

**TOWNSHIP OF CLAY
CLAY TOWNSHIP BOARD MEETING
SEPTEMBER 26, 2018, 7:00 PM
MANTRAP VALLEY CONSERVATION CLUB
PARK RAPIDS, MN**

1. CALL TO ORDER: The September 26th, 2018, Meeting of the Clay Township Board was called to order at 7:00 p.m. by Chair Andy Kietzman, and those present recited the Pledge of Allegiance.

2. ROLL CALL: Present: Chair Andy Kietzman, Supervisors Jeff Haukebo and Norm Leistikow, Treasurer Del Holz, and Clerk Margie Vik. Absent: None. Others Present: Marty Leistikow, and Mike Leichter.

3. APPROVAL OF AGENDA: A motion was made by Kietzman, seconded by Leistikow, and unanimously carried to approve the agenda as presented.

4. APPROVAL OF MINUTES:

A. Clay Township Regular Meeting Minutes-September 26, 2018: A motion was made by Leistikow, seconded by Kietzman, and unanimously carried to approve the Clay Township Regular Meeting Minutes for September 26th, 2018, as presented.

5. NEW BUSINESS:

A. Sale of Sheep Ranch: Kietzman stated Hubbard County has approached the township with the possibility of purchasing property owned by Potlach and converting it to public use by using federal grant funds. Haukebo stated I'm in favor of the sale and removing it from the tax rolls. Leistikow stated each person in the township would have to pay \$31.00 more in property taxes to make up for the loss.

Mike Leichter, a DNR Forester stationed in the Park Rapids office, stated he manages state forest land. Potlach has on and off been selling their large tracts of property. This tract is located in Section 22 in Clay Township, also known as the old sheep ranch. This land is located in a watershed protection area. If this big parcel is broken up into separate lots, they would maximize the lake lots. Potlach is looking to maximize their value. The watershed protection area will change quickly if that happens. There is a trust that acquires these tracts and then they transfer them to the State of Minnesota. Potlach has given them a proposal. We're looking for the support of the local jurisdictions to have the land purchased and taken off the tax rolls.

Leichter stated if the land is converted from taxable to non-taxable land, the township would receive Payment in Lieu of Taxes (PILT). There are different PILT rates for different land types. Clay Township would get a rate of approximately \$2.00 per acre for the timber PILT rate.

Kietzman stated we are trying to figure out what the sale of the land would do to us. Leichter stated the current taxes paid on the Sheep Ranch parcel is \$25,934.00. Of that amount

the township receives \$4,791.62. The calculated PILT based on the estimated market value of \$1,484.00 per acre would be \$28,275.00. The calculated township share of that PILT would be \$2,828.00. The majority of the tax dollars go to the county, and the township gets a smaller portion. That would be a \$1,900.00 reduction in your current tax reimbursement. The township may be able to request a larger portion of the PILT money from the county.

Haukebo questioned what would be done with the land if the state acquires it? Leichter stated it would be managed like the Paul Bunyan State Forest, with minimum maintenance roads. It would be open to the public for hunting and other recreational uses. The state would manage any timber sales and would reforest as necessary. We would restore the ATV trails back to connect with the Paul Bunyan trails like they were twenty years ago.

Kietzman stated reinstatement of the ATV trails would bring business back to Emmaville Store. Right now, there is no good way to get to the Paul Bunyan Trails. Leichter stated the county and the state plan ATV trails together. It would be easy to make it happen. It would require a legislative adjustment to the state forest property lines.

Haukebo questioned if Potlach had considered Clay's zoning ordinance when they platted out their subdivision. Leichter stated he didn't know, but that land would look very different with one-hundred new wells and houses.

Kietzman stated the county is looking for a show of support from the local jurisdiction. Haukebo stated I like the idea of public land and to have that open for hunting again and to be preserved as a wild area. Yes, there will be a loss of taxes for the township, but the area should be preserved for the future. Kietzman stated when they closed that area for hunting, we at the boy scout camp were inundated with people searching for hunting land. As a hunter, it's a real challenge to find land to hunt on and it would be an opportunity to provide that. The local economy would also benefit from having more people here. Leistikow stated it would be a loss of \$31.00 on average per voter. Haukebo stated that is not a valid calculation. Holz stated the loss of taxes concerns me, but I'm willing to see it happen to preserve that area. I'd rather see one hundred more deer than one hundred new wells.

A motion was made by Haukebo, seconded by Kietzman, to approve Resolution in Support of the Purchase of Private Property by the State of Minnesota. The vote was called. Haukebo and Kietzman voted yes. Leistikow voted no. The motion carried 2-1.

B. Land Split: Haukebo stated Ron Harlow wants to carve a piece off of his property to sell to his neighbor which will create an unbuildable lot. The township granted a variance there in 2006. He's not making a variance request at this time. His reason is that his taxes are too high and this move will lessen his tax burden. Leistikow stated we granted Clayton Harlow that variance with the stipulation that he couldn't carve off anymore property, and yet he split his piece into smaller tracts than we approved. Haukebo stated they'll find out it's not legal when someone asks for a building permit.

C. Land Sale: Kietzman stated we received a resolution from the Hubbard County Natural Resources of a public auction of tax forfeited land. It's to authorize Hubbard County to sell the property to adjacent landowners. Haukebo stated they would be buildable lots. Kietzman stated if we don't respond in sixty days they will go ahead with the sale. I don't see it as a problem. It takes a small portion of land and puts it back on the tax rolls.

A motion was made by Kietzman, seconded by Haukebo, and unanimously carried to approve the Hubbard County Natural Resources request to proceed with the land sale as recommended by the Hubbard County Board, Resolution 09041802.

6. OLD BUSINESS: There was no old business.

7. APPROVAL OF TREASURERS REPORT: Holz stated \$32,968.28 was deposited for the June 2018 tax settlement and \$781.00 for LGA was deposited. \$2,415.91 was deposited for payment in lieu of taxes (PLT). Total deposits are \$33,749.28. The checking account balance is \$200.00, and the money market balance is \$194,426.16. There's a CD in the amount of \$50,000.00, which matures on 3-1-19. The total funds are \$246,626.16. There's \$167,457.42 in the building fund. There are no outstanding checks. The operating balance is \$79,168.74. The outstanding invoices for this month are \$688.75 for Cumber Construction, \$310.00 for election filing notices, and 1,900.00 for estimated stipends and reimbursements, and \$320.00 for estimated IRS payment. Total payables are \$3,218.75.

A motion was made by Kietzman, seconded by Leistikow, and unanimously carried to approve the treasurer's report and to pay the outstanding invoices.

8. ADJOURNMENT: A motion was made by Kietzman, seconded by Leistikow, and unanimously carried to adjourn the meeting at 8:03 p.m.

ATTEST:

Chair Andy Kietzman

Margie M. Vik
Township Clerk