchase on a first come, first served basis. A total of 24 parcels were sold in 2016 for \$472,210 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 243.4 acres in 2016. The Department plans on holding a Land Sale Auction during the summer of 2017 with new parcels available for purchase. Parcels continue to be available over-the-counter year-around.

Reforestation:

The Land Department planted 72,000 trees on 99 acres in the spring of 2016. In the fall, 107 acres were bud capped to help prevent deer browse. In addition, 272 acres were site prepped for planting in the spring of 2017.

Easements:

1. Transfer right of way easement #98-35-141-30-44 granted to Northern Lakes Co on October 29 1998 to Leslie Ann Olson.
2. Resilient Properties Management LLC and the County have agreed to move the easement to be new location that better suits both parties Section 17-18 May Township
3. Ingress egress easement granted to John and Linda Limpert across Tax Forfeit land in Section 35 Crook Lake Township.
4. Ingress egress easement to Christopher and Elizabeth Flier and Thomas Johnson across TF land located in Section 3 Bull Moose Township.