

**Agency of Natural Resources
LANDS AND FACILITIES TRUST FUND**

Annual Report

January, 2007

Trust Fund Balance as of 06/30/06: **\$2,726,263**

Introduction

The enabling legislation for the Lands and Facilities Trust Fund (Act 61, Sec. 53 of the 2001/2002 legislative session) requires submittal of an annual report on the trust fund balances and expenditures to the Legislature. This 2007 Annual Report on the Lands and Facilities Trust Fund represents the sixth such report. This report documents the balance in the fund at the end of state fiscal year 2006 (June 30, 2006) as well as revenue sources deposited and funds spent on projects as of that date.

As with previous annual reports, this report summarizes the goals and priorities for the trust fund and builds on the previous reports. Readers are referred to previous annual reports on the fund which more fully describe the need for addressing stewardship priorities for Agency lands and facilities, document the Agency's process for considering and criteria for prioritizing eligible stewardship activities, and contain other related information. These reports are posted on the Department of Forests, Parks and Recreation's website at <http://www.vtpr.org/lands/lftf/index.htm>.

Background

In response to an urgent and growing need to provide stewardship for state lands and facilities held by the Agency of Natural Resources, the Legislature created the *Lands and Facilities Trust Fund* in 2001. This legislation established an income-producing fund in the state treasury, managed by the state treasurer, for funding activities that further the management of Agency lands, facilities, and recreational assets and which are not covered in operating budgets. Eligible activities include repair and maintenance at state parks; contract surveys and mapping; maintenance of state land boundaries, roads, trails and facilities; contract inventories of state land natural resources; repair, replacement and maintenance of conservation camps; and timber management activities conducted in accord with USDA silvicultural guidelines. Land acquisition is *not* an eligible activity.

As established, the trust fund is set up to accept funding from a variety of public and private sources including donations, grants, special use permit fees, federal funds so designated for uses compatible with the intent of the fund, timber sale receipts from state forest land, and such sums as may be appropriated by the Legislature. Beginning in 2004, the amount of trust fund monies available for stewardship projects is equal to five percent of the moving average of the fund's market value over the prior twelve quarters. Under this formula, the Agency budgeted \$40,000 from the trust fund for eligible stewardship projects in FY'06. Annual expenditures from the trust fund are

limited to projects that are approved by the Commissioner of the Department of Forests, Parks and Recreation, subject to the approval of the department's budget by the General Assembly.

Trust Fund Goals and Priorities

The Agency's intent is to build the fund to a sufficient level that it is able to contribute substantially toward stewardship efforts for the lands, facilities and recreational assets it manages. While it may take decades for the trust fund to become fully capitalized, significant progress is being made. As of FY'06 the fund began generating enough monies under the formula to begin funding some modest stewardship projects.

The overall objective is to fund the Agency's highest priority stewardship needs. In selecting stewardship projects for the fund, the Agency reviews them using the following criteria in no particular order: cost; availability of funds; condition of the resource or facility; level of use; level of public need; stated intent of the donor (if donated property is involved); and the ability to enhance or protect a public investment or resource. This process is described in detail in the January 2002 Annual Report. The process allows for a thorough and efficient analysis of proposed projects, ensuring that those selected reflect the highest priority stewardship needs.

Needed repairs and maintenance of existing facilities and infrastructure at Vermont State Parks and sustainable forest management activities are the Agency's highest immediate priorities for use of available trust fund monies. Also, the need to increase public awareness of and support for the trust fund has been identified as an ongoing need.

Fund Sources and Balances

At the end of FY'06 (June 30, 2006), the balance in the Lands and Facilities Trust Fund was \$2,726,263. This represents an increase of more than \$650,000 from the balance at the end of FY'05 (\$2,069,892). Receipts from timber sales on state forest land accounted for most of this increase (\$605,860). Totals for each funding source as of June 30, 2006 are as follows:

• Timber Sale Receipts on State Forests	\$2,510,805
• Permit Fees on State Forests	66,200
• Donations	6,050
• Interest	143,208
Total (as of 06/30/06)	\$2,726,263

Fund Expenditures

Prior to FY'06, there were insufficient monies in the trust fund to generate a meaningful amount of money under the formula to undertake any projects. Consequently, the Agency did not spend any trust fund monies through FY'05. However, with a balance exceeding \$2,000,000 at the end of FY'05, the Agency budgeted \$40,000 for initial expenditures from the fund in FY'06.

The Agency of Natural Resource's Lands Stewardship Team reviewed eleven stewardship projects for FY'06 funding consideration. Three of those were approved by the Commissioner of Forests, Parks and Recreation. Given the cost estimates associated with them, the Commissioner approved spending \$40,000 in trust fund monies in FY'06 and recommended an additional allocation of \$60,000 in trust fund monies to complete these projects as a part of the Agency's FY'07 budget proposal. Funds were spent in FY'06 or allocated in FY'07 for these projects as follows:

- **Repairs to Osmore Pond Picnic Shelter at New Discovery Campground in Groton State Forest**

A number of repairs were recommended for this Civilian Conservations Corps historic structure in the 1998 State Park Infrastructure Study. The contract for construction is for \$74,248, with up to \$36,000 committed in FY'06 from the trust fund, with the balance to come in FY'07. Work began on this project in the spring of 2006 and is expected to be complete by the end of FY'07.

Items of work done or to be completed are as follows:

Foundation, pavillion floor and underdrain work, including replacing a section of the toilet room foundation wall that had failed.

- The excavation uncovered construction on native soils on a wet site.



- Unsuitable material was moved and spread on the downhill edge of the existing fill, creating a larger gathering place on the pond side of the building.
- Repair to shelter area posts and rails.
- Post bases were elevated to remove them from wind-driven rain and snow melt water.
- One post required a spliced base to provide competent support.



Replacement of rotted bottom logs on pavilion portion.

- Used in-kind materials to match existing. This addressed the ground level rot, except for a patch needed in the women's toilet room.

Repair and cleaning of masonry below roofline.

Replacement of 1500-gallon septic tank was added to the contract (paid from other funds).

Remaining tasks to be done:

- Additional masonry repairs would include what is needed above the roofline and to properly flash a new roof.
- Log repair. Except for the patch mentioned above, the rot is higher up and is largely associated with inadequate flashing around the chimney and also possible rafters.
- Restaining; window glazing and replacement of sash; and masonry repairs to fireplace, hearth, and floor.



- **Completion of Forestry Education Center Log Cabin at Kehoe Conservation Camp**



This cabin is the centerpiece of a demonstration forest and Vermont tree arboretum at the Department of Fish and Wildlife's Kehoe Conservation Camp at Lake Bomoseen and will contain historic forestry tools and instruments. The cabin was built by Stafford Technical forestry students at their Rutland facility and has been moved to the Kehoe camp.

Logs and lumber were donated, while the cedar roof shakes, field stone chimney and liner, nails, spikes, hinges, tar paper, windows, chinking, and other supplies were paid for by the trust fund. The final tasks—chinking the cabin and covering the cement—are expected to be completed in the spring of 2007. As of June 30, 2006, \$914.90 was spent from the fund for this project. The remainder of the \$4,000 allocated will be spent before the end of FY'07.



- **Marketing and Promotion of Lands and Facilities Trust Fund**

Promotion of the Lands and Facilities Trust Fund has been identified as needed to increase its visibility and financial growth. A preliminary marketing strategy for the fund was developed by the Agency (as outlined within both the 2003 and 2004 annual reports to the legislature). The Agency intends to hire a consultant to execute the marketing strategy possibly in FY'07 or FY'08. No monies were spent in FY'06 on this project.