

FISH LAKE TOWNSHIP

2170 Brunswick Road
Harris, Minnesota 55032

State of the Township Report of the Board of Supervisors to the Residents of Fish Lake Township March 2005 Annual Meeting

The following summary of Township operations and expenses are for the past calendar year 2004. Also discussed are preliminary plans for the current calendar year 2005 and very preliminary plans for 2006. Two separate reports are available for supporting detail. The first is a financial audit summary for 2004 prepared by Treasurer Sharon McAndrew. The second is a budget report prepared by the Board, which details (1) expenses and revenue for 2004, (2) the 2005 budget, prepared last year and reviewed at the 2004 annual meeting, and (3) the Board's 2006 budget and proposed levy.

2004 Financial Audit

The Township convened as the Board of Audit at its regular February 2005 meeting to review the Treasurer's audit report for 2004. Our Treasurer, Sharon McAndrew, keeps both computer-based and hand-entry books. Both are independent from Clerk Andrea Nekowitsch's records. All systems reconciled to the penny for 2004, reflecting the excellent skills of our Treasurer and Clerk. The accounting process is helped by monthly mini-audits conducted at each monthly meeting when bills are paid. All checks must be approved by the Board monthly and are triple signed by the Chair, Treasurer and Clerk. We do not keep a petty cash fund on hand, and no credit or phone cards are used. Because we have an elected, rather than appointed, Treasurer, an independent audit is not required. See the one page Treasurer's 2004 Audit summary for details.

General Administration and Office Operations

Office Hours: The Township office is regularly open 9 to 11 AM on Fridays. Comments on whether this is adequate are welcome. Residents are reminded that there is a drop slot in the office door for drop off items.

Website: The Township website is at www.fishlaketownship.com. Resident comments and suggestions are encouraged. It also supports email. Andrea continues to serve as our webmaster, saving the Township considerable expense. She will keep improving it and keep it up to date and useful. She posts approved minutes of all meetings, budget sheets, and meeting notices.

Hall Rental: The Board supports continued use of the hall for public and private events that benefit our residents. Reservations must be made by a Township landowner and that person must attend the event and be responsible for clean up. The fee for private group use is \$75 and the refundable damage deposit is \$200. The Board may approve use by a public interest group with no fee or deposit (must be at the request and participation of a town resident). Call Pat Devine at 651-674-8582 to make reservations.

Newsletter: The Board continues to hear support for the periodic newsletters mailed to residents. One was sent out in 2004. The number and timing vary with the Board's workload. Cost is averaging \$350 per newsletter. We would like to hear your comments and suggestions.

Open House: The Board held the Township's first ever open house in October, in conjunction with a public meeting to discuss road improvement planning. Though the weather was uncooperative, enough hardy souls turned out to make it worth the effort. Our equipment and shops were available for inspection and the North Branch Fire Chief and Sheriff Rivard were on hand with equipment. Attendance at the road meeting was less than expected, but a good discussion helped the Board in its planning (more on this later).

Services to Residents: We now require all new driveway installations to include a swing arm mail box post. The Township sells these at cost (currently \$50 not including box) and provides installation specifications. They are also available to any resident who just wants to replace their existing post. Driveway culverts are also sold at cost if we have extra on hand. We plan to continue our past practice of providing chloride spraying for dust control in front of individual homes at a cost to residents that is the same as our contractor quotes the Township (for application to the roads that the Township pays for).

Building Needs

The Township has adequate buildings and land for its needs well into the future. We've added a small office in a corner of the main shop and will install our old, retired computer for improved maintenance, inventory and service record keeping.

Debts

The Township has no bonded indebtedness. We have one direct financed note with Caterpillar for our grader for two more years (two semi-annual payments @ \$10,000 at 5.5%).

Fire Protection

The Township is required to provide fire protection. We do this through service contracts with adjacent municipal fire departments, all of which are volunteer organizations. The west half of the township is served by Cambridge (18 sections), the northwest quarter by Rush City (nine sections), and the southeast quarter by North Branch (nine sections). Costs are still going up, but not as rapidly as previous years. We've been successful in keeping our share of those costs in line with our service needs and history. This total cost for 2004 was \$20,000. We're having another round of discussions with the City of Harris to determine whether fire service to the southeast quadrant can be a better value with them than with North Branch.

We'll also be looking at the assignment of sections for the entire Township to ensure that fire response times and capabilities are optimum.

We've worked with the North Branch Fire Department to fund and install a stand pipe at the Big Horseshoe Lake public access. This will give all departments providing the Township with fire service a year round water source. Currently they are limited to water brought by tanker from their home districts. We're informed this should help reduce the cost of homeowner's insurance premiums.

Road Operations

The Township's major focus continues to be on maintaining adequate, safe roads

Maintenance: Our road maintenance practices for snow removal, blading and mowing are similar as in the past, with continued improvements whenever reasonable and possible. Blading effectiveness was improved with the purchase of a carbide toothed cutting blade system for the grader to try to manage dry washboard conditions better. Frost boils continue to be a spring problem depending on varying

conditions and traffic, and we will top-surface with rock as needed. As conditions permit, we're mowing brush on back slopes to avoid future tree removal costs and the need to use herbicides (haven't used for several years now). We followed up on our experiment in 2003 by purchasing in 2004 a "Piranha" shouldering attachment designed to shape, reclaim gravel and control sod development along shoulders. It's performed well, and has other uses, such as smoothing and preparing newly ditched sections for reseeded. This tool has been an excellent investment. Both the new cutting blade system and the shouldering machine have been very cost-effective. Both were discussed as potential investments in last year's report. Roads that will be chlorided by the Township have not been committed yet, but will likely include those that were treated last year. The principal criterion continues to be high traffic roads where gravel is lost at high rates. It's been a very difficult winter - not for snow as is usual - but for ice. We had to invest in sanding mix at a cost three times normal just to keep the roads minimally drivable. And at the peak of the worst conditions, our aging sanding attachment failed and had to be replaced at a cost of \$4000. Once we were able to get our grader out on the roads safely, the new toothed blade system proved effective at speeding breakup of the ice. Newer residents that wonder why we don't salt heavily are reminded that gravel roads that are salted will become overly soft and dangerous. This effect can be observed on chlorided roads after a soaking rain. The difference is that winter salted roads will not dry out in cool spring months whereas summer chlorided roads dry quickly. We use a sanding mix that is mostly fine sharp rock with just enough salt in it to keep it loose for spreading.

As Road Boss, Supervisor Larkin has designed and managed a computer-based maintenance record system that helps plan and track roadwork. She has begun to systematically collect traffic counts on all Township roads, and is about half done.

Projects: We continued a two-year program to excavate priority sections of road drainage ditches, investing \$8,000 each year in 2003 and 2004 to hire a contract excavator and using our trucks and drivers to remove material. This will improve road stability and spring conditions. Most of our problem culverts have now been upgraded. Through the winter months, we are cutting brush and trees along over-grown sections to maintain good drainage, room for adequate snow storage and for visibility. In 2004, 3 inches of new gravel were placed on 5.1 miles of road, including 420th (border road with North Branch Township: we pay half), Amery (moved ahead from 2005 plan), 429th, Decker, Cedarcrest Court, Hilding Beach Road (466th), Bluebird, 460th(east), and Bending. We continue to contract for gravel hauling, except on narrow, dead-end roads where our trucks are more maneuverable than the contract belly dumps. This is saving wear on our trucks and deferring significant investment in a new truck well into the future.

Plans: Work for 2005 includes early season graveling of Skogman Lake Road and 430th, using up the remainder of our stockpile from 2002. Then we'll look at cost options for having another multi-year pile crushed and hauled separately as needed, or bid out lump sum material and hauling as needed. We expect fuel cost to be more of a factor this year. Additional roads to be graveled in late 2005 have not been determined. There will be some additional ditch and culvert work carried over from last year.

Equipment: Our major equipment is holding up well. The Cat grader is now three years old, with two years left on the power systems warranty. It should serve us for another 12 to 15 years. We made some moderate repairs on the 88 1-ton and the '93 and '89 tandem trucks. Minor repair managed to get the 67' backhoe going again. Our other equipment is functioning adequately. The Board has discussed the need for a packer attachment for the grader over the last several years. It was considered but not purchased when we bought the grader. We believe that the increased cost of gravel and increased

volume and speed of traffic justify this investment. It will be discussed at the annual meeting. Also in 2004, the lawn mower for grounds maintenance was traded in for a new model.

Personnel: We continue to employ one full-time maintenance operator and use a part-time driver/laborer as needed. Gary Guse, Jr. has been our operator for eight years. Doug Rogers and Dan LaBelle are both retired and on-call for driving duties. Kurt Gilquist also helps as needed. We value their willingness to help out when needed. Andrea Nekowitsch is our part-time clerk, and Pat Devine is part-time hall and grounds maintenance.

Road Planning

At last year's annual meeting, there was interest in looking more closely at the possibility of paving roads. The Board agreed to collect information and present cost and criteria at a follow-up special meeting in the Fall. This was done, with about 20 people attending. It was a good discussion and there was interest in convening additional meetings of interested persons to serve as an advisory group. Supervisor Larking led this effort but there was little follow up interest by citizens. Until this issue can get more fully developed, the Board has no plans to move soon on a paving program that would be fully funded by the general budget. However, our expectation is that we would support an effort by all residents on a road that wanted paving, and were willing to be assessed most of the cost.

The Board is going to talk to the County about jointly funding the paving of the first 100 feet of several township roads where they intersect with County roads. These are difficult sections to keep in good shape, particularly where there are up slopes that cause drivers to spin on the gravel when entering a paved County road. Also some of the County's road edges at these locations are breaking up and creating rough transitions. Smooth, clean intersections are important for safety.

The Board has also agreed to work with Nessel Township to apply for State funds that may be available to pave Blue Heron Trail, which is located in both Townships. It may qualify because of the DNR public access on that road.

Donations

The Township annually applies for and usually receives donations allowed by state law from the two entities who operate pull-tab operations within our borders. Late in 2004 we received \$2000 from the Rush City Jaycees (Paces Tavern) and \$2000 from the Snowbugs Snowmobile Club (Full Moon Tavern). These funds cannot be spent on roads and must be for general improvement of services to residents. In the recent past we've used these funds to upgrade our computer, purchase voting booths, replace the hall kitchen microwave, and install lighting on our flagpole and notice board. Other projects will be developed. We're looking at possibly installing some playground equipment and a picnic table outside the Hall.

Valuation and Development

At our May 2004 Board of Equalization meeting, the County Assessor reported that the total valuation for Fish Lake Township in 2003 was \$197,396,800, up \$38,000,000 from 2002. New construction in 2003 was valued at \$7,378,200, consisting mostly of 30 new homes. Past years were: 2002 - 33 new homes with \$6,397,900; 2001 - 26 new homes with \$4,551,700 valuation; 2000 - 19 new homes with \$3,154,300 valuation; 1999 - 31 new homes with \$3,944,500 valuation. In 2003 our preliminary count from the building permits sent by the county is 32 new homes. Our population in the 2000 census was 1,723 and growing (36% since 1990).

Currently only one platted subdivision that involves a new blacktop road is being developed under our Developer's Agreement process. Four new roads required for recent other developments, totaling 1.5 miles, were accepted by the Board in 2004 and taken over for maintenance. They are 457th Trail, Dapple Court, Afton, and 424th. We now have seven short sections of dead-end blacktop roads, all of which have been built at developer cost. We have 50 miles of gravel roads in the Township. Two other developments are underway, but both front on existing Township roads and do not require new roads. At this time, no other developments are known to be underway.

The Board has instituted a new policy to address the cost of upgrading existing Township roads when large plats are developed with all frontages on existing roads. Developers will be asked to voluntarily "contribute" \$1000 per new lot to improve substandard roads in the vicinity of the development. We've recently applied this policy to the two latest developments, receiving \$32,500 that will be held in reserve as we plan improvements on affected roads. Improvements will not include paving.

County Issues

Chisago County continues to develop revisions to its Comprehensive Plan, which will lead to revisions of the County zoning ordinances. Because our Township has not elected to assume zoning authority, the County zoning controls land development and management here. At some point, the Township will need to reconsider assumption of this authority. The question was voted on by residents in 1988 and it failed. The County's process is well publicized in local papers and will not be presented in more detail here. The Township Board has been active in the County process and will answer questions if there is interest. On park issues, Supervisor Larkin has worked with the County Parks Department and Commissioner Robinson to ensure that park fees collected from new plats in our Township are properly invested in the Township. Since the Fish Lake County Park is our only park, she has proposed - and the County has agreed - to invest our portion of those fees toward new playground equipment at the Fish Lake beach.

Budget

As shown on the separate Budget report, the Township budget for 2004 was \$249,300. Through aggressive cost containment and with a concern about the implications of state budget cuts, 2004 costs were under budget by \$26,688. This will be carried forward in 2005 to cover contingencies that could not be foreseen when we set the budget for 2005 in early 2004. The Board has tentatively placed \$20K of the \$26K savings in the Equipment Fund to purchase a road packer attachment for the grader if the Board decides to do so. The Board considers this a reasonable strategy that will avoid unanticipated shortages that could require a reduction in maintenance services or borrowing of operating funds. We have come in under budget for the past two years, but do not view the savings as an excessive buffer against inflation, fuel cost increases, and material cost. We're continually trying to carefully but surely improve the reliability of our equipment and the level of maintenance on our roads. We believe it shows and hope residents see it too.

The levy for this year, \$270,000 and 8% over 2004, was approved at last year's annual meeting. On its first run at working up a budget and proposed 2006 levy, and based on projections of costs, the Board arrived at a budget of \$290,000, an increase over 2005 of 7%. This is just under the average increase for the past two levy cycles, and represents a relatively stable level to allow the Township to keep up with cost increases and try to annually raise the service standard. Note on our proposed budget that \$10,000 per year is included as a dedication to the blacktop savings fund. Any budget savings will continue to be clearly shown in annual reports and invested carefully in following year investments.

Summary

The Board has reported only the more important elements of Township administration that are of general interest. There are numerous other responsibilities that are not covered here, such as insurance, elections, training, banking, permits, etc. that the Board can address at our regular meetings.

The Board of Supervisors believes Fish Lake Township is again well positioned to meet service expectations of its residents. With increasing population growth and development, baseline services and increased expectations will continue to challenge us all. We hear of increasing interest in beginning to pave roads, but until we see more consensus about making such major and costly investments, we will keep trying to maintain our gravel roads in an increasingly better condition as possible. The Board welcomes the continued general support and participation of all residents.

Thanks to Larry Freedlund for his six years of service to the Township as Supervisor.

Officers

Supervisors: Bob Cupit
Diane Larkin
Larry Freedlund

Treasurer: Sharon McAndrew

Staff

Clerk Andrea Nekowitsch
Maintenance Gary Guse, Jr.
Part-time Doug Rogers – Roads
Dan Labelle – Roads
Pat Devine – Hall and Grounds