

CASS
COUNTY
LAND
DEPARTMENT
ANNUAL
REPORT

2019



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
2019

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

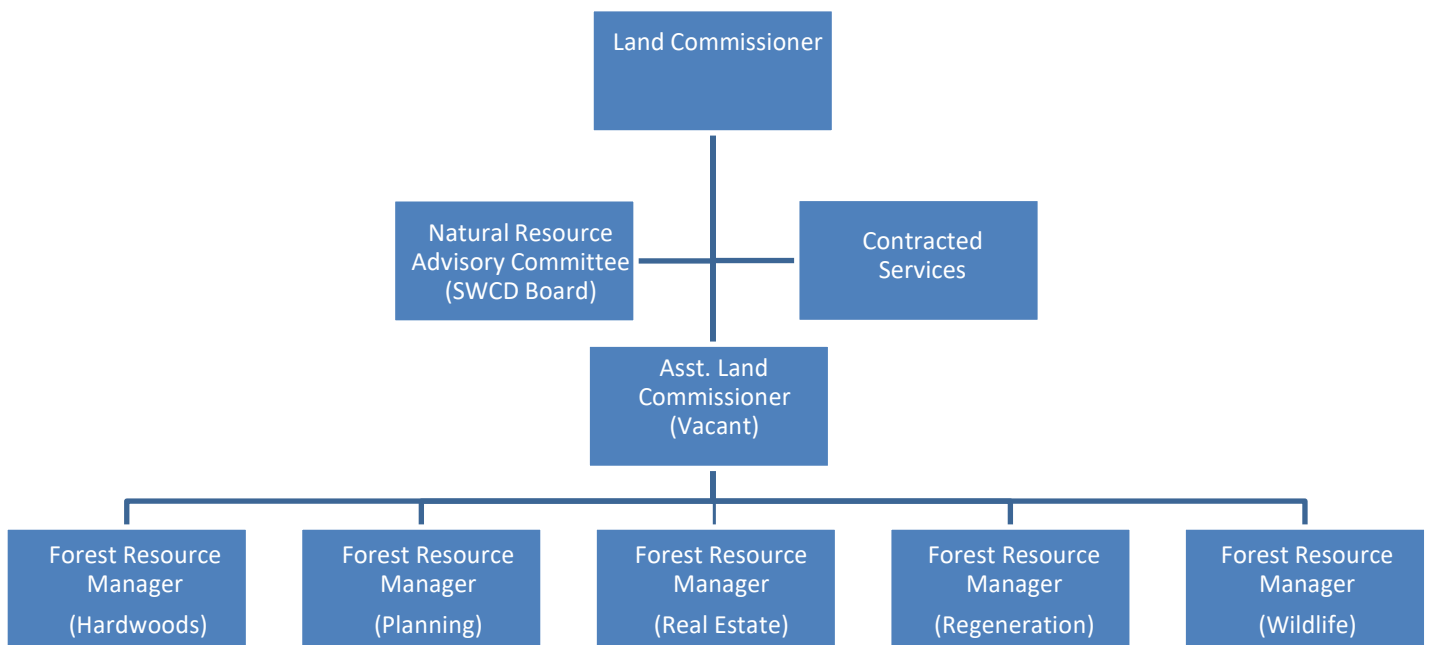
*CHAIR

NATURAL RESOURCE ADVISORY COMMITTEE
2019 SWCD BOARD

District 1	Thomas Kuschel
District 2	Kenneth LaPorte
District 3	James Ballenthin
District 4	David Peterson*
District 5	Williard Pehling

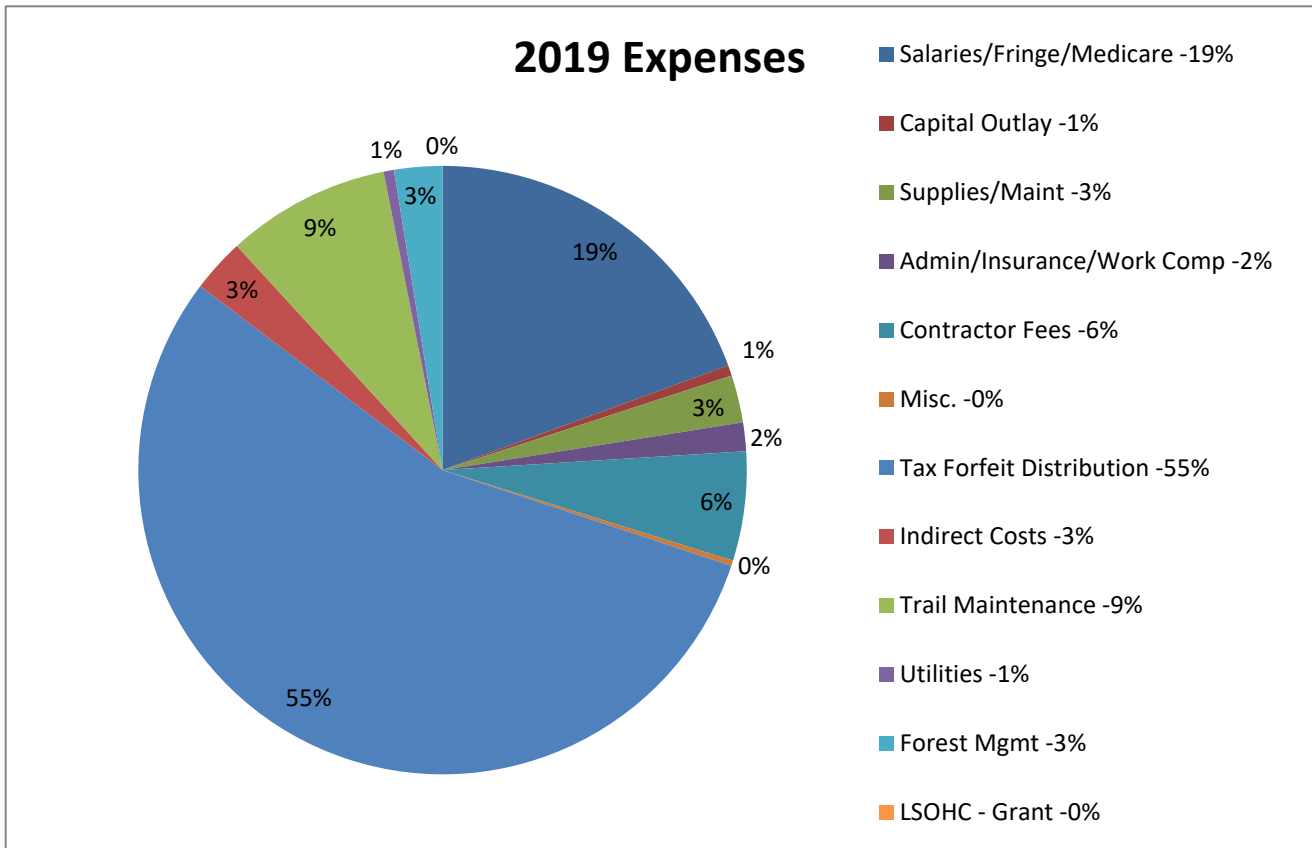
*CHAIR

2019 CASS COUNTY LAND DEPARTMENT ORGANIZATIONAL CHART

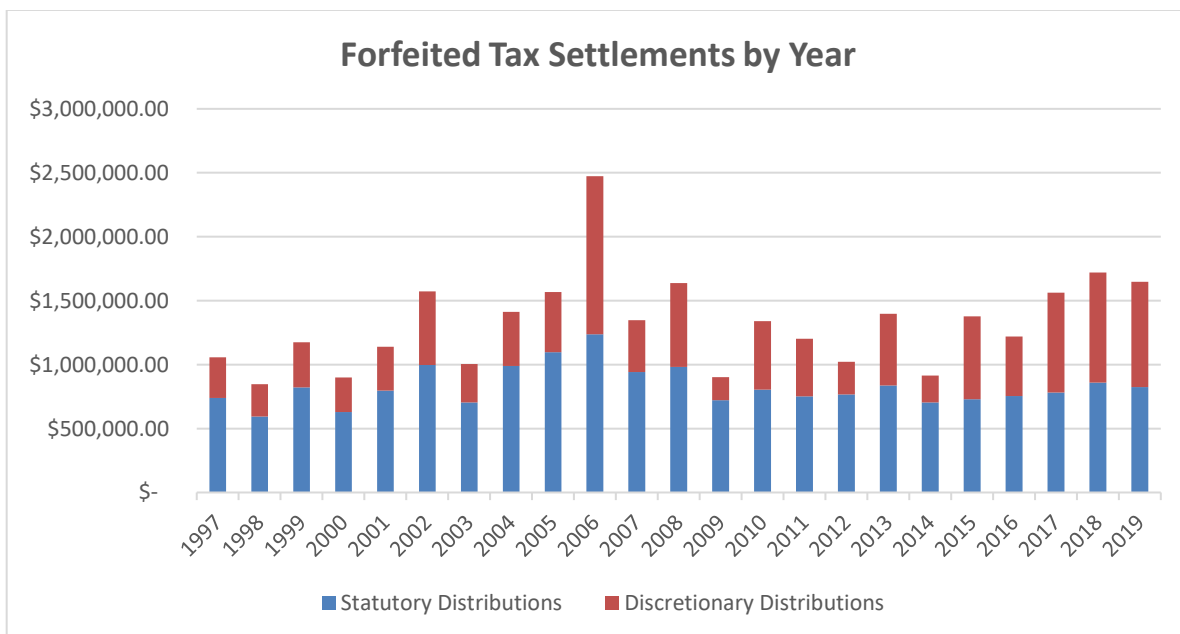


Land Department Expenses			
	2017	2018	2019
Permanent Salaries	\$403,525	\$418,105	\$431,914
IRS 125 - Flex	\$0	\$0	\$0
Fringe Benefits and PERA	\$105,504	\$106,598	\$78,615
Retired Employee Benefits	\$35,089	\$35,074	\$35,071
FICA / Medicare	\$30,289	\$31,753	\$33,218
Unemployment Compensation	\$0	\$0	\$0
Workers Compensation	\$20,852	\$14,578	\$13,547
County Uniforms & Clothing	\$1,917	\$1,749	\$1,884
Postage & PO Box Rental	\$1,274	\$2,033	\$1,269
Telephone / Internet	\$2,137	\$1,747	\$2,190
Printing, Publishing, Graphics	\$0	\$0	\$1,635
Committee, Membership Dues, and Licenses	\$5,873	\$6,270	\$6,247
Utilities	\$14,441	\$10,034	\$14,294
Trail Maintenance (Snowmobile/ATV/Ski)	\$244,069	\$252,696	\$259,665
Professional, Technical, Contract Service	\$152,712	\$216,183	\$173,017
Repairs, Maintenance & Janitorial - Building	\$24,430	\$19,653	\$47,048
Travel Expenses	\$1,722	\$1,874	\$1,621
Equipment Rental / Lease	\$6,230	\$7,346	\$7,232
Insurance (Property/Casualty)	\$22,602	\$20,600	\$20,827
Misc. Charges	\$3,781	\$19,591	\$382
Office Supplies	\$260	\$1,087	\$624
Field Supplies	\$3,807	\$4,735	\$3,586
Vehicle Repair and Expense	\$6,235	\$5,371	\$7,924
Vehicle Fuel	\$9,558	\$12,335	\$9,393
Capital Outlay, Equipment, Fixtures	\$44,936	\$38,318	\$16,730
Refunds & Remittance	\$0	\$0	\$5,802
Forest Management	\$56,489	\$59,320	\$69,118
Wildlife Management	\$6,115	\$0	\$7,172
Land Asset Mgmt.	\$2,960	\$0	\$0
Interfund Transfer (out)	\$1,562,050	\$1,720,188	\$1,647,236
Indirect Costs (out)	\$85,000	\$85,000	\$85,000
Sub Total	\$2,853,857	\$3,092,238	\$2,982,261
LSOHC - Grant**	\$63,672	\$401,971	\$0
Total Expenses	\$2,917,529	\$3,494,209	\$2,982,261

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

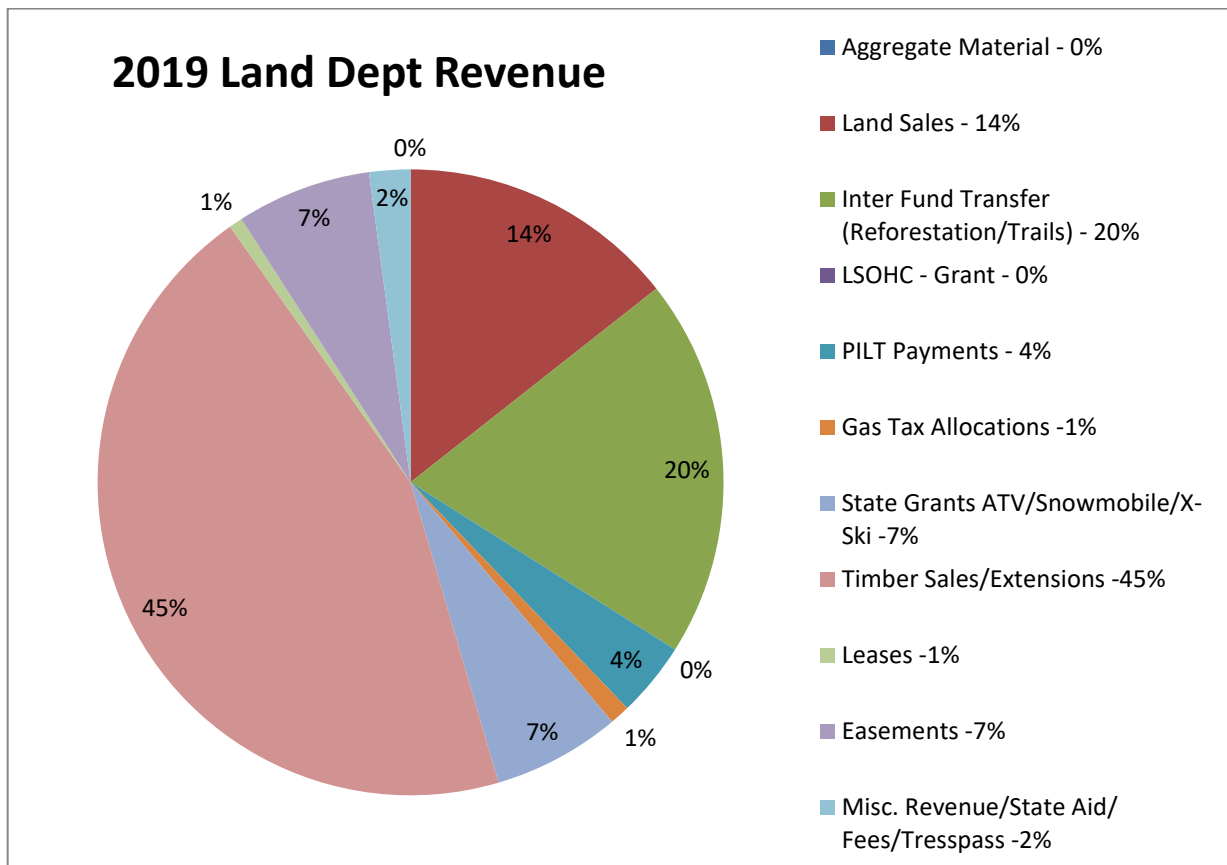


Note: 55% of the Department’s expense accounts for \$1,647,236 transferred back as tax forfeited settlements to townships, towns/cities, schools, reforestation, trails, and general fund.



Land Department Revenue

	2017	2018	2019
Aggregate Material	\$3,206	\$13,997	\$575.60
Land Sales	\$378,872	\$511,733	\$603,885.10
Inter Fund Transfer (Reforestation/Trails)	\$779,463	\$860,094	\$823,617.88
LSOHC - Grant	\$400,000	\$377,350	\$0.00
PILT Payments	\$162,198	\$162,071	\$161,982.96
Gas Tax Allocations	\$47,798	\$43,002	\$43,517.38
State Grants ATV/Snowmobile/X-Ski	\$241,670	\$224,131	\$277,314.50
Timber Sales/Extensions	\$2,098,296	\$1,908,160	\$1,881,180.51
Leases	\$28,322	\$28,795	\$29,288.17
Easements	\$63,287	\$57,650	\$292,658.80
Misc. Revenue/State Aid/ Fees/Trespass	\$45,536	\$6,262	\$89,368.26
Total	\$4,248,648	\$4,193,245	\$4,203,389



Timber Sold - All Sales

(1/1/19-12/31/19)

Product	Cords sold (2019)	Total Price (2019)	Average Price/Cd (2017)	Average Price/Cd (2018)	Average Price/Cd (2019)
Aspen	39,458	\$1,351,384.23	\$38.40	\$36.76	\$34.25
Birch	5,992	\$114,803.33	\$23.64	\$21.35	\$19.16
Black Spruce	1	\$11.53	\$20.15	\$12.00	\$11.53
Maple	4,039	\$68,450.38	\$19.96	\$19.44	\$16.95
Ash	2,168	\$27,207.98	\$13.26	\$16.55	\$12.55
Balsam Fir	674	\$8,444.94	\$14.82	\$16.33	\$12.53
Balsam Poplar	95	\$760.00	\$30.06	\$19.77	\$8.00
Basswood	2,403	\$42,631.08	\$20.11	\$16.26	\$17.74
Cedar	39	\$584.68	\$0.00	\$0.00	\$14.99
Jack Pine	1,177	\$35,885.06	\$36.22	\$20.30	\$30.49
Jack Pine Pulp	1	\$15.07	\$12.28	\$12.00	\$15.07
Mixed Hardwood	80	\$1,600.00	\$16.00	\$18.91	\$20.00
R. Pine Bolts	117	\$5,527.52	\$67.05	\$47.47	\$47.24
Red Oak	10,427	\$316,228.41	\$38.35	\$37.88	\$30.33
Spruce	88	\$1,362.08	\$13.39	\$21.37	\$15.48
Tamarack	462	\$2,115.58	\$6.62	\$7.38	\$4.58
R&W Pine Bolts	0	\$0	\$0.00	\$24.66	\$0
R. Pine Bolts & Pulp	1777.5	\$98,863.52	\$67.22	\$54.25	\$55.62
R. Pine Pulp	335	\$8,655.69	\$12.14	\$20.59	\$25.84
White Spruce	70	\$1,490.22	\$36.18	\$32.58	\$21.29
Bur Oak	2,163	\$38,435.05	\$17.02	\$18.95	\$17.77
Total Cords	71,566.5	\$2,124,456.36	\$34.12	\$22.61	\$29.41
R. Pine Sawtimber	326.2	\$42,761.10	\$124.09	\$139.30	\$131.09
R&W Pine Sawtimber	16.2	\$1,786.00	\$114.33	\$0.00	\$110.25
Total MBF	342.4	\$44,547.1	\$119.56	\$139.30	\$120.67
Salvage Acres	0	\$0			
Grand Total		\$2,169,003.46			

Timber Sold (2019)

Number of Timber Tracts Sold	83
Timber Acres Sold	3,091.8
Average Value per Acre Sold	\$701.53
Average Revenue per Auction	\$179,710.51
Average Revenue per Tract Sold	\$26,132.57

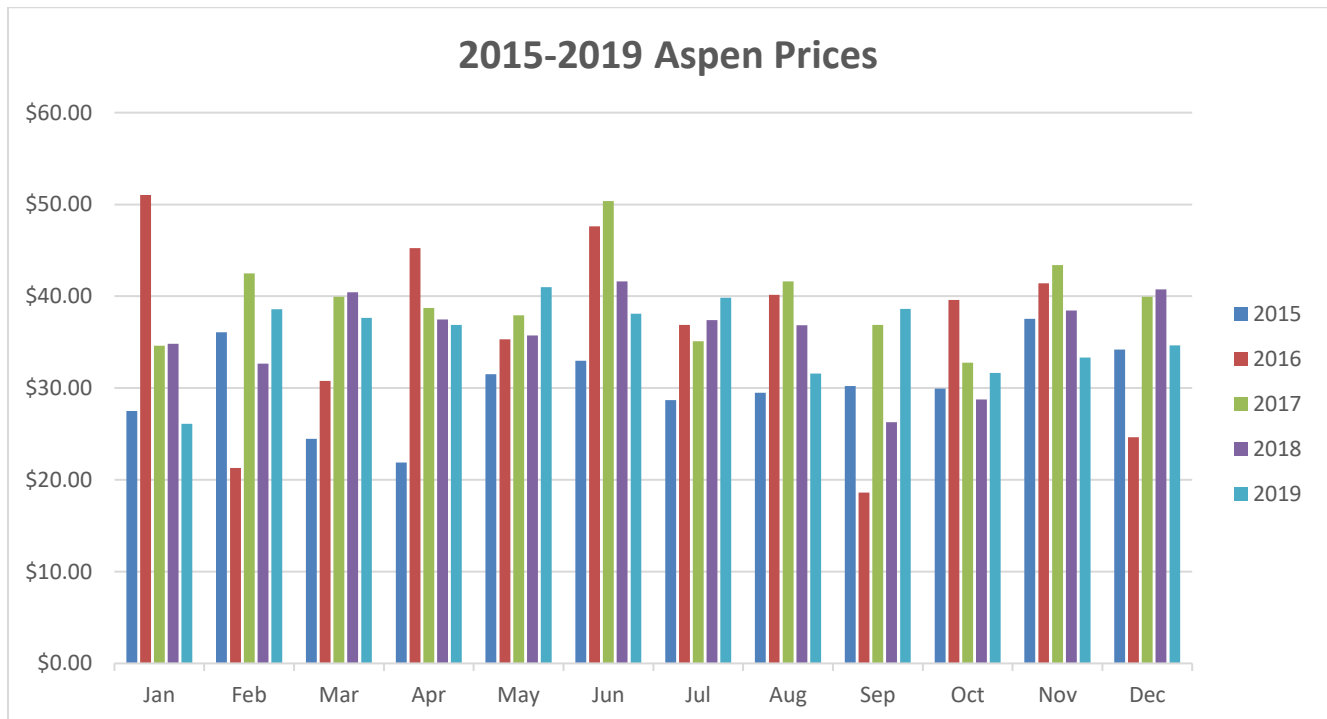
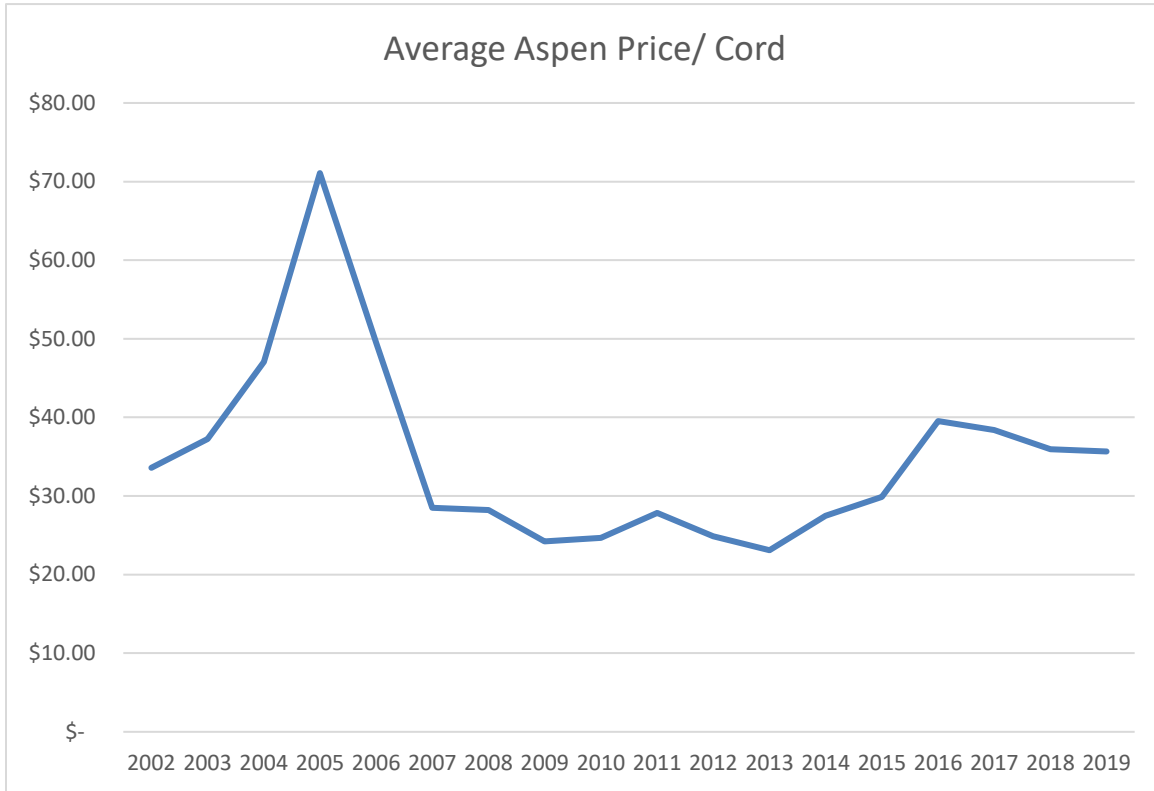
**** Grand total of timber sold will not match Timber Sale Revenues due to 2-year sales.**

The Land Department contacted 48 private landowners in 2019 regarding timber management adjacent to their property.

Timber Types Sold by Acres

Between 1/1/2019 and 12/31/2019			
<i>Timber Type</i>	<i>Acres</i>	<i>Timber Type</i>	<i>Acres</i>
ASH	90.8	WHITE SPRUCE	0
LOWLAND HARDWOOD	0.6	WHITE CEDAR	1.7
ASPEN	1908.1	BALSAM FIR	54
PAPER BIRCH	104	BLACK SPRUCE	2.3
BALSAM POPLAR	0	TAMARACK	30.9
NORTHERN HARDWOOD	257.2	UPLAND GRASS	0.8
OAK	331.2	LOWLAND BRUSH	7.1
WHITE PINE	0	MARSH	8.2
RED PINE	257.8	NOT LISTED	0.9
JACK PINE	36.2	<i>Total Acres for All Timber Types:</i>	3091.8

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.

2019 Conservation Trust Fund Account 73	
Interest Earned in 2001-2018	\$2,312,792.35
Interest Earned in 2019	\$88,105.35
Total Interest Earned	\$2,400,897.70
Less Expenditures from 2003-2018	\$1,769,090.13
Less Expenditures from 2019	\$215,000.00
Total Expenditures	\$1,984,090.13
Total Revenues Reserved for Natural Resources	\$696,396.36
Permanent Trust Funds	\$4,124,700.00
Fund 73 Total Cash	\$4,820,996.36

This fund was used for the City of Hackensack fishing pier and Trail 77 in City of Lakeshore. Future dollars are committed to projects in Lake Shore, Fairview Township and Shingobee.

Firewood Permit Sales

24 Firewood Permits with a total amount of \$600 were issued in 2019. Firewood permits are available over the counter on a first come first served basis. Permits are written up post-timber harvest for the public to purchase. Not all sales have firewood permits filed. If merchantable timber is left on the site after the logger has completed the sale, 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 2019 (31 miles). Mowing and brushing occurred on 52 miles of forest roads and hunter hiking trails. Additionally, 21 road access permits were issued during 2019. 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.

The 2019 legislative session resulted in an appropriation for county forest road maintenance in fiscal years 2020 and 2021. The distribution was made to the 14-member counties in the Minnesota Association of County Land Commissioners and is based on the commercial forested acres in each county. The July 2019 distribution to Cass County Land Department was in the amount of \$42,665. These dollars are being used for forest road maintenance activities like grading, culverts, gravel and brushing.

In 2019, the Federal Emergency Management Agency (FEMA) reimbursed the department \$36,000 for costs incurred the July 2018 storm event.

Grants and Trails

Cass County received \$234,659 in state aid grants and spent \$248,952 on snowmobile, ATV, and cross-country ski trails in 2019. 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 works with four snow mobile, two ATV, and one cross-country ski clubs in 2019. State aid and local club involvement is needed annually to sustain the County trail system. The state grant in aid trail systems are funded by vehicle registrations, trail pass fees and non-highway gas tax dollars from each of the motorized groups.

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 provides 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.

Cass County Trail Inventory 2019		
<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	36
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		783

Cass County Managed Lands

The Cass County Land Department manages 252,122 acres of tax forfeit lands and 4,778 acres of fee owned lands.

Forest Stewardship Council (FSC) Certification

In 2019, the Land Department completed a surveillance audit using NEPCon formerly known as 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 one new observation.

OBS 01/20 The Rainforest Alliance certificate code (RA-FM/CoC-000117) referenced by CLLD in procedural and management documents, as well as sale documentation, is not the most current certificate code for the FME, which is NC-FM/CoC-000117 (OBS 01/20).

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 10 survey projects for 18.4 miles of property line certified and posted. The total cost was \$71,350 with an average cost of \$3,884 per 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 feet. 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. Through signing and monumentation, the parcels will provide better public access opportunities and define the property lines into the future. These projects are paid with PILT(Payment in Lieu of Taxes) dollars.

Land Purchases

There was no land acquired in 2019.

The County has been asked to partner on two different Outdoor Heritage Fund grants. The first project was an 80-acre acquisition on Ten Mile Lake in partnership with the Leech Lake Area Watershed Foundation. The appraisal did not meet the owner's target price and the property was sold to a private party.

The next project will look at 118 acres on Wabedo Lake. This acquisition has strong local support from the township, lake association and landowner.

The Conservation Fund has a multi-county Lessard grant for acquisition with Cass ,Morrison and Crow Wing Counties along with Camp Ripley. A parcel list has been submitted.

The Land Department has been awarded a \$173,400 grant to acquire two properties in section 21 of Crooked Lake Township (27 acres) and sections 13 and 14 of Pine Lake Township (150 acres). The parcels are completely surrounded by public land. Acquiring these parcels will consolidate the land base and minimize the impact of future development to the nearby snowmobile and cross-country ski trails.

These types of project align with the Cass County Forest Resources Management Plan by consolidating the land base, providing increased wildlife habitat protection and public access for recreational opportunities like hunting, fishing and the taking of game. More importantly, by permanently protecting these forest lands into the future, then good quality water will continue to benefit the community and the people who live here.

Land Sales

The Land Department hosted one public tax-forfeited land auction in 2019. 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 51 parcels were sold in 2019 for \$603,885 of revenue. The lands 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 382 acres in 2019. The Department plans on holding a Land Sale Auction during the summer of 2020 with new parcels available for purchase. Parcels continue to be available over-the-counter year-around.

Reforestation

The Land Department planted 127,000 trees on 158 acres in the spring of 2019. In the fall, 260 acres were bud capped to help prevent deer browse. In addition, 67 acres were site prepped for planting in the spring of 2020. 123 acres had brush controlled though herbicide or hand release.

Easements

1. Ingress egress easement to Steven Lockman and family across tax forfeit lands in section 31 Kego Township to access adjoining private lands.
2. Ingress egress easement to Ellen E. Leger and Kathryn Whitney across tax forfeit lands to access adjoining private lands. In exchange, The William Patterson Family Trust granted and ingress egress easement to Cass County , including its employees and contractors for timber, forest and land management purposes. Both easements are in Sections 8-9 Crooked Lake Twp.
3. Pipeline easement to Enbridge Energy Company Inc. to construct Line 3 pipeline across McKinley, Bull Moose, Pine River, Barclay, Blind Lake, Trelipe, Crooked Lake and Beulah Townships. In addition, temporary easements were granted for temporary workspace and road access.
4. Transfer right of way easement #19-9-139-26 dated May 7, 2019 to Thomas A. Hall.
5. A public road easement to Woodrow Township adjacent to an existing township road to facilitate a turnaround for township maintenance equipment in section 8 of Woodrow Township

Grant Summary

Trail Grants: Cass County received \$234,659 in state aid grants. 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 state grant in aid trail systems are funded by vehicle registrations, trail pass fees and non-highway gas tax dollars from each of the user groups.

Forest Road Maintenance Grant: The 2019 legislative session resulted in an appropriation for county forest road maintenance in fiscal years 2020 and 2021. The distribution was made to the 14-member counties in the Minnesota Association of County Land Commissioners and is based on the commercial forested acres in each county. The July 2019 distribution to Cass County Land Department was in the amount of \$42,665. These dollars are being used for forest road maintenance activities like grading, culverts, gravel and brushing.

Minnesota Deer Hunters Association (MDHA) Jack Pine Reforestation Grant: As part of the Lessard Sams Outdoor Heritage Council grant to the MDHA for the 2000-acre donation of Potlatch lands to Cass County, there were funds available for Jack Pine reforestation. Nearly \$51,000 of this grant has helped cover the costs of site preparation, seedlings, tree planting and release on a couple of Jack Pine sites in 2019.

Conservation Partners Legacy Grant: The Land Department has been awarded a \$173,400 grant to acquire two properties in section 21 of Crooked Lake Township (27 acres) and sections 13 and 14 of Pine Lake Township (150 acres). The parcels are completely surrounded by public land. Acquiring these parcels will consolidate the land base and minimize the impact of future development to the nearby snowmobile and cross-country ski trails.

Federal Recreation Trails Grant: The Land Department along with the Lake Country Nordic Ski Club received a \$26,500 grant from the Federal Recreation Trails Grant program to acquire additional cross-country ski trail grooming equipment. This trail system is 63 KM in length with trails at Washburn Lake, Goose Lake, Cut Lake and Hiram.