

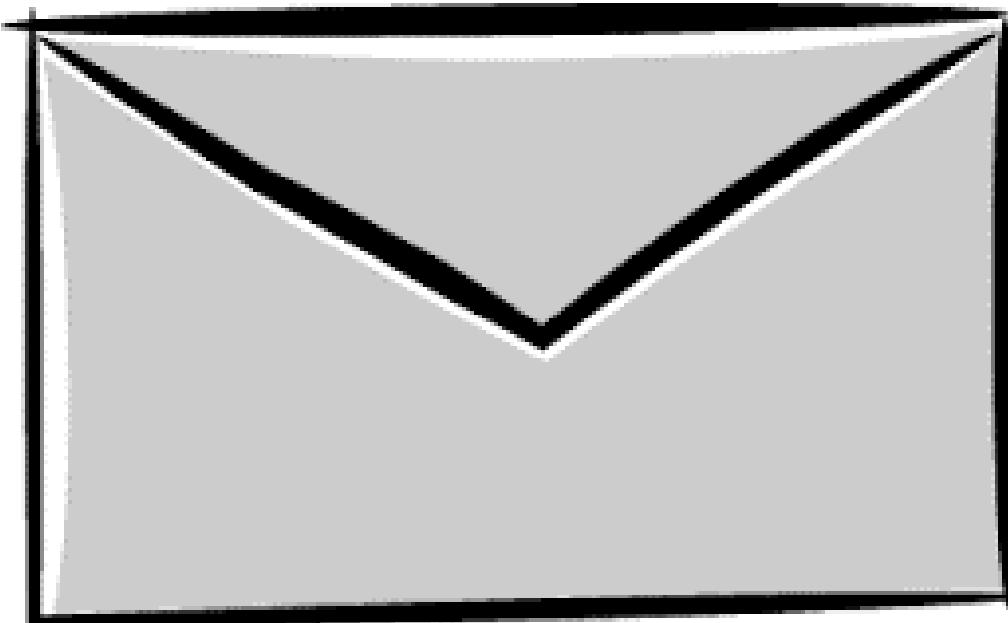


First Assessment District (FAD) Road & Bridge Funding





Invitation Mailer





Scope of Impacts

(Township Level Only)

- Dependent on several variables and chosen course of action.**
Input from these meetings are helping inform this decision.
- In order to fully fund the previous assumptions it is likely a 3-4 year period of significant property tax increases will be needed to fund a 2021 construction season.**
- Possible ranges are from 12%-18% annually. This may be followed by more moderate increases of 4%-5% annually over the next 6-7 years.**

Crow Wing County

Crow Wing County
Land Services
322 Laurel St, Suite 15
Brainerd, MN 56401

218-824-1010
www.crowwing.us

2017 Property Tax Statement

VALUES & CLASSIFICATION		
	Taxes Payable Year: 2016	2017
STEP 1	Estimated Market Value: 176,800	200,300
	Homestead Exclusion: 21,300	19,213
	Taxable Market Value: 155,500	181,087
	New Improvements/ Expired Exclusions:	
	Property Classification: RES HMSTD	RES HMSTD
	Sent in March 2016	
STEP 2	PROPOSED TAX Proposed Tax:(excluding special assessments) Sent in November 2016	1,518.00
STEP 3	PROPERTY TAX STATEMENT First-half Taxes: May 15 Second-half Taxes: October 16 Total Taxes Due in 2017:	756.00 756.00 1,512.00

\$\$\$\$ You may be eligible for one or even two refunds to reduce your property tax.
REFUNDS? Read the back of this statement to find out how to apply.

1. Use this amount on Form M1PR to see if you're eligible for a property tax refund. File by August 15.
If box is checked, you owe delinquent taxes and are not eligible.

2. Use these amounts on Form M1PR to see if you are eligible for a special refund.

PROPERTY TAX AND CREDITS

3. Property tax before credits _____
4. Credits that reduce property taxes:
A. Agricultural market value credit _____
B. Taconite tax relief _____
C. Other credits _____
5. Property tax after credits _____

PROPERTY TAX BY JURISDICTION

6. County _____

7. City or Town _____

8. State General Tax _____

9. School District: A. Voter approved levies 0181 _____
B. Other local levies _____

10A. Special taxing district _____
B. Tax increment _____
C. Fiscal disparity _____

11. Non-school voter approved referenda levies _____

12. Total property tax before special assessments _____

SPECIAL ASSESSMENTS

13A. SOLID WASTE/RECYCLING FEE
B. _____
C. _____

14. Total property tax and special assessments _____

Taxes Payable Year: 2016			2017
<input type="checkbox"/>		1,498.00	
	1,322.00		
	1,321.00	1,497.00	
		1,321.00	1,497.00
		522.21	585.21
		154.58	187.66
		186.63	203.05
		454.58	516.84
		3.00	4.24
		1,321.00	1,497.00
		15.00	15.00
		1,336.00	1,512.00

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2017 Property Tax Statement

VALUES & CLASSIFICATION		
Taxes Payable Year: 2016 2017		
STEP	Estimated Market Value: 477,900	472,500
1	Homestead Exclusion: 477,900 Taxable Market Value: 36,700 New Improvements/ Expired Exclusions: Property Classification: SEASONAL	472,500 SEASONAL
	Sent in March 2016	
STEP 2	PROPOSED TAX Proposed Tax: (excluding special assessments) Sent in November 2016	4,144.00
STEP 3	PROPERTY TAX STATEMENT First-half Taxes: May 15 Second-half Taxes: October 16 Total Taxes Due in 2017:	2,118.00 2,118.00 4,236.00

\$\$\$

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PROPERTY TAX AND CREDITS

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4. Credits that reduce property taxes:
 - A. Agricultural market value credit _____
 - B. Taconite tax relief _____
 - C. Other credits _____
5. Property tax after credits _____

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6. County _____

7. City or Town _____

8. State General Tax _____

9. School District: A. Voter approved levies 0181
B. Other local levies _____

- 10A. Special taxing district _____

- B. Tax increment _____

- C. Fiscal disparity _____

11. Non-school voter approved referenda levies _____

12. Total property tax before special assessments _____

SPECIAL ASSESSMENTS

- 13A. ROUND LAKE IMPROVEMENT DISTRICT
B. SOLID WASTE/RECYCLING FEE
C. _____

14. Total property tax and special assessments _____

Taxes Payable Year: 2016 2017

<input type="checkbox"/>	4,220.00	4,086.00
	4,220.00	4,086.00
	1,604.64	1,526.59
	474.98	489.52
	915.13	889.89
	558.81	529.68
	657.22	639.26
	9.22	11.06
	4,220.00	4,086.00
	135.00	135.00
	15.00	15.00
	4,370.00	4,236.00



Scope of Impacts

(Township Level Only)

20-year replacement cycle
Pave 3 miles and Sealcoat 3 miles each year.

Classification	Current Average Taxable Value	Current Average Levy	4 Years of Levy Increase at:	Per Year Tax Increase	5 Years of Levy Increase at:	Per Year Tax Increase	Estimated Levy % increase from 2018-2026	Estimated Levy in 2026
Homestead	\$176,600	\$183	12% – 18%	\$22 - \$34	4% - 5%	\$7 - \$9	73% - 107%	\$317 - \$379
Seasonal/Recreational	\$219,750	\$341	12% – 18%	\$42 – \$64	4% - 5%	\$14 – \$17	73% - 107%	\$590 - \$705
Commercial	\$239,800	\$419	12% – 18%	\$51 - \$78	4% - 5%	\$17 - \$21	73% - 107%	\$725 - \$867
Rural Vacant Land/ Ag Non-homestead	\$52,000	\$54	12% – 18%	\$6 - \$10	4% - 5%	\$2 - \$3	73% - 107%	\$93 - \$112



Scope of Impact – Optional Assumptions (Township Level Only)

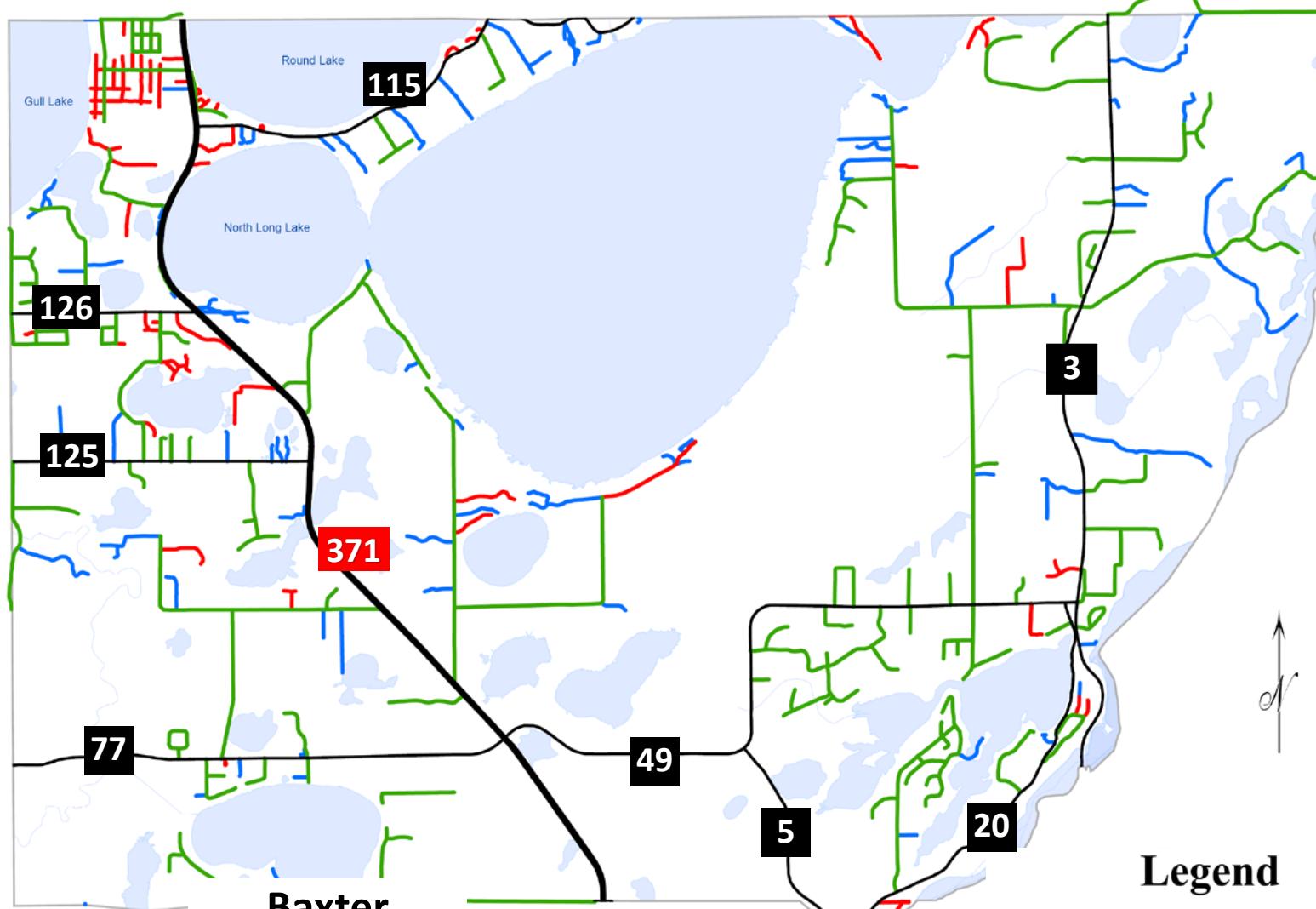
Average 25 year replacement - 2.5 miles per year								
Classification	Current Average Taxable Value	Current Average Tax	4 Years of Levy Increase at:	Per Year Tax Increase	5 Years of Levy Increase at:	Per Year Tax Increase	Estimated levy % increase from 2018-2026	Estimated levy in 2026
Homestead	\$176,600	\$183	10-12%	\$18 - \$22	5-7%	\$9 - \$13	65% - 83%	\$302 - \$335
Seasonal/Recreational	\$219,750	\$341	10-12%	\$34 - \$41	5-7%	\$17 - \$24	65% - 83%	\$563 - \$624
Commercial	\$239,800	\$419	10-12%	\$42 - \$50	5-7%	\$21 - \$29	65% - 83%	\$691 - \$767
Rural Vacant Land/ Ag Non-homestead	\$52,000	\$54	10-12%	\$5 - \$6	5-7%	\$3 - \$4	65% - 83%	\$89 - \$99

Average 30 year replacement - 2.0 miles per year								
Classification	Current Average Taxable Value	Current Average Tax	4 Years of Levy Increase at:	Per Year Tax Increase	5 Years of Levy Increase at:	Per Year Tax Increase	Estimated levy % increase from 2018-2026	Estimated levy in 2026
Homestead	\$176,600	\$183	8-10%	\$15 - \$18	4-6%	\$7 - \$11	52% - 70%	\$278 - \$311
Seasonal/Recreational	\$219,750	\$341	8-10%	\$27 - \$34	4-6%	\$14 - \$20	52% - 70%	\$518 - \$580
Commercial	\$239,800	\$419	8-10%	\$34 - \$42	4-6%	\$17 - \$25	52% - 70%	\$637 - \$712
Rural Vacant Land/ Ag Non-homestead	\$52,000	\$54	8-10%	\$4 - \$5	4-6%	\$2 - \$3	52% - 70%	\$82 - \$92

Nisswa

Lake Edward

Cass County



Baxter

Brainerd



CROW WING COUNTY
FIRST ASSESSMENT DISTRICT
ROAD CLASSIFICATION

Legend

- State Highways
- County Highways
- Accepted FAD Roads (58 Miles)
- Unaccepted FAD Roads (12 Miles)
- Private Roads (19 Miles)



Background Information

<u>Official Roads Characteristics</u>	Miles	# of Road Names
Continuous	25	34
Cul de sac	9	40
Dead end	23	34
Paved	52	91
Gravel	5	17



Background Information

- The First Assessment District (FAD) roadway system is a complex network encompassing nearly 60 miles of public and semi-public roadways.**

- Crow Wing County has the authority and responsibility to maintain these public facilities.**

- The County Board of Commissioners act as the elected policy makers in the absence of an organized form of local government.**



Background Information

- Like in other townships, FAD residents pay a separate township level property tax to fund government services within its jurisdiction. [Line 7 on tax statement.](#)**
- In addition to county level, school district level and other property tax levies and special assessments.**
- Crow Wing County does not subsidize the FAD or other townships for infrastructure needs.**



Background Information

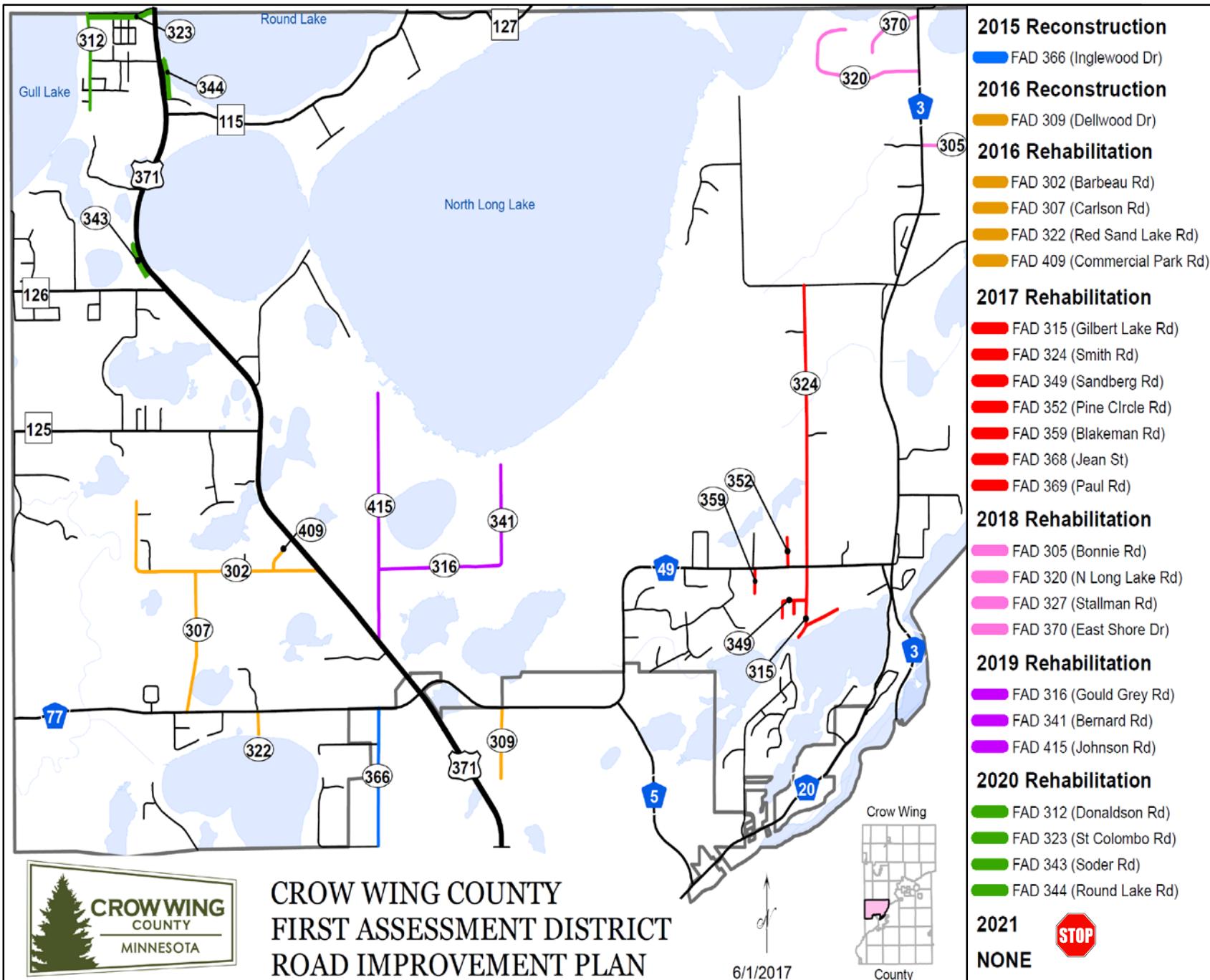
- All construction projects promised to the public in the current Highway Improvement Plan will be delivered.**

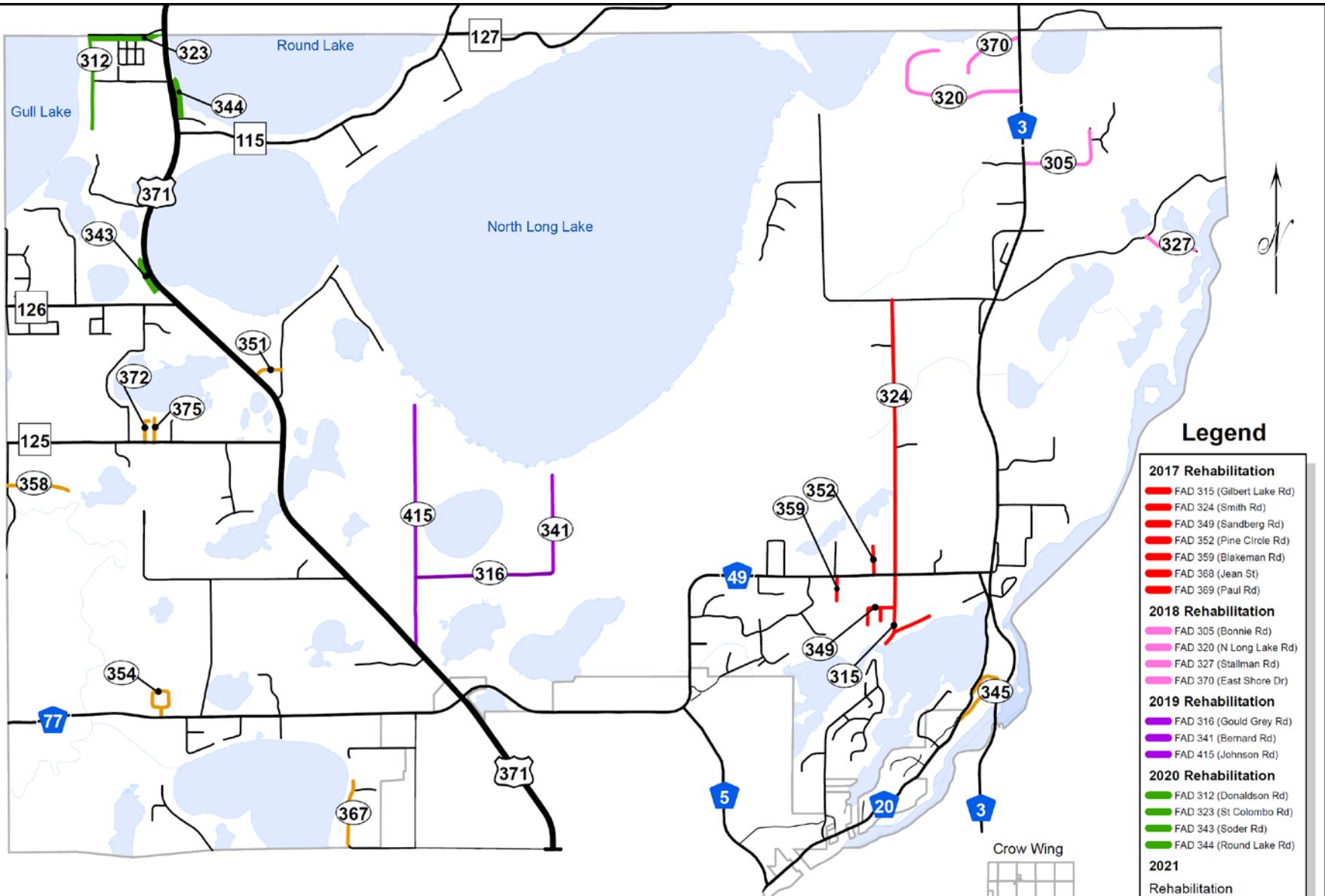
- If nothing is done to generate additional financial resources, there will only be enough funding to provide basic summer maintenance activities and winter snow plowing after 2020.**



Background Information

- ~~State Statute prohibits use of County Sales Tax revenue for township roadway construction and maintenance.~~
- The County Board has not authorized the use of local sales tax revenue to fund township roadway construction and maintenance.**
- Township property taxes are currently the only source of revenue to fund all activities necessary to properly maintain the FAD roadway system.**





CROW WING COUNTY FIRST ASSESSMENT DISTRICT ROAD IMPROVEMENT PLAN

2/27/2017

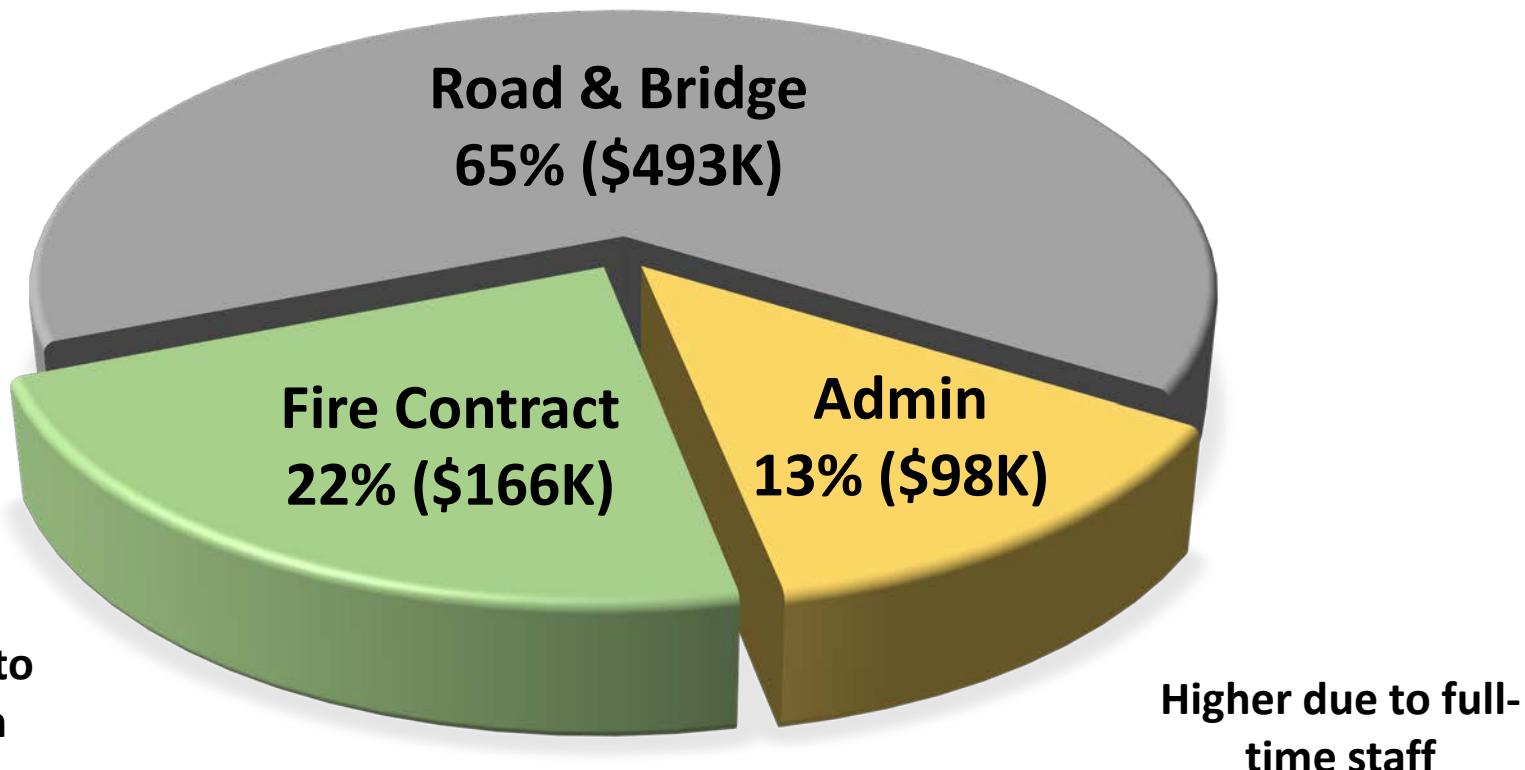




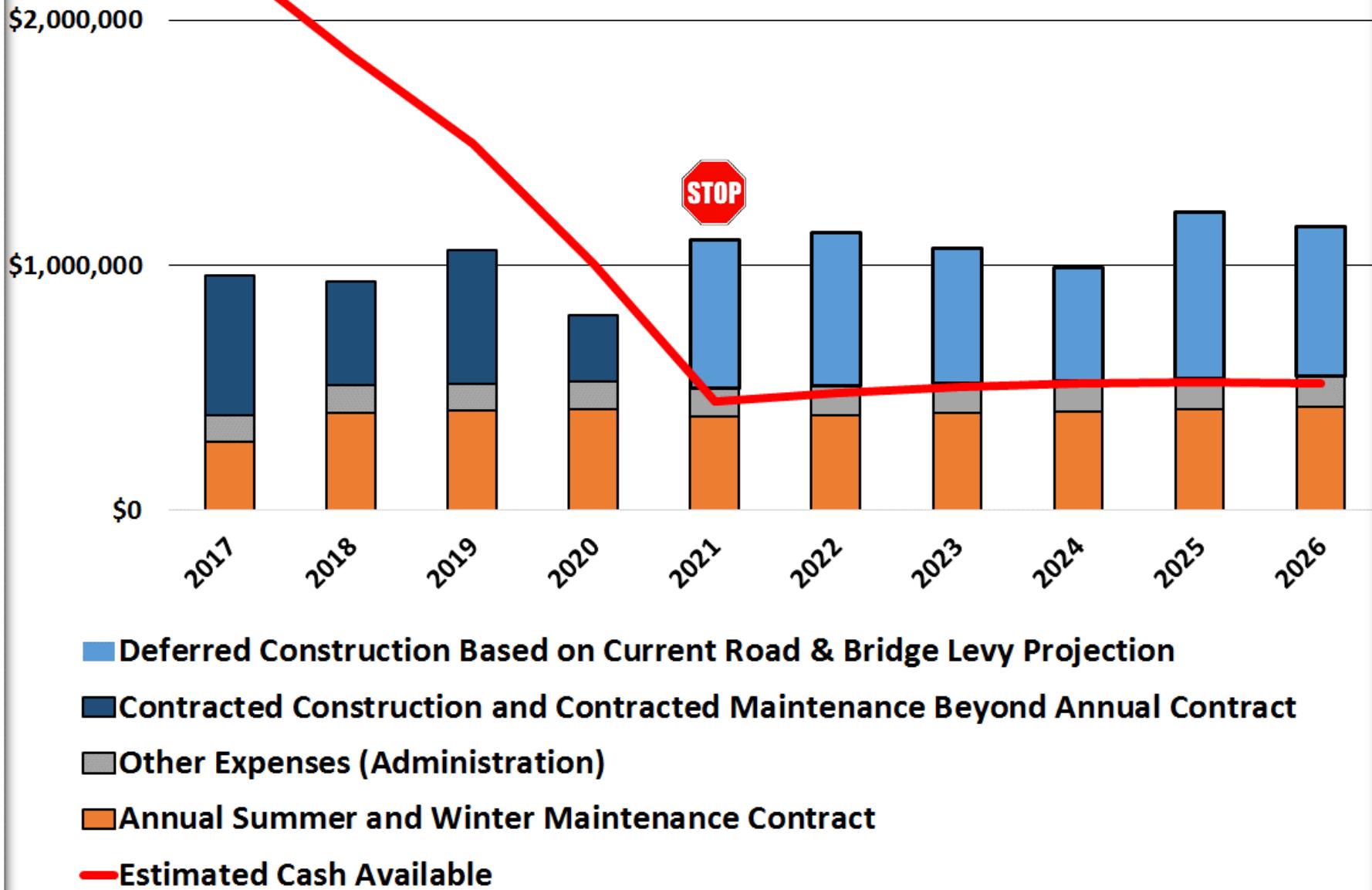
FAD Property Tax Distribution

\$755,651

Total FAD Property Tax Levy



First Assessment District (FAD) Existing and Projected Financial Conditions (Road & Bridge)





Assumptions

- The FAD is the third largest population center in Crow Wing County and the residents deserve a level of service comparable to that which is provided by the County and area municipalities.**

- Continue to address the deteriorated condition of the FAD roadway network by dedicating \$500,000 annually for roadway construction and preservation. This amount allows 3 miles of roadway resurfacing and 3 miles of sealcoating each year; creating a 20-year replacement cycle.**



Assumptions

- Continue to deliver summer and winter maintenance activities at a level of service similar to those provided to the county highway system. This requires annual expenditures of \$400,000 for activities such as snow plowing, crack sealing and dust control.**

- Adopt recommended financial practice of maintaining a cash fund balance equal to 30% of the annual FAD budget. This is needed to properly cash flow township level operations and independently fund unexpected expenses, such as storm clean up and emergency road repairs.**



Assumptions

- No new roads or other facilities are built and accepted as publicly funded infrastructure.**
- Elected officials will continue the practice of avoiding property assessments to fund roadway construction and preservation projects.**



Annual Maintenance Budget

* Contracts Additional to Annual Winter/Summer Maintenance

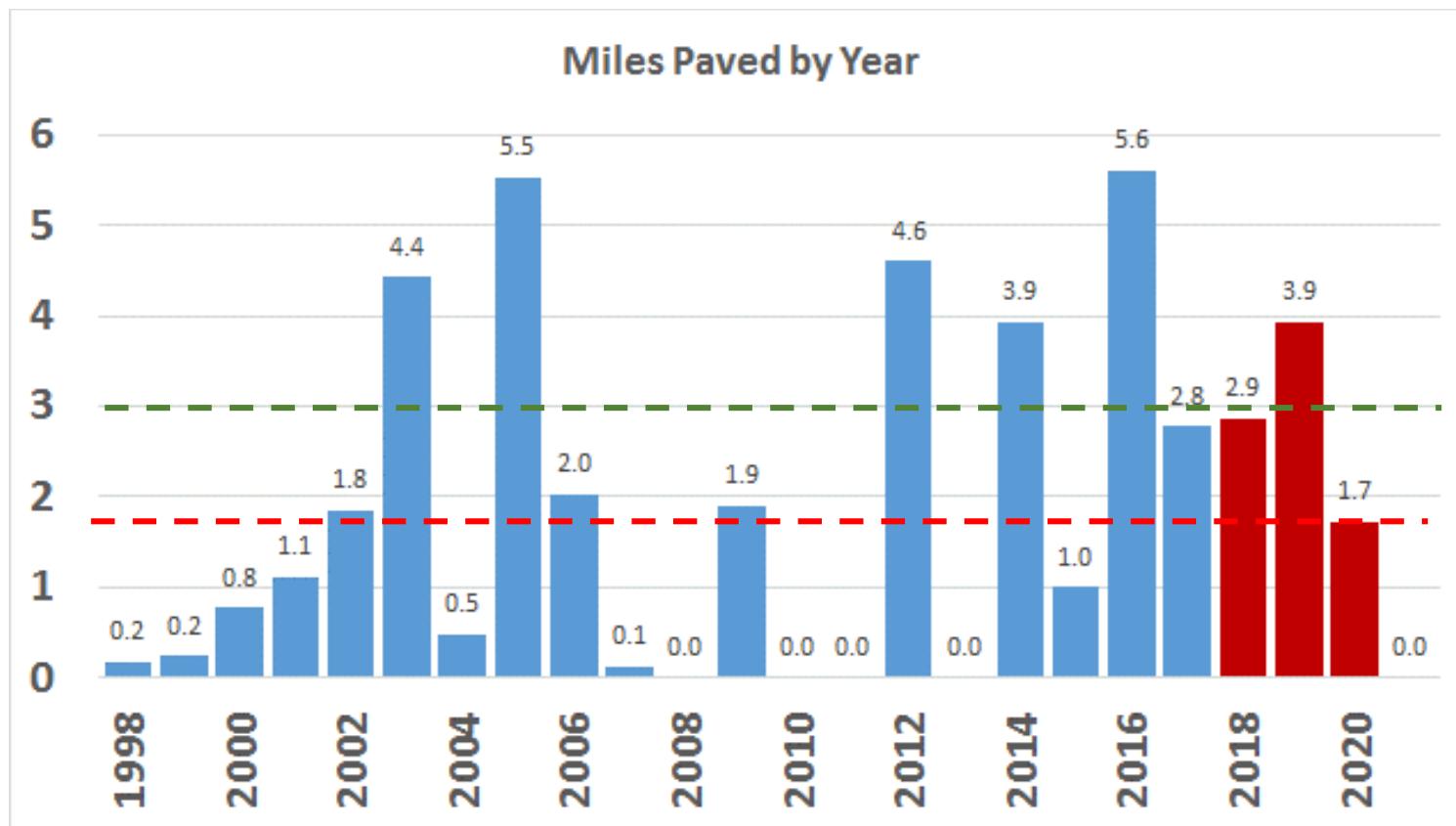
2017 FAD Maintenance Budget

Task	Budget	Charge per unit	Unit	Total units	Description
Grading	\$ 12,000	\$ 135	Hour	89	Gravel roads smoothed 9 times
* Gravel Hauling	\$ 40,000	\$ 28	Ton	1429	Gravel hauled on 1.8 miles of roadway
Shoulder Repairs	\$ 20,000	\$ 41	Ton	488	Shoulder 2.5 miles of roadway both sides
Pothole Patching	\$ 35,000	\$ 175	Hour	200	25 Days of patching
Patching Material	\$ 15,000	\$ 140	Tons	107	4.25 tons per day of patching
Snowplowing	\$ 137,750	\$ 115	Hour	1198	4-5 plows, 20 events
Winter Sand	\$ 37,350	\$ 50	Ton	750	37.5 tons per event
Tree Cutting	\$ 12,000	\$ 240	Hour	50	Brushing & Storm
Mowing	\$ 27,900	\$ 110	Hour	254	2 mowing's
Sweeping	\$ 6,800	\$ 105	Hour	65	1 spring sweeping
Beaver Control	\$ 600	\$ 165	Hour	4	4 hours spent removing beaver dams/trapping 6 beavers
* Paver Patches	\$ 10,000	\$ 54	Ton	185	420' of patching
Sign Work	\$ 3,500	\$ 70	Hour	50	Not include. sign
* Crack Sealing	\$ 25,000	\$ 2,775	Mile	9	9 miles of roadways sealed
Culverts	\$ 3,000	\$ 165	Hour	18	2 culverts replaced
1 Time Maint.	\$ 12,000	\$ 28	Ton	429	9 One Time Maintenance roads serviced
Deer/Animal Rem.	\$ 1,000	\$ 115	Each	9	9 deer
* Dust Control	\$ 12,800	\$ 1	Gallon	13928	5.11 miles
Misc.	\$ 1,200	\$ 75	Hour	40	Inspections

\$ 412,900



FAD Road Miles Paved by Year



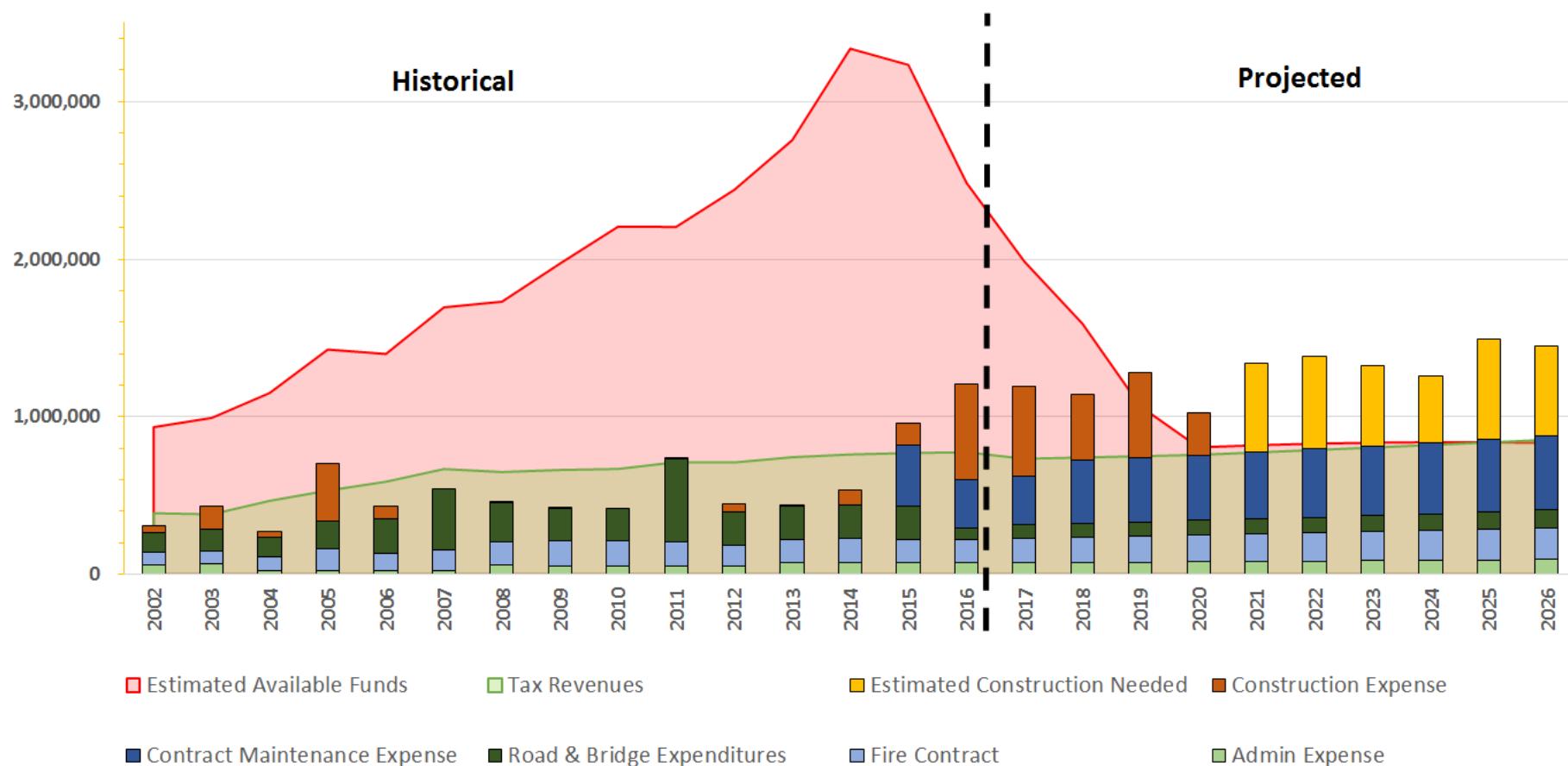


Cost of FAD Road Construction

- Paving 24' Wide = \$156,000 per mile**
- Seal Coating = \$26,000 per mile**
- Pavement Markings = \$2,500 per year**
- Engineering Services = 5-8%**
- Misc Engineering Services = \$5,000 per year**



FAD Expenditures History and Projections



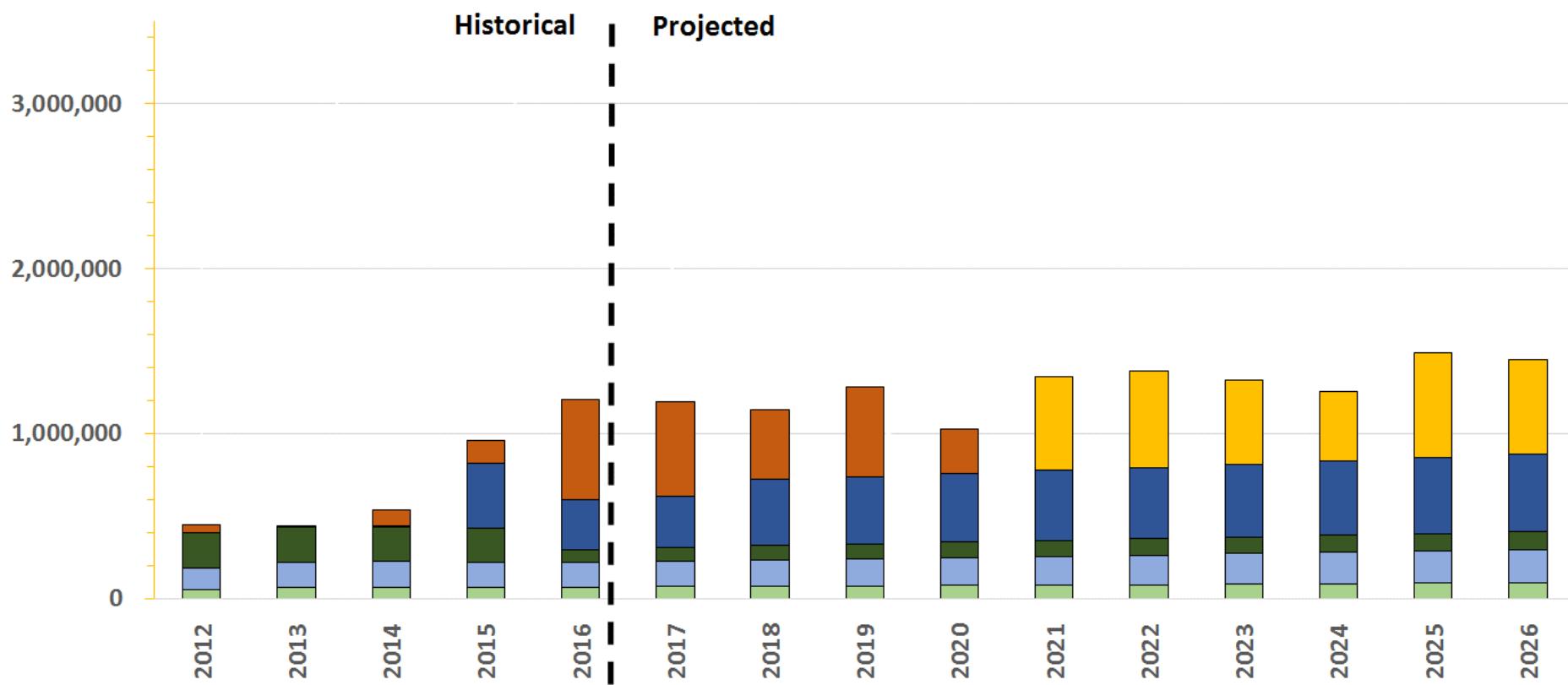


How Did Fund Balance Grow?

- CWC has inadvertently subsidized the FAD for several years**
 - Accounting practices and technology were not in place
 - Not properly charging the FAD for services
 - Reduced or lack of road construction/maintenance due to competing priorities
 - Dual role of CWC staff created challenges
 - Grants make it appear worse



FAD Expenditures History and Projections



Estimated Available Funds

- Construction Expense
- Fire Contract

Tax Revenues

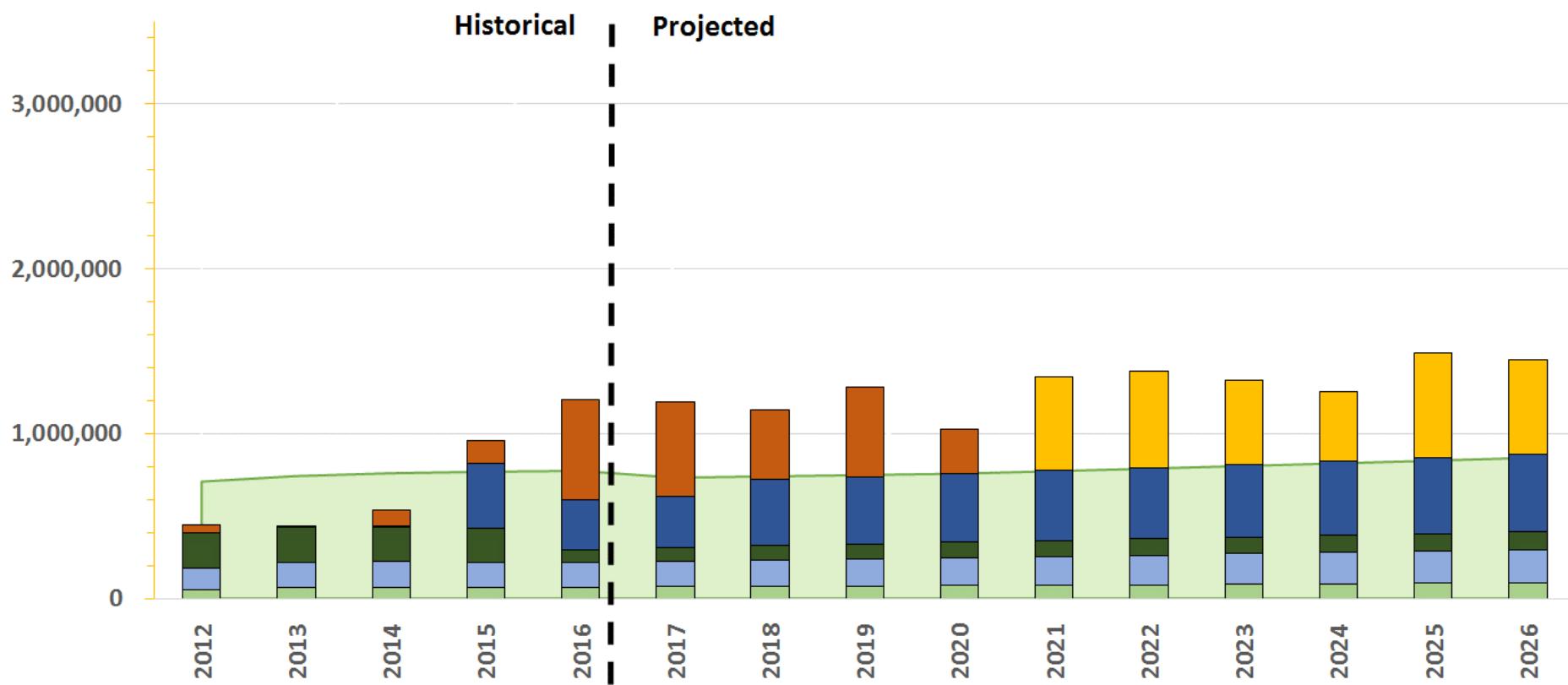
- Contract Maintenance Expense
- Admin Expense

Estimated Construction Needed

- Road & Bridge Expenditures



FAD Expenditures History and Projections



Estimated Available Funds

- Construction Expense
- Fire Contract

Tax Revenues

Estimated Construction Needed

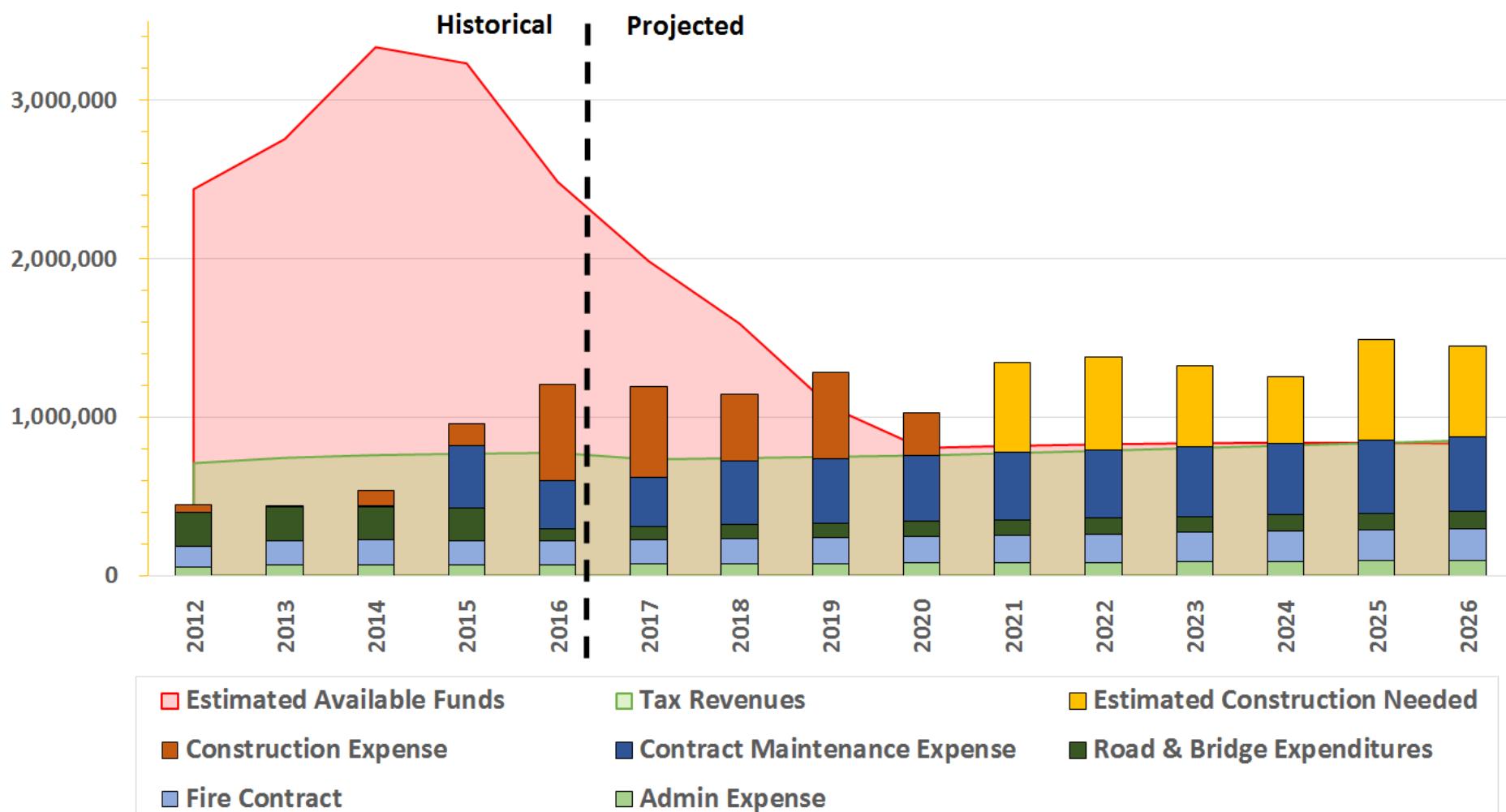
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- Road & Bridge Expenditures

Admin Expense

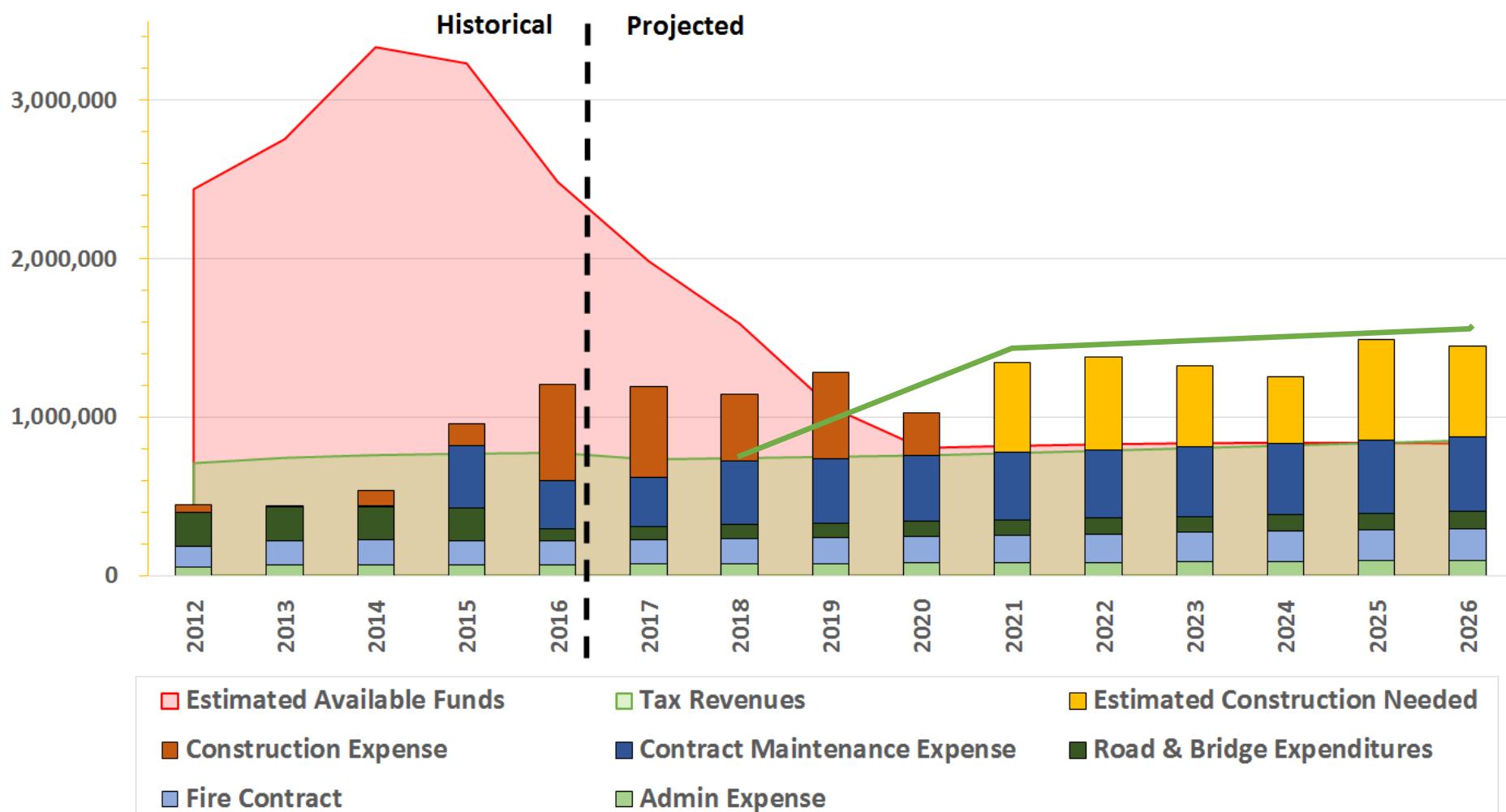


FAD Expenditures History and Projections



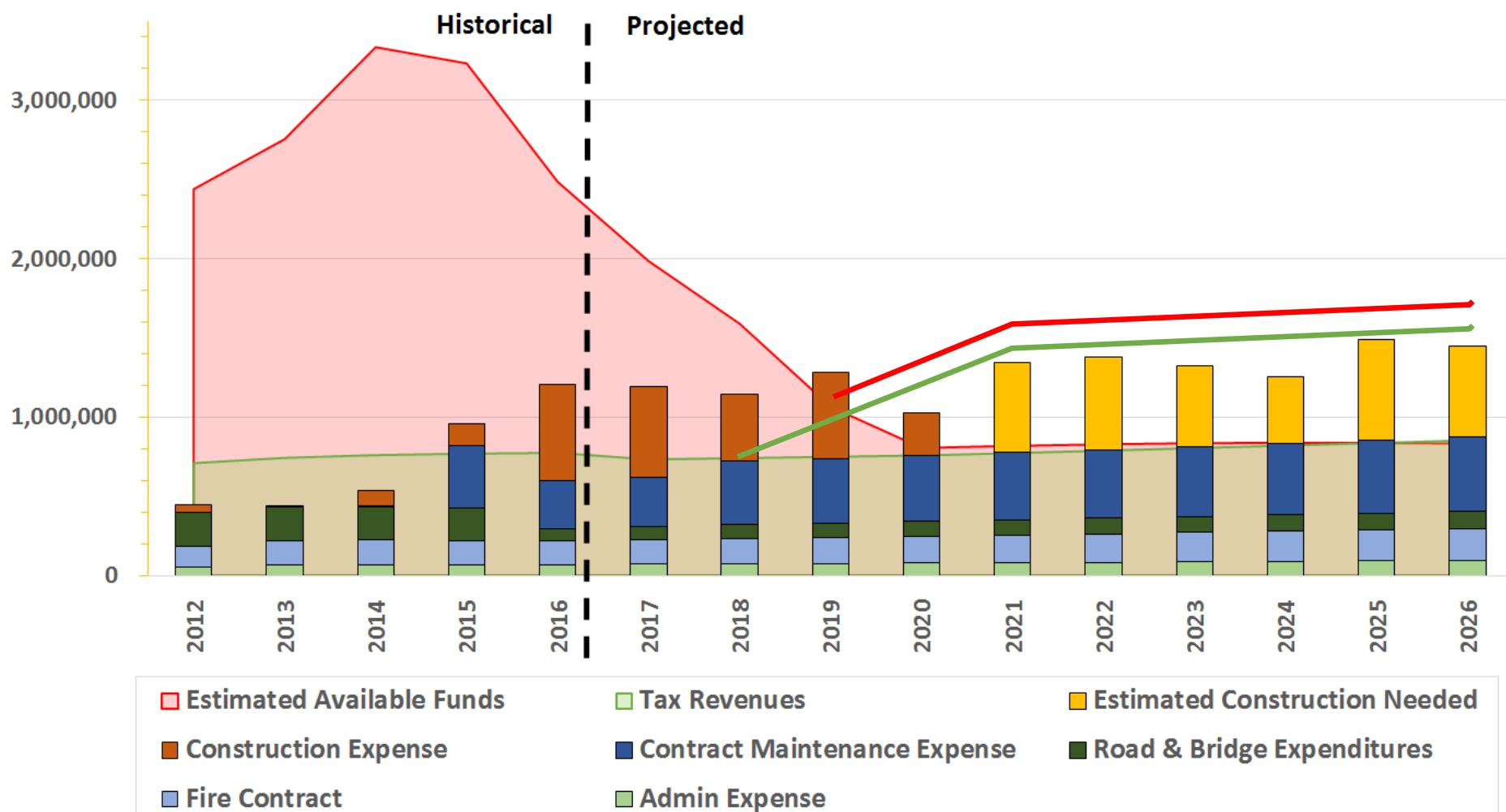


FAD Levy Alternative



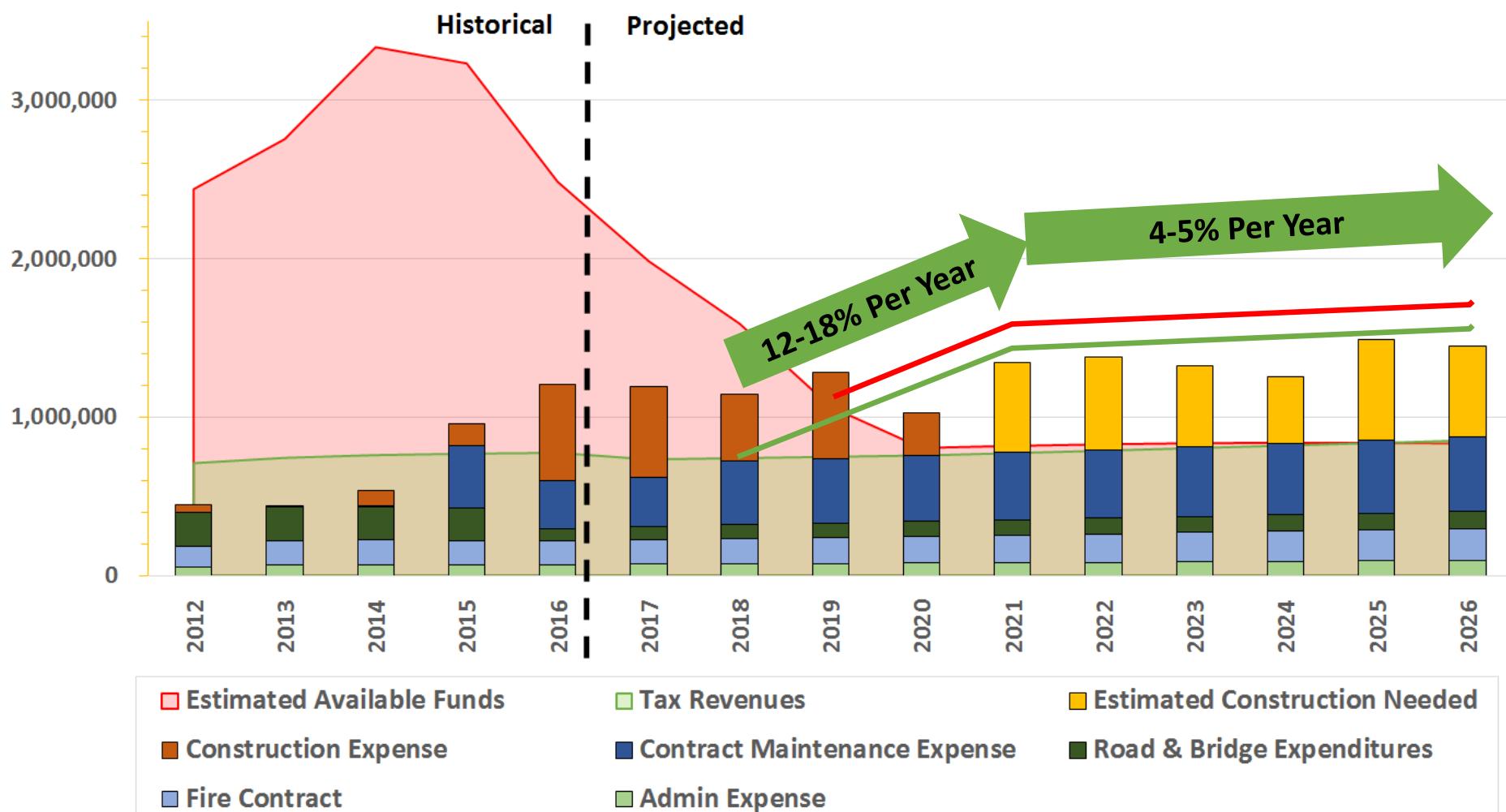


FAD Levy Alternative



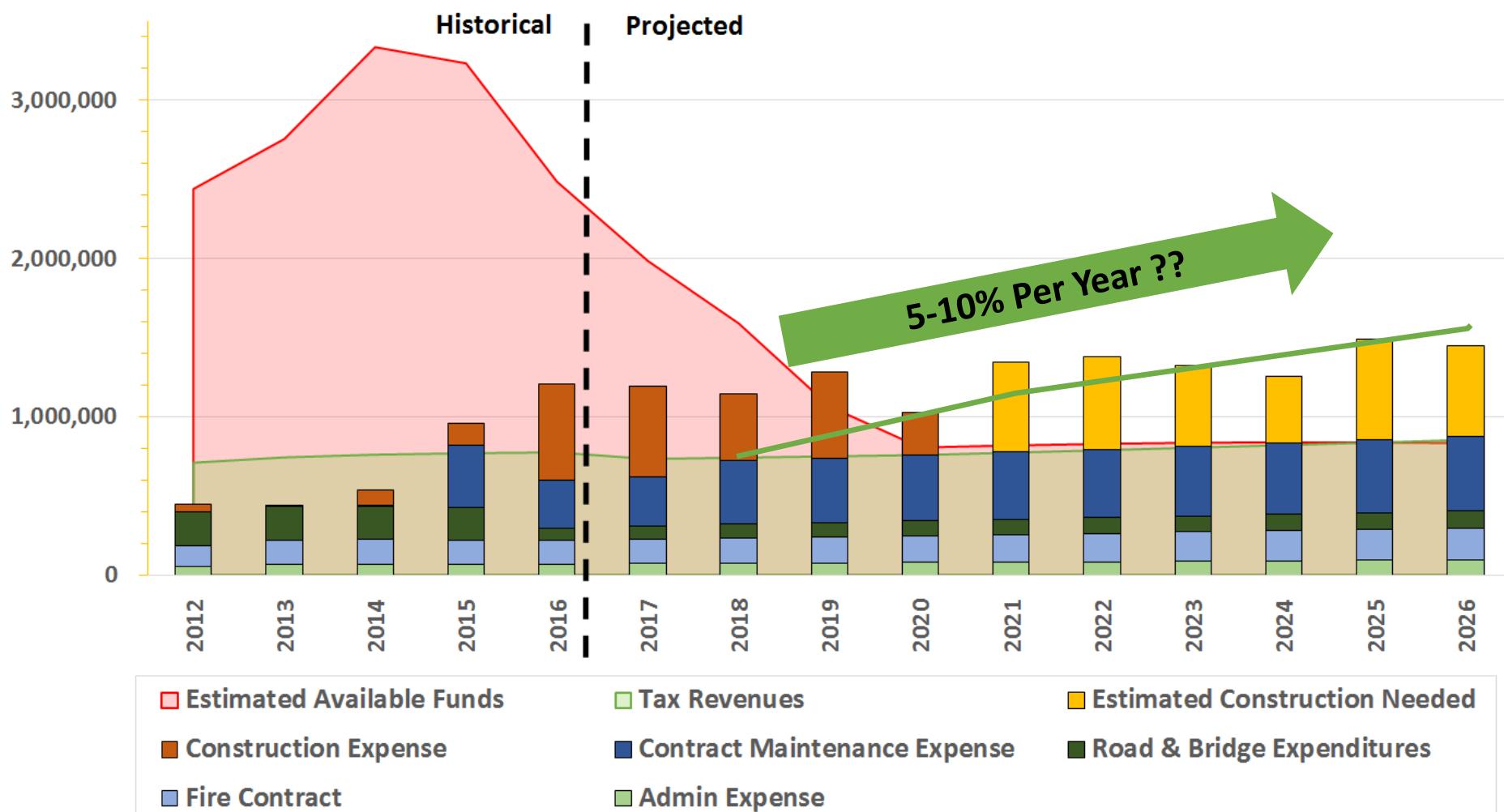


Wide Range of Alternatives





Wide Range of Alternatives





Scope of Impacts

(Township Level Only)

- Dependent on several variables and chosen course of action.**
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Scope of Impact – Optional Assumptions (Township Level Only)

Average 25 year replacement - 2.5 miles per year								
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Average 30 year replacement - 2.0 miles per year								
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Comparison With Most Populated Townships

Category	Total Population	2017 Total Levy	2017 Road and Bridge Levy	Official Road Mileage
FAD Rank/30	1st	2nd	1st	1st
First Assessment District (FAD)	5488	\$755,651	\$492,663	57
Average of All Townships	894	\$258,342	\$156,505	24

First Assessment District (FAD)	5488	\$755,651	\$492,663	57
CROW WING TOWN OF	1880	\$418,000	\$300,000	39
LAKE EDWARD TOWN OF	1830	\$405,000	\$250,000	38
OAK LAWN TOWN OF	1645	\$289,000	\$194,000	31
DEERWOOD TOWN OF	1316	\$400,000	\$283,000	26
LONG LAKE TOWN OF	1220	\$227,000	\$140,000	27
IRONDALE TOWN OF	1193	\$498,000	\$418,000	35
IDEAL TOWN OF	1189	\$962,000	\$440,000	49



Comparison With Least Taxed Townships

Category	Total Population	Road & Bridge Levy Per Capita (\$)	Road & Bridge Levy Per Mile (\$)	Total Levy Per Capita (\$)
FAD Rank/30	1st	26th	7th	29th
First Assessment District (FAD)	5488	\$90	\$8,609	\$138
Average of All Townships	894	\$218	\$5,926	\$367

LONG LAKE TOWN OF	1220	\$115	\$5,163	\$186
DAGGETT BROOK TOWN OF	529	\$113	\$2,007	\$204
MAPLE GROVE TOWN OF	777	\$103	\$3,915	\$154
First Assessment District (FAD)	5488	\$90	\$8,609	\$138
CENTER TOWN OF	993	\$89	\$4,052	\$230
TIMOTHY TOWN OF	140	\$82	\$1,553	\$286
PERRY LAKE TOWN OF	338	\$60	\$1,399	\$155
FORT RIPLEY TOWN OF	938	\$53	\$1,388	\$53



Please Share Your Comments

**This presentation and other supporting information
is all available on the Crow Wing County Website:**

**[http://www.crowwing.us/1454/First-Assessment-
District](http://www.crowwing.us/1454/First-Assessment-District)**



Please Share Your Comments

Please fill out a comment card or visit the following link to share your thoughts.

<https://www.surveymonkey.com/r/FAD-2021>



Questions?

