

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

Annual Report

January, 2009

Trust Fund Balance as of 06/30/08: **\$3,459,044**

Executive Summary

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 2009 Annual Report on the Lands and Facilities Trust Fund represents the eighth such report. This report documents the balance in the fund at the end of state fiscal year 2008 (June 30, 2008) 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 (www.vtfpr.org/lands/lftf.cfm).

Balance at end of FY07 \$3,198,959

Income during FY08:

Timber Sale Receipts on State Forests	261,111	
Permit Fees on State Forests	22,619	
Donations	635	
Earnings	17,853	
		302,218

Project funds dispensed FY08:

Repairs at Osmore Pond Picnic Shelter at New Discovery Campground in Groton State Forest	35,050	
Invasive species control – Emerald L. State Park	1,400	
Thinning project—Townshend State Forest	820	
Cleanup Event at South Bay WMA	1,050	
Signs and Kiosks	2,587	
Boundary Marking – Northeast District lands	1,225	
		(42,133)

Balance at end of FY08 \$3,459,044

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. The Agency budgeted \$100,000 from the trust fund for eligible stewardship projects in FY08. 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 FY06, the fund began generating enough monies under the formula to begin funding some modest stewardship projects. At the end of FY08 (June 30, 2008), the balance in the Lands and Facilities Trust Fund was \$3,459,044. This represents an increase of \$260,085 from the balance at the end of FY07 (\$3,198,959).

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 a

donation 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 Agency facilities and infrastructure 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 Income

Income to the fund came from four different sources, and receipts from timber sales on state forest lands provided the highest amount. Totals received from each funding source during FY08 (as of June 30, 2008) are as follows:

Timber Sale Receipts on State Forests	\$261,111
Permit Fees on State Forests	22,619
Donations	635
Earnings	17,853
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Total for FY08	\$302,218

Fund Expenditures

Prior to FY06, 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 FY05. At the end of FY05, the Agency budgeted \$40,000 for initial expenditures from the fund in FY06. The Department budgeted \$100,000 in trust fund monies in FY08. Trust fund expenditures in FY08 include:

Repairs at Osmore Pond Picnic Shelter at New Discovery Campground in Groton State Forest - \$35,050

As reported in 2007, extensive repairs were recommended for this Civilian Conservations Corp (CCC) historic structure in the 1998 State Park Infrastructure Study. In FY08 Phase II of repairs to the Osmore Shelter was completed. This phase finished the restoration of the historic fabric of the existing structure and included the installation of a replacement roof system via the following activities:

- Repair of rotted logs and roof boards;
- Reinforcement of the roofing structure and deck;

- Removal and cleaning of surface insect damage; and
- Installation of metal roof system to remove significant winter snow load.

This phase also corrected previous modifications that were not sensitive to the historic nature of the structure, including the following:

- Previously repaired window glazing was replaced with panes that match the periods glass;
- Skylights were removed and replaced with discreet units that gather and transmit sunlight through reflective tubing; and
- Roofing boards that did not match original dimension and finish were replaced.

At this time the structure represents a preserved example of CCC construction and is in a condition to serve visitors for the foreseeable future.

Townshend State Forest Timber Stand Improvement Project - \$820

This was a small timber stand improvement project at Townshend State Forest. The goals of this project were to release high quality sugar maple and pole size red oak stems. This project was successfully completed in the spring of 2007 and provides important timber and wildlife benefits.

Emerald Lake State Park Invasive Species Control - \$1,400

Herbicide was carefully applied on six acres where honeysuckle and buckthorn have been determined to be problematic for a high value hardwood stand on the east side of RT 7 at Emerald Lake State Park. Treatment areas were focused along skid roads and log landings in anticipation of a pending timber sale on this site. Upon completion of the invasive species control efforts, a 35-acre timber sale was successfully completed on this site. Careful monitoring during and after the sale should help to insure that the sale area remains free of exotic species.

South Bay Wildlife Management Area Volunteer Cleanup Efforts - \$1,050

A South Bay Cleanup event (Trash Derby) was held on May 17, 2008 and was very well attended by about 50 volunteers. Trust Fund monies along with other funding was used to help advertise this event and to secure prizes for participants. This event was a big success with approximately 60 yards of trash and litter being collected from the shores of Lake Memphremagog's South Bay and from the main tributaries. Lands and Facilities Trust fund monies were supplemented by donations from the Great Outdoors, Casella Waste Management, Hoagie's Pizza and Pasta, The Pick and Shovel, Northeast Kingdom Solid Waste District, and Memphremagog Watershed Association.

State Forest Signs and Kiosks (Northeast District) - \$2,587

This is an ongoing project. Information kiosks were constructed by the Vermont Offender Work Program and were installed by staff from the Department of Forests, Parks and Recreation at state forests throughout the northeast region of the state.

Signs were installed at Black Turn Brook State Forest, Groton State Forest (2), Mathewson State Forest, Lyndon State Forest and Willoughby State Forest (2).

State Land Boundary Marking (Northeast District) - \$1,225

This is an ongoing project. In the northeast part of the state alone, there are over 630 miles of state lands boundaries that need to be maintained. As the boundary lines begin to fade, they need to be repainted in order to avoid the time and expense of having to resurvey the lines. A private consultant was hired to assist ANR staff with boundary line marking. In FY08, this effort was limited to areas in Groton State Forest.

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). In FY08, the Agency contracted with a consultant to conduct a feasibility study for both marketing and fundraising (though no Trust Fund dollars were expended in FY08 on this project). This effort is still underway.