

Aitkin County Board of Commissioners
Request for County Board Action/Agenda Item Cover Sheet



To: Chairperson, Aitkin County Board of Commissioners Date: 1-3-13

Via: Patrick Wussow, County Administrator

From: Patrick Wussow, County Administrator

Title of Item:
Legislative Follow-up

Requested Meeting Date: 1-8-13 Estimated Presentation Time: _____

Presenter: Patrick Wussow, County Administrator

Type of Action Requested (check all that apply)

- For info only, no action requested
- For discussion only with possible future action
- Let/Award Bid or Quote (attach copy of basic bid/quote specs or summary of complex specs, each bid/quote received & bid/quote comparison)
- Approve/adopt proposal by motion
- Authorize filling vacant staff position
- Request to schedule public hearing or sale
- Request by member of the public to be heard
- Item should be addressed in closed session under MN Statute _____
- Approve under Consent Agenda
- Adopt Ordinance Revision
- Approve/adopt proposal by resolution (attach draft resolution)
- Other (please list) _____

Fiscal Impact (check all that apply)

- Is this item in the current approved budget? Yes _____ No _____ (attach explanation)
- What type of expenditure is this? Operating Capital Other (attach explanation)
- Revenue line account # that funds this item is: _____
- Expenditure line account # for this item is: _____

Staffing Impact (Any yes answer requires a review by Human Resources Manager before going to the board)

- Duties of a department employee(s) may be materially affected. Yes No
- Applicable job description(s) may require revision. Yes No
- Item may impact a bargaining unit agreement or county work policy. Yes No
- Item may change the department's authorized staffing level. Yes No



Supporting Attachment(s)

- Memorandum Summary of Item
- Copy of applicable county policy and/or ordinance (excerpts acceptable)
- Copy of applicable state/federal statute/regulation (excerpts acceptable)
- Copy of applicable contract and/or agreement
- Original bid spec or quote request (excluding complex construction projects)
- Bids/quotes received (excluding complex construction projects, provide comparison worksheet)
- Bid/quote comparison worksheet
- Draft County Board resolution
- Plat approval check-list and supporting documents
- Copy of previous minutes related to this issue
- Other supporting document(s) (please list) Handouts

Provide (1) copy of supporting documentation NO LATER THAN Wednesday at Noon to make the Board's agenda for the following Tuesday. (If your packet contains colored copies, please provide (4) paper copies of supporting documentation as we do not have a color printer or copier.) Items WILL NOT be placed on the Board agenda unless complete documentation is provided for the Board packets.

AITKIN COUNTY ADMINISTRATION

Aitkin County Courthouse

217 Second Street N.W. Room 130

Aitkin, MN 56431

218-927-7276

Fax: 218-927-7374

TO: Aitkin County Board of Commissioners

FROM: Patrick Wussow, Aitkin County Administrator

RE: Legislative Follow-up

DATE: January 1, 2013

In the past two weeks staff has had a couple of meetings with our new legislators. The first meeting was a day long tour put on by the members of the Land Department staff with Senator Ruud, and Representative Radinovich. A copy of the packet handout is attached. The Land Department wanted to take the opportunity to visually show our legislators the process that they have followed to maintain our forest resources.

The second meeting was held at the Birchwood with Representative Radinovich, Commissioners Niemi and Westerlund, County Auditor Peysar, retired Commissioner Bailey, and the owner of the Lakeview Inn on Dam Lake, Denny Solsvig. A copy of this handout is also attached. The primary discussion centered on the State general tax, Fiscal Disparities, and the upcoming legislative session.



Aitkin County Land
Department

Forestry for all Seasons

2012



Welcome to Aitkin County

The Aitkin County Land Department (ACLD) has been serving the people of this county since 1937. At that time, we had a land commissioner and one forester. Since that time, our department has expanded to include four foresters, trail coordinator, parks, survey, GIS, and economic development departments.

ACLD manages approx. 222,000 acres of tax forfeited land for a variety of purposes:

- * Management of the timber resources on the lands
 - Planting trees each year
 - Regeneration / thinning of trees
 - Sustaining an industry (logging) that would have folded without the public lands.
- * Habitat for wildlife
 - Big Game
 - Furbears
 - Nongame
- * Recreational opportunities
 - ATVing
 - Skiing
 - Snowmobiling
 - Walking
 - Hunting
 - Rock Picking



Without public lands, all of these uses would have very few trails, 100% of the ATV trails are on public lands. The snowmobile trails are approx. 75% on public lands and provide the means to connect the private lands. Ski trails are 100% on public lands. Hunting is at least 75% conducted on public lands.

- * Nontraditional forest uses
 - Maple syrup
 - Christmas trees
 - Berry picking
- * Environmental Quality
 - Air
 - Water
- * Income that is apportioned back to all of the taxing districts - county, township, and school districts
- * Employment
 - Industry
 - Loggers
 - Secondary Products
 - Staff



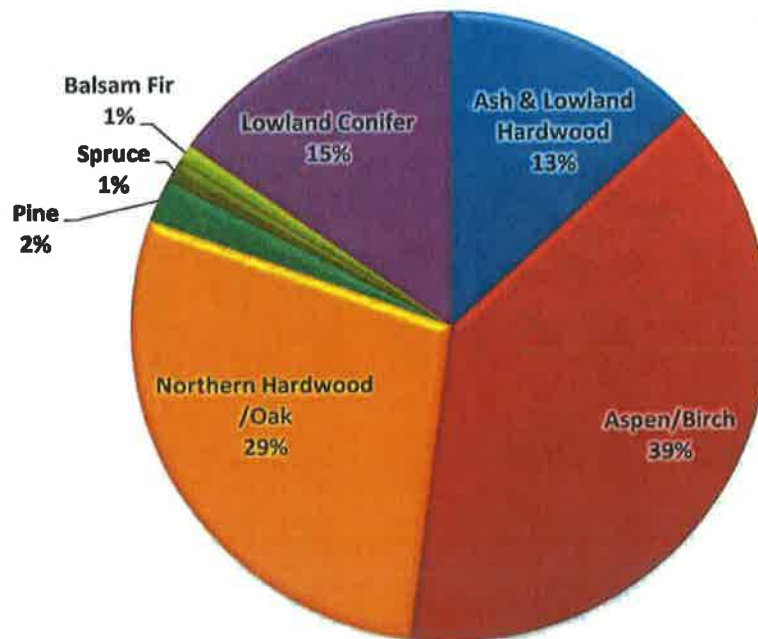
**Aitkin County is committed to the philosophy:
If we take care of the forests, the forests will take care of us.**

ACLD Strategic Forest Management Initiatives:

- **Increase Quality of Hardwood Forest**
- **Balance Age-Classes in Aspen Forest**
- **Increase Upland Conifers**
- **Increase Oaks**
- **Strive to Retain Birch**
- **Manage for a Range of Wildlife Habitats**
- **Dispersed Recreation Opportunities**
- **Maintain/Enhance Water Quality**



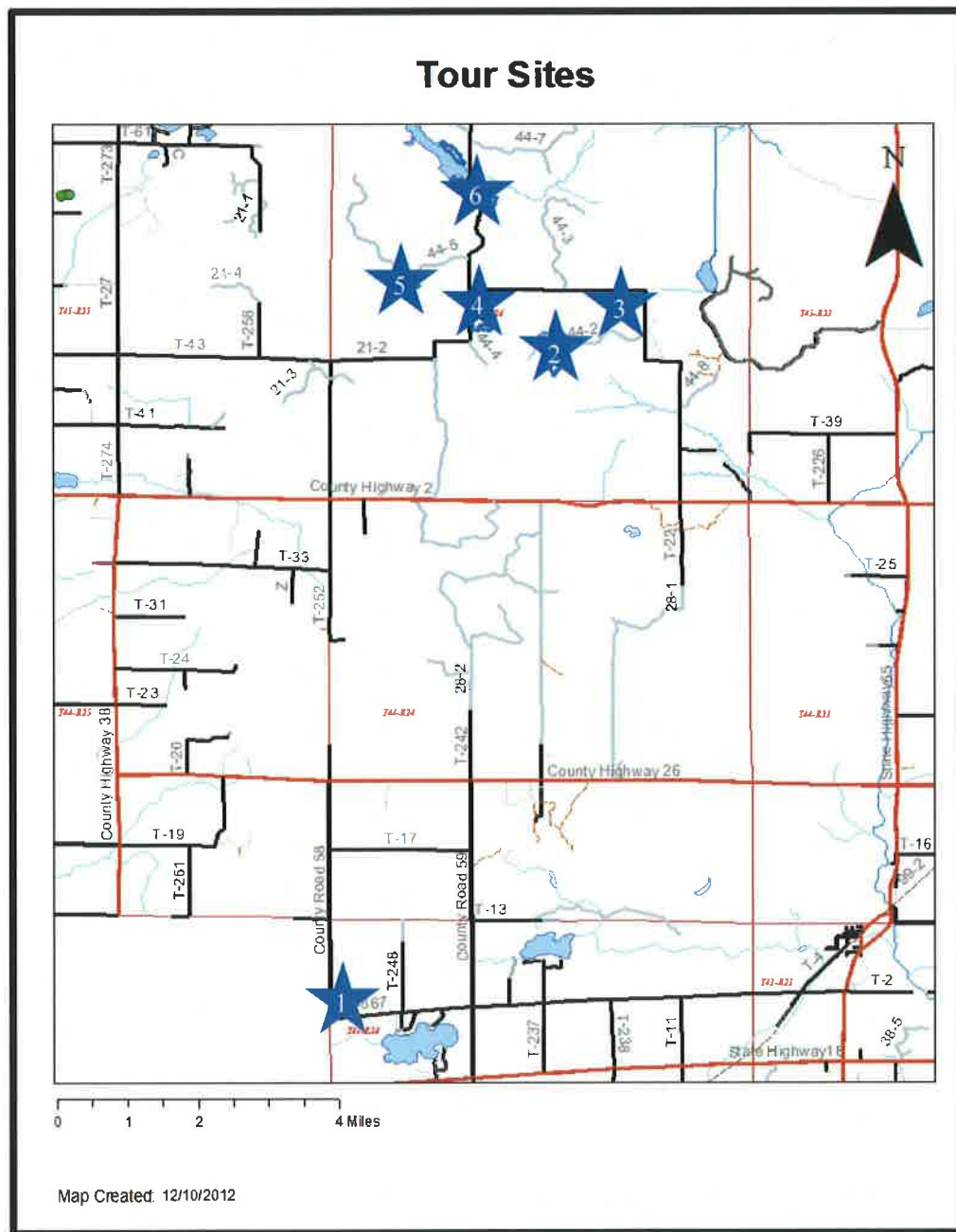
ACLD Forest Types - 2012



UNIVERSITY OF MINNESOTA FORESTRY TOUR
 13 December 2012
 Aitkin County Land Department

AGENDA

Site	Contact	Topic
1	Hawkins Sawmill	Local Industry Perspectives
2	Chad Westerlund Sale	2 nd Thin, Local Logger, Multiple Forest Benefits
3	Pine Management	Pine Silvics, TSI, Pliny Post
4	Sappi Sale	Aspen Clearcut, Logger Issues
5	Park Falls Sale	Quality Oak and Regeneration
6	Jewett Impoundment	Management Objectives, Public Use

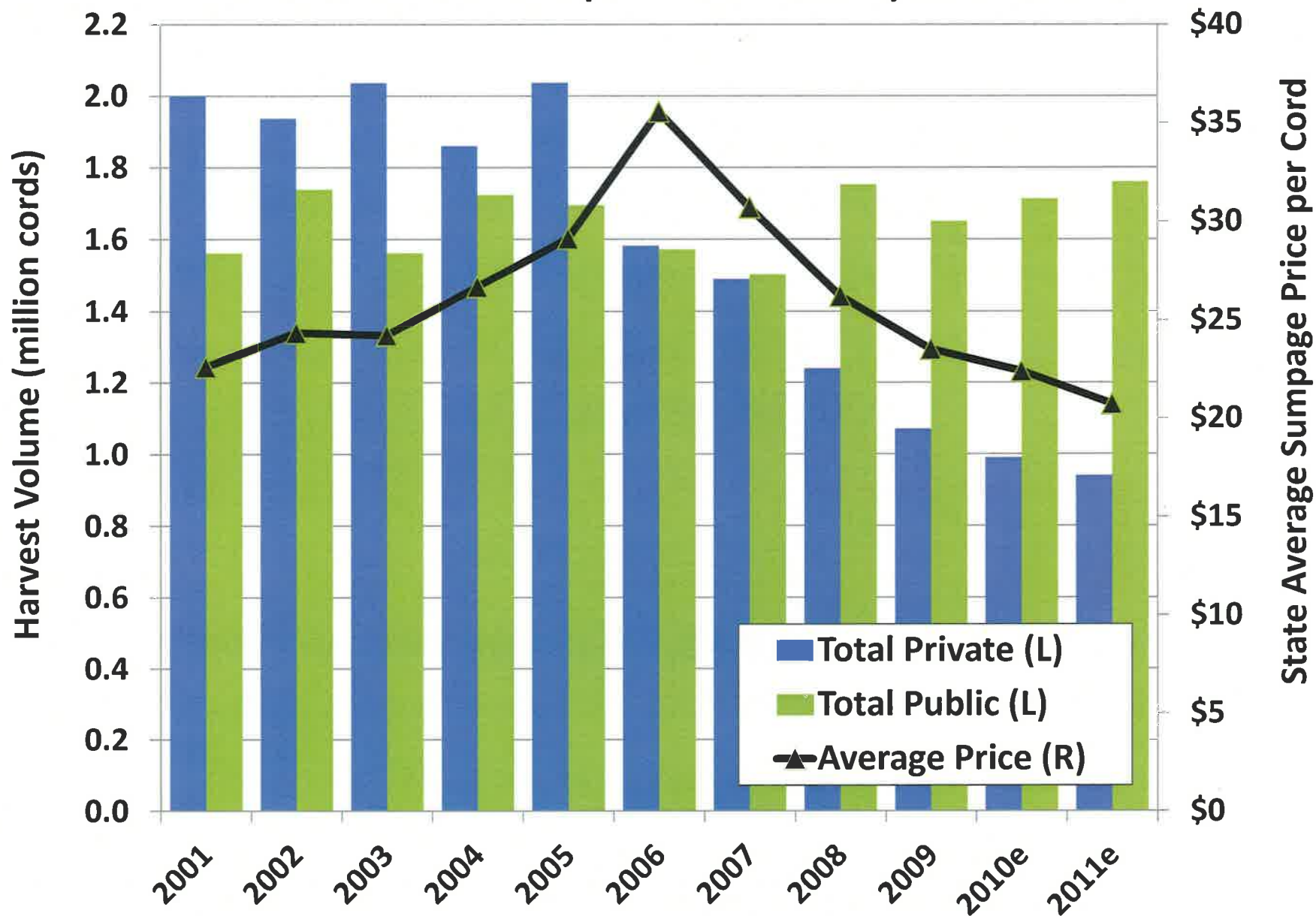


1. Hawkins Sawmill

- Local Sawmill
- Importance of Public Land to Timber Flow
- Recent Capital Improvements
- Investment in technology
- Local Employer
- Cooperative Development with Between Counties

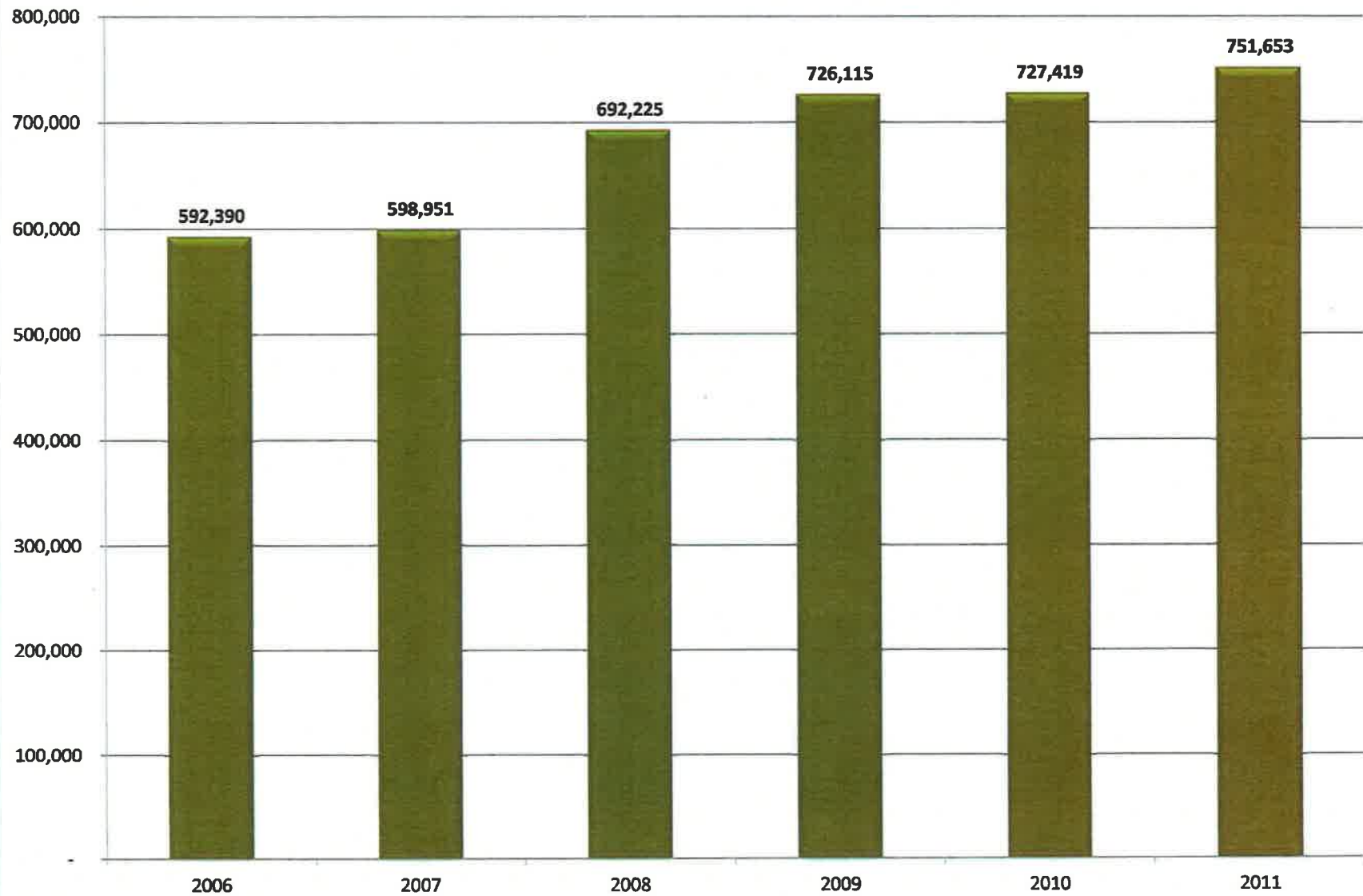


Minnesota All-Ownership Timber Harvest by Calendar Year



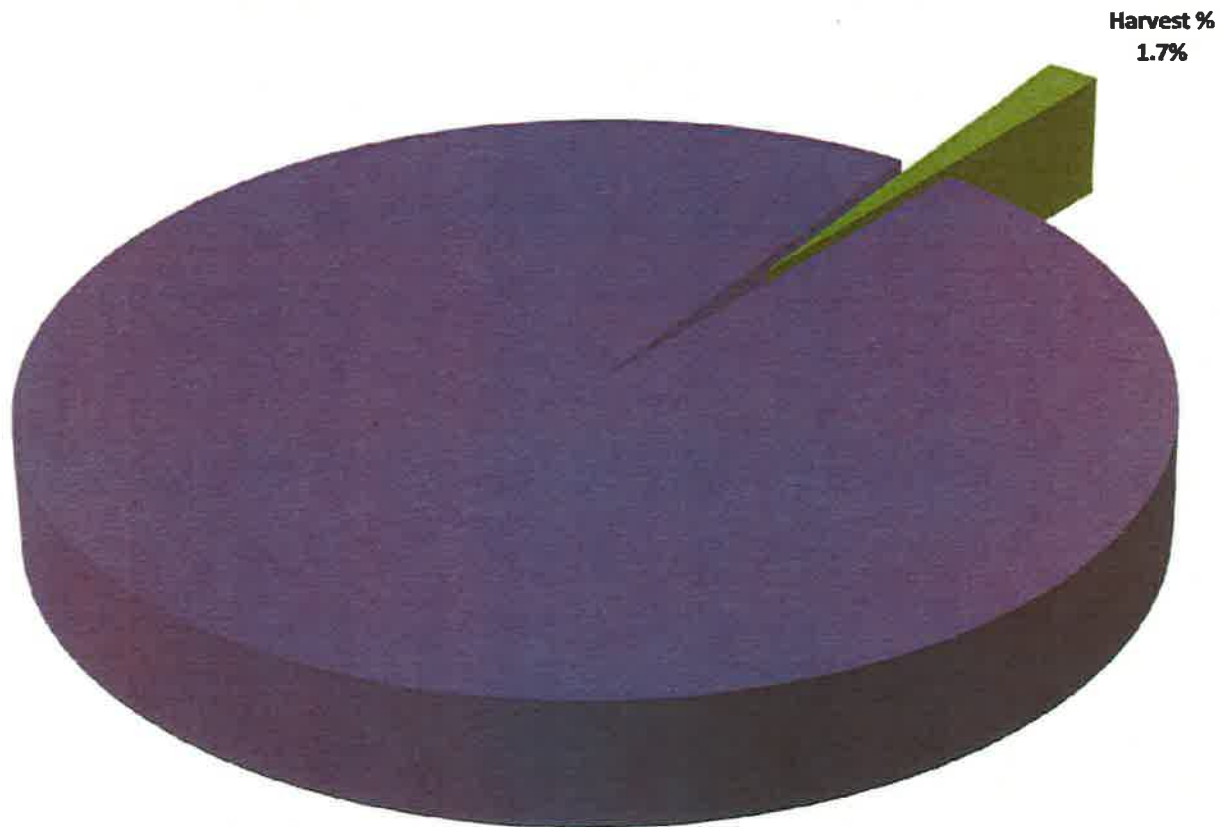
Don Deckard, Forest Economist, Minnesota DNR, 8/28/2012

MACLC Timber Harvest (volume in cords - sold by year)



MACLC Timber Harvest

% average annual acres sold
2006-2011



2. Second Thin (permit #13144), Chad Westerlund Sale

Location (S-T-R) 22-45-24 Age (2012) 80

1st Thin Harvested 1997 (27 acres)

Species	Quantity (Cords)	Unit Price per Cord	Appraised Value
Red Oak Bolts	31	\$ 48.00	\$ 1,488.00
Birch Bolts	18.5	20.00	370.00
Maple Bolts	4	17.00	68.00
Basswood Bolts	9	49.00	441.00
Aspen Pulp and Bolts	32	14.00	448.00
Mixed Hwd Firewood	82	4.00	328.00
Total	176.5		\$ 3,143.00

Notes: Select Cut. Trees marked in yellow to be cut. Sold on Area Estimate. 6.5 cords per acre

2nd Thin Harvested 2012 (53 acres)

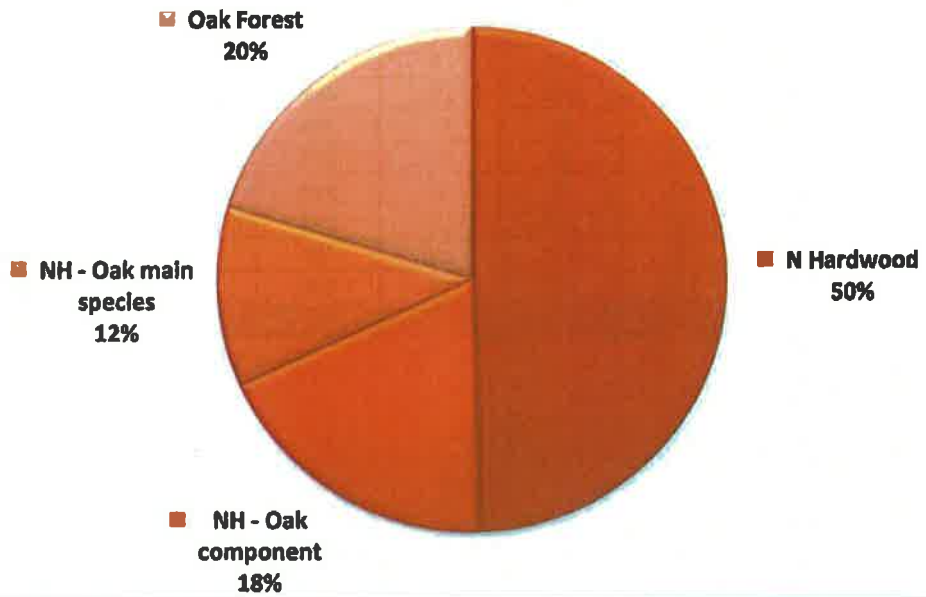
Species	Quantity (Cords)	Unit Price per Cord	Appraised Value
Red Oak Bolts	168	\$ 91.00	\$ 15,288.00
Paper Birch Bolts	5	35.00	175.00
Maple Pulp and Bolts	70	8.00	560.00
Basswood Bolts	16	45.50	728.00
Aspen Pulp and Bolts	13	18.00	234.00
Mixed Hwd Pulp & Bolts	30	8.00	240.00
Oak Fuel	240	14.00	3,360.00
Total	542		\$ 20,585.00

Notes: Select Cut. 2nd cut, trees marked in orange to be cut. Sold on Scale. 10.2 cords per acre.

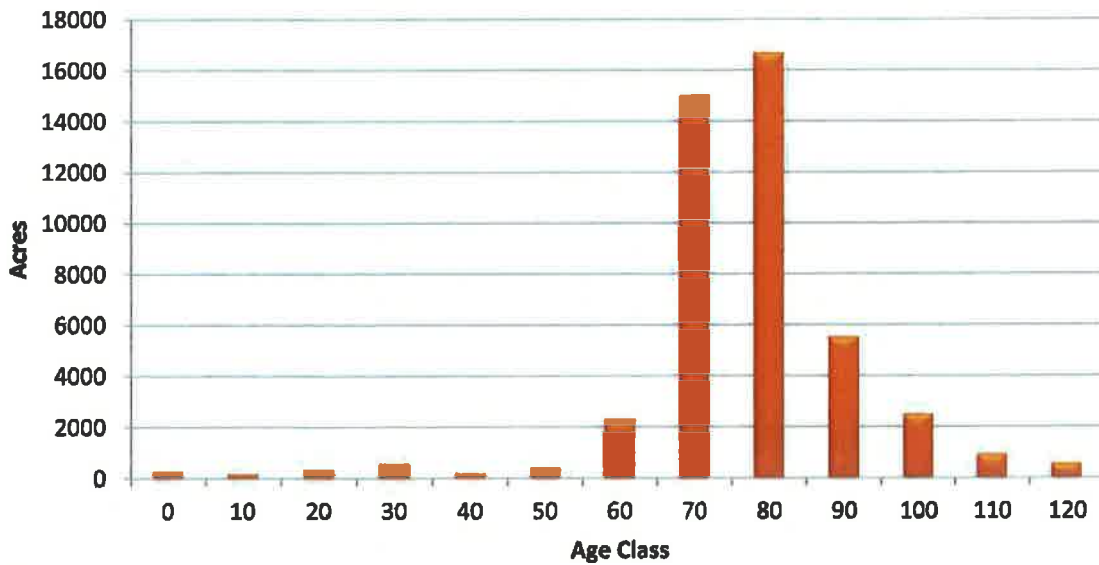
- Even aged management,
- Dispersed habitat management zone
- Variable density thin with a crop tree release
- Made three regeneration openings (approximately 3% of Total Area) to promote paper birch
- Removed 10 cds/acre
- Excellent quality oak
- Residual Basal Area (RBA) target range 75-90 sq ft.
- Re-entry in 10-15 year entry cycle



N Hardwood/Oak Forest ACLD - 2012

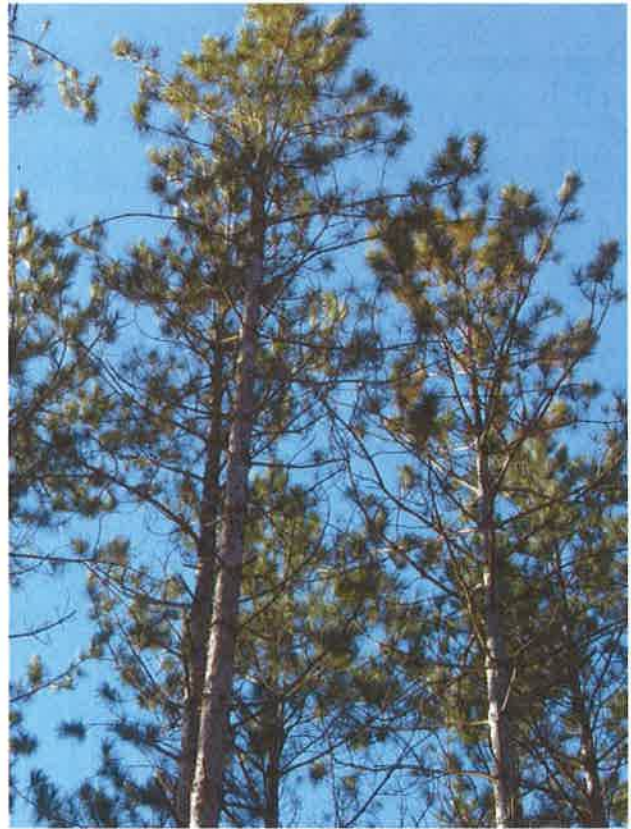


N Hwd/Oak Forests by Age Class ACLD



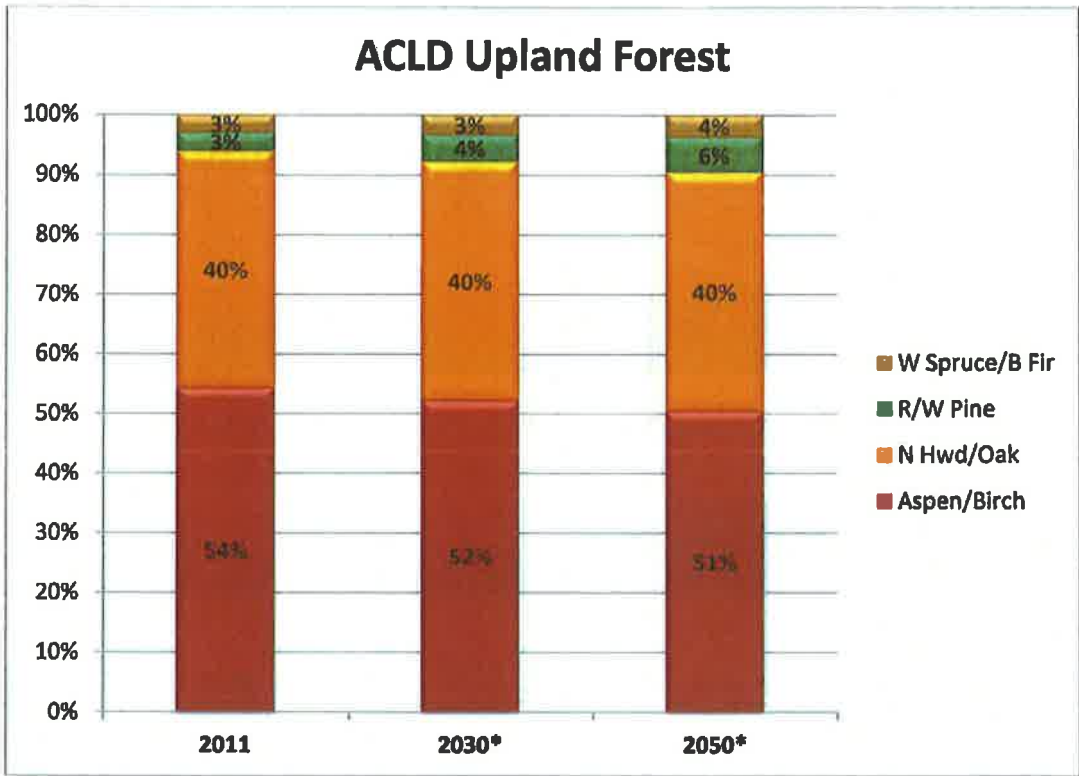
3. Pine Management (permit #13042)

Location (S-T-R) 22-45-24

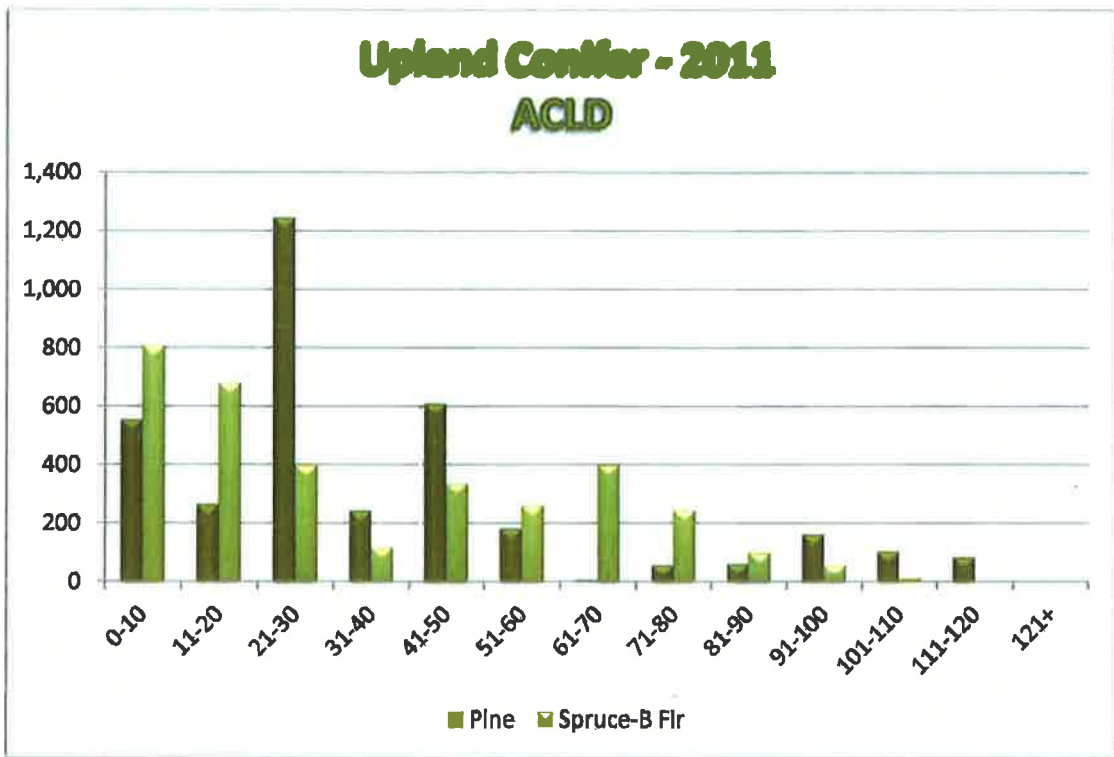


- Pine Silvics
- Products
 - Pliny Post and Pole
 - Bell Pole
 - SAPPI
 - Potlatch
 - Hedstrom
- Regeneration
 - Planting contracts
 - Budcapping
 - Pruning
 - Thinning





Pine



4. Aspen Clearcut (permit #13236), SAPPI Sale

Location (S-T-R) 21-45-24 Age (2012) 82

Species	Quantity (Cords)	Unit Price per Cord	Appraised Value
Aspen Pulp and Bolts	240	\$ 30.60	\$ 7,344.00
Maple Pulp and Bolts	240	8.00	1,920.00
Paper Birch Pulp and Bolts	110	9.00	990.00
Oak Pulp and Bolts	100	17.00	1,700.00
Aspen Pulp and Bolts	35	8.00	280.00
Total	725		\$ 12,234.00

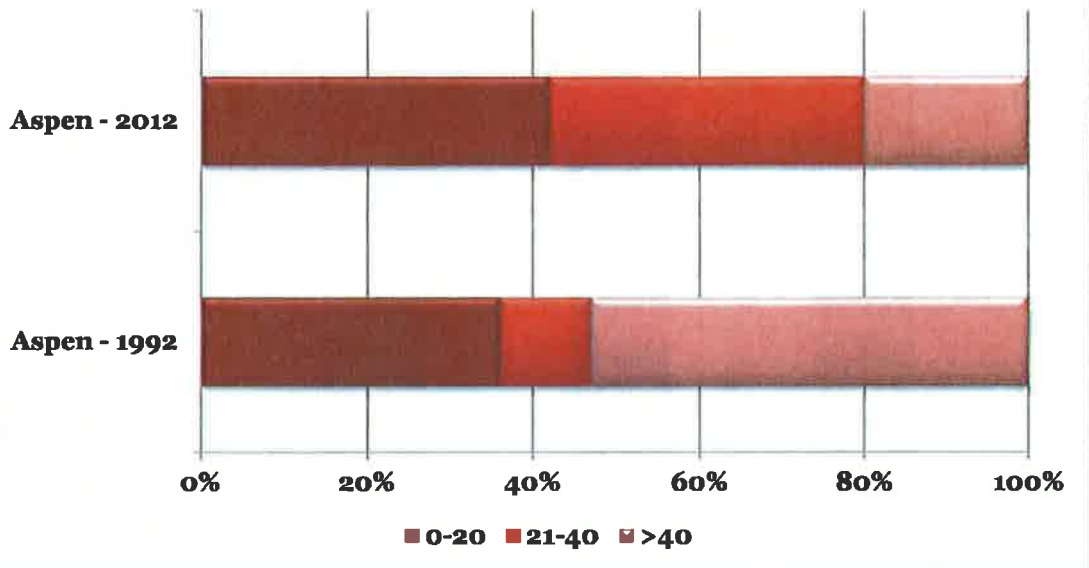
Notes: Clear Cut. Aspen and Maple sold on scale, all others sold on Area Estimate. 22.6 cords per acre

Harvested 2012 (32 acres)

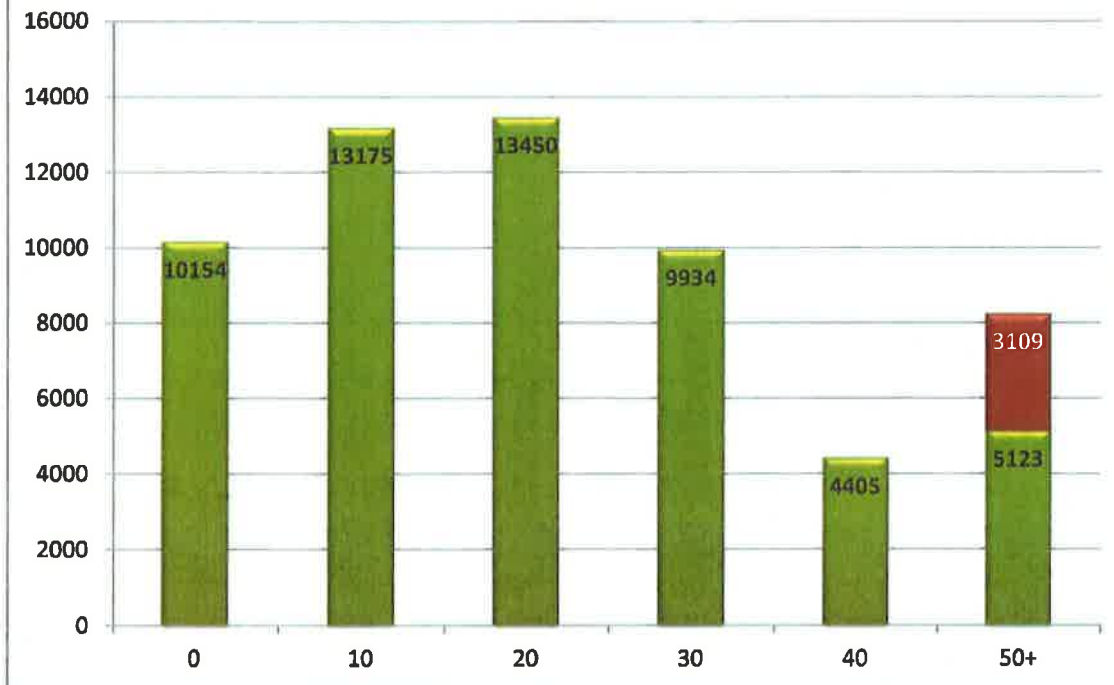
- Even aged management,
- Natural regeneration from sprouts
- Planting white spruce and balsam
- Harvested with a Cut-to-Length system
- Many products: pulp, pallet bolts, logs, veneer
- Residuals left for wildlife and seed
- Re-entry in 45-50 year entry cycle



Aitkin County Land Department Aspen Resource - Age Breakdown



Aspen Age Classes ACLD 2012



5. Oak Regeneration (permit #13348), Park Falls Sale

Location (S-T-R) 17&18-45-24 Age (2012) 76

Species	Quantity (Cords)	Unit Price per Cord	Appraised Value
Maple Pulp and Bolts	490	\$ 22.08	\$ 10,819.20
Paper Birch Pulp and Bolts	115	22.08	2,539.20
Mixed Hardwood Pulp & Bolts	40	22.08	883.20
Total	705		\$ 14,241.60

Notes: Select Cut. Cut only maple, birch, basswood, and ash. Sold on scale. 16.4 cords per acre

Harvested 2012 (43 acres)

- Natural regeneration from seed trees
- Forester directed and Logger selected
- Residuals left for wildlife and seed
- Re-entry in 45-50 year entry cycle



6. Public Land Management, Jewett Impoundment

Location (S-T-R) 17-45-24



- Forest Roads
- Sand, Gravel, Peat
- Cultural Resources
- Recreational Use of Public Land
 - Hunting
 - Camping
 - ATV/Snowmobile Access
- Wildlife
 - Threatened and Endangered Species
 - Nongame
 - Fur Bearers
- Cooperation between Agencies
 - Prescribed burns
 - Timber sales
- Nontraditional Forest Uses, Wild Rice

Taconite Fiscal Disparities

Seven taconite counties, Aitkin Cook, Crow Wing, Itasca, Koochiching, Lake, and St Louis

Tax base sharing, leveling effect of Commercial/Industrial (C/I) property taxes, using 1995 as the base year.

Aggregating and proportioning a part of the C/I property valuation and tax based on population, taxable value, net tax capacity, and the local tax rates.

County

City/Town

School District

Regional Development (ARDC)

Aitkin has moved from a net benefiter to a net contributor,

Significant increase in overall property values/tax base; generally lowered tax rates in most areas

Significant increase in C/I values, both existing and new construction
Commercial property was re-assessed in 2009/2010, typically, large increases in valuation

Growth in the population of the Aitkin area

Property tax methodology has changed

2002 property tax revisions: Shifts

Removed a large portion of school district levies from the tax base, lowered SD tax rates

Added the State General Property Tax

Compression of property class rates

Loss of HACA aid, less Local Government Aid (LGA)

2012 Property Tax Revisions: More shifts

Market value homestead credit to market value exclusion,

Tax rate increase on all classes of property

Changes in local levels of service (levies)

Taconite Relief Area-Aitkin County

Costs to C/I properties located in ISD #1 area:

For payable 2012 the net pay into the FD District was \$282,041

For payable 2013 the net pay into the FD District is \$302,425

(Contribution value times the area wide rate)

Benefits to area property owners:

Taconite Production Tax 2012

To ISD #1-Aitkin used to reduce property tax levy \$133,916

Cities and Towns received \$20,152

Supplemental Homestead Credit \$928,017

(it is split among the county, cities, towns, and ISD #1)

Supplemental homestead credit is a benefit to homestead property owners. It reduces the net tax out of pocket by 57% to a maximum of \$289.80.

31400
benefit
property

INQ TAXR

Display Tax Records

12/26/12

Data Set: PRP

13:21:12

Parcel/Acct: 56-0-124307 / 42418 Asmt/Tax Year: 2012 / 2013

Taxpayer : MCDONALD'S USA LLC

Effective date :	11/13/2012	Delq taxes/Bankrupt :	No	No
Judgement year :	0000	Balance tax and spec:		.00
Confession years :	0000 - 0000	Penalty due: :		.00
Tax before spec asmt :	17,316.00	Cost due and fees . . . :		.00
Special assessments . . . :	.00	Interest due: :		.00
Other special taxes . . . :	.00	Total amount due . . . :		.00
Total tax and special :	17,316.00	Calc Pen/Int through:	12/31/2012	
Less payments to date :	.00	Bal 1st half tax/pen:		.00
Write off adj amount :	.00	Bal green acre tax :		.00

PROPERTY TYPE & ESTIMATED VALUE:

233 COMM	485,000
TOTAL ESTIMATED VALUE	485,000

TAXABLE VALUE:

Taxable land value	103,200
Taxable building value	381,800
TOTAL TAXABLE VALUE	485,000

TAX CAPACITIES:

1000.00 Fully Taxable NTC	8,950
1030.00 Fiscal Disparity Contr. NTC	2,988
1060.00 Fully Taxable Final NTC	5,962
1070.20 State General Tax NTC-C/I	8,950
1090.00 Fully Taxable RMV	485,000

TAX RATES:

2060.00 Fully Taxable NTC Rate	122.173000%
2090.00 Fully Taxable RMV Rate	.046110%

TAXES:

Fully taxable NTC tax	7,283.65
Fiscal disparity tax	5,065.42
Fully taxable referendum MV tax	223.63
3070.20 State General Tax NTC-C/I	4,743.30
TOTAL TAX BEFORE CREDITS:	17,316.00

TOTAL AMOUNT DUE

\$ 17,316.00

TAX BREAKDOWN:

County portion of NTC tax	2,494.51
City/Twp portion of NTC tax	4,592.28
All other school NTC tax	186.78
Special taxing district NTC tax	10.08
School voter approved RMV tax	.05
All other school RMV tax	223.58

OTHER INFORMATION:

Account number	42,418
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w/o f d

TC 8950 X 122.173% =

\$10934

RMV 485,000 x .04611

224

stgen 8950 X 53%

4743

Total

\$15,901

INQ TAXR

Display Tax Records

12/26/12

Data Set: PRP

13:11:15

Parcel/Acct: 31-0-046200 / 31326 Asmt/Tax Year: 2012 / 2013

Taxpayer : AMERICAN PEAT TECHNOLOGY LLC

Effective date . . . :	11/13/2012	Dlg taxes/Bankrupt :	No	No
Judgement year . . . :	0000	Balance tax and spec:		.00
Confession years . . . :	0000 - 0000	Penalty due: . . . :		.00
Tax before spec asmt :	14,066.00	Cost due and fees . . :		.00
Special assessments . . :	.00	Interest due: . . . :		.00
Other special taxes . . :	.00	Total amount due . . :		.00
Total tax and special :	14,066.00	Calc Pen/Int through:	12/31/2012	
Less payments to date :	.00	Bal 1st half tax/pen:		.00
Write off adj amount :	.00	Bal green acre tax :		.00

PROPERTY TYPE & ESTIMATED VALUE:

234 INDUSTR	536,000
TOTAL ESTIMATED VALUE	536,000

TAXABLE VALUE:

Taxable land value	33,800
Taxable building value	502,200
TOTAL TAXABLE VALUE	536,000

TAX CAPACITIES:

1000.00 Fully Taxable NTC	9,970
1030.00 Fiscal Disparity Contr. NTC	2,137
1060.00 Fully Taxable Final NTC	7,833
1070.20 State General Tax NTC-C/I	9,970
1090.00 Fully Taxable RMV	536,000

TAX RATES:

2060.00 Fully Taxable NTC Rate	62.713000%
2090.00 Fully Taxable RMV Rate	.046110%

TAXES:

Fully taxable NTC tax	4,912.15
Fiscal disparity tax <i>2137 x 169.526%</i>	- 3,622.79
Fully taxable referendum MV tax <i>Area wide Rate</i>	247.14
3070.20 State General Tax NTC-C/I <i>9970 x 53%</i>	5,283.92
TOTAL TAX BEFORE CREDITS:	14,066.00

TOTAL AMOUNT DUE

\$ 14,066.00

TAX BREAKDOWN:

County portion of NTC tax	3,277.37
City/Twp portion of NTC tax	1,376.14
All other school NTC tax	245.40
Special taxing district NTC tax	13.24
School voter approved RMV tax	.05
All other school RMV tax	247.09

OTHER INFORMATION:

Account number	31,326
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w/o FD

TC 9970 x 62.713% = \$6252

RMV 536,000 x .04611% = + 247

ST 6 9970 x 53% = \$5284

Total \$11,783

INQTAXR

Display Tax Records

12/26/12

Data Set: PRP

15:10:21

Parcel/Acct: 09-1-101101 / 8874 Asmt/Tax Year: 2012 / 2013

Taxpayer : DENNY'S LAKEVIEW INN, LLC

Effective date . . . :	11/13/2012	Dlq taxes/Bankrupt :	No	No
Judgement year . . . :	0000	Balance tax and spec:		.00
Confession years . . :	0000 - 0000	Penalty due: . . . :		.00
Tax before spec asmt :	6,008.00	Cost due and fees . . :		.00
Special assessments . :	.00	Interest due: . . . :		.00
Other special taxes . :	.00	Total amount due . . :		.00
Total tax and special :	6,008.00	Calc Pen/Int through:	12/31/2012	
Less payments to date :	.00	Bal 1st half tax/pen:		.00
Write off adj amount :	.00	Bal green acre tax :		.00

PROPERTY TYPE & ESTIMATED VALUE:

233 COMM

TOTAL ESTIMATED VALUE

236,700

236,700

TAXABLE VALUE:

Taxable land value

138,600

Taxable building value

98,100

TOTAL TAXABLE VALUE

236,700

TAX CAPACITIES:

1000.00 Fully Taxable NTC	3,984
1030.00 Fiscal Disparity Contr. NTC	1,391
1060.00 Fully Taxable Final NTC	2,593
1070.20 State General Tax NTC-C/I	3,984
1090.00 Fully Taxable RMV	236,700

TAX RATES:

2060.00 Fully Taxable NTC Rate	55.129000%
2090.00 Fully Taxable RMV Rate	.046110%

TAXES:

Fully taxable NTC tax	1,429.41
Fiscal disparity tax <i>1391 @ 169.523702</i>	2,358.06
Fully taxable referendum MV tax	109.13
3070.20 State General Tax NTC-C/I	2,111.40
TOTAL TAX BEFORE CREDITS:	6,008.00

TOTAL AMOUNT DUE

6,008.00

TAX BREAKDOWN:

County portion of NTC tax	1,084.89
City/Twp portion of NTC tax	258.90
All other school NTC tax	81.24
Special taxing district NTC tax	4.38
School voter approved RMV tax	.02
All other school RMV tax	109.11

OTHER INFORMATION:

Account number 8,874

w/o FD

+C 3984 @ 55.129% = \$ 2196
RMV 236,700 @ .04611% = \$ 109
Stben 3984 @ 53% = \$ 2111

Total \$ 4416

Parcel/Acct: 09-1-101101

8874 Taxpayer: DENNY'S LAKEVIEW INN, LLC

Type options, press Enter.

A=Display asmt summary X=Display tax record

Opt	Tax Dta Yr Set	Cls/Hstd Codes	New Imprvmnts	Taxable Value	Local Tax Rate	RMV Rate	Net Tax less SA
-	2013 PRP	233	0	236700	55.129%	.046110%	6008.00
-	2013 PRD	233	0	236700	.000%	.000000%	.00
-	2012 PRD	233	0	241900	52.074%	.044040%	5662.00
-	2011 PRD	233	0	243100	47.325%	.042510%	5488.00
-	2010 PRD	233	0	243700	44.911%	.040570%	5168.00
-	2009 PRD	233	0	201500	47.995%	.041560%	3910.00
-	2008 PRD	204 232	0	217500	53.295%	.045380%	1410.00
-	2007 PRD	204 232	0	217500	60.956%	.049590%	1616.00
-	2006 PRD	204 232	0	211100	68.181%	.049990%	1758.00
-	2005 PRD	201 232 1	0	183400	69.836%	.017450%	1090.00

More...

Press Enter to continue or enter new parcel/tax year: 09-1-101101 2013
 F1=Help F3=Exit F11=Alt View F12=Cancel