

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

Annual Report

January, 2010

Trust Fund Balance as of 06/30/09: **\$3,857,529**

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 2010 Annual Report on the Lands and Facilities Trust Fund represents the ninth such report. This report documents the balance in the fund at the end of state fiscal year 2009 (June 30, 2009) as well as revenue sources deposited and funds spent on projects During FY'09.

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 are posted on the Department of Forests, Parks and Recreation's website (www.vtfpr.org/lands/lfff.cfm).

Balance at end of FY'08 **\$3,459,044**

Income during FY'09:

Timber Sale Receipts on State Forests	517,405
Permit Fees on State Forests	21,241
Donations	2485
Earnings	5044
TOTAL	\$546,175

Expenditures during FY'08:

State Lands Boundary and Survey Projects	34,216
Kehoe Conservation Camp Parking Lot Improvements	10,000
Kehoe Conservation Camp Log Cabin	173
Osmore Pond Picnic Shelter	50,289
Okemo Mt. Fire Tower	368
State Park Shade Trees	858
Downer State Forest Thinning	2,410
Okemo Mt (CCC) Road	5,464
Coolidge State Park Enhancements	13,367
State Lands Maintenance (Districts 1 thru 4)	17,455
State Lands Boundary Maintenance (District 5)	6,540
Signs and Kiosks	75
State Park Tree Replacement (District 5)	6,475
TOTAL	(\$147,690)

Balance at end of FY'09 **\$ 3,857,529**

Background

In response to an urgent and growing need to provide stewardship funding 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 activities equals five percent of the moving average of the fund's market value over the prior twelve quarters. Annual expenditures from the trust fund are limited to activities 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, Priorities, and Trends

The Agency's long term goal is to build the fund to a sufficient level so that it provides a meaningful and sustainable source of income for priority stewardship activities for Agency lands and facilities. While it may take decades for the trust fund to become fully capitalized, significant progress is being made. Since FY06, the fund has been generating enough monies under the formula to fund some modest stewardship projects.

At the end of FY'09 (June 30, 2009), the balance in the Lands and Facilities Trust Fund grew to \$3,857,529. This represents an increase of \$398,485 from the balance at the end of FY'08 (\$3,459,044).

The Agency's overall objective is to use Trust Fund monies to address priority stewardship needs. Completing needed repairs and maintenance of existing Agency facilities and infrastructure, resolving boundary disputes and conducting needed property surveys on Agency lands, and implementing sustainable forest management activities are among the Agency's highest 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.

In previous years, new Trust Fund projects were selected using the following criteria: 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.

Beginning in FY'09, State revenues declined significantly resulting in a substantial budget shortfall. Unfortunately, this budget situation is expected to last for at least two more years. This situation has impacted how the Agency allocates Trust Fund monies to eligible stewardship activities. With the reduction in general fund monies to the Agency, an increasing percentage of Trust Fund monies are now being used to fund priority stewardship activities that are conducted directly by state lands staff. In FY'09, approximately \$34,000 of the roughly \$140,000 in Trust Fund money available under the formula was allocated for priority boundary and survey work on Agency lands by Survey Section staff. For the short-term, we expect this trend to continue.

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, 2009) are as follows:

Timber Sale Receipts on State Forests	\$517,405
Permit Fees on State Forests	21,241
Donations	2485
Earnings	5044
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Total for FY'09	\$546,175

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 activities. Consequently, the Agency did not spend any trust fund monies through FY'05. At the end of FY'05, the Agency budgeted \$40,000 for initial expenditures from the fund in FY'06. The Agency spent \$147,690 in trust fund monies in FY'09. These expenditures are summarized below:

State Land Boundary and Survey Projects - \$34,216

Property surveys and related boundary investigations were performed at multiple sites on state lands across the state. Property surveys were completed at Holbrook State Park in Sheffield, and Lyman Falls State Park in Bloomfield. An encroachment was investigated at Elmore State Park. State boundary line was established for a portion of Okemo State Forest in Andover. Survey and related assistance was provided to the Attorney General's Office on several on-going court cases involving state lands.

Kehoe Conservation Camp Parking Lot Improvements - \$10,000

The parking lot at the Department of Fish and Wildlife's Kehoe Conservation Camp in Castleton was resurfaced to prevent erosion in FY'09. Parking lot lighting was installed to improve safety.

Kehoe Conservation Camp Log Cabin - \$173

Chinking and other minor tasks were completed on the forestry educational center log cabin at Kehoe Conservation Camp in FY'09. The cabin was built by Stafford technical forestry students in Rutland and was moved on-site to Kehoe Conservation Camp at Lake Bomoseen in 2007.

Osmore Pond Picnic Shelter - \$50,289

Extensive repairs on this Civilian Conservation Corp (CCC) historic structure were completed in FY'09. This work carried over from FY'08 and included reinforcement of the roofing structure and deck, installation of metal roof system, replaced window panes with period 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. This structure now represents a preserved example of CCC construction and is in excellent condition to serve visitors for the foreseeable future.

Okemo Mt. Fire Tower - \$368

Preliminary design work was conducted for a major rehabilitation to the historic fire tower on the summit of Okemo Mt in FY'09.

State Park Shade Trees - \$858

This project is on-going. Over the years, many trees at several state parks on Lake Champlain (Sandbar, Kill Kare, and Knight Point State Parks) have been lost and have not been replaced. Planting of new shade trees at these parks was initiated in FY'09.

Downer State Forest Thinning - \$2410

Pre-commercial thinning of a 25-acre northern hardwood forest stand at Downer State Forest in Sharon was conducted in FY'09 in order to improve access and stand quality.

Okemo Mt. (CCC) Road - \$5464

The top 300 feet of the Okemo Mt. Road was rebuilt in FY'09. This project involved excavating the roadbed and laying down new base material, ditching, installation of

culverts, and repaving. Project materials were purchased with Trust Fund dollars. The labor for this project was provided by Okemo Mt. Resort.

Coolidge State Park Enhancements - \$13,367

Various recreational and wildlife enhancements at Coolidge State Park were undertaken in FY'09. These included re-establishing the historic viewshed at the Bradley Hill Picnic Shelter, creation of open space near park office for recreational and wildlife purposes, and wildlife habitat improvement activities to increase wildlife viewing opportunities at the Park.

State Lands Maintenance (Districts 1 thru 4) - \$17,455

This project includes on-going maintenance activities on Agency lands in districts 1 through 4. Projects included maintaining wildlife openings through brush hogging old fields, control of invasive exotics, mast tree release and other vegetation management actions, and state park tree maintenance.

State Lands Boundary Maintenance (District 5) - \$6540

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 FY'09, this effort was limited to areas in Groton State Forest.

Signs and Kiosks - \$175

This is an ongoing project. A number of information kiosks were constructed in FY'08 at several state forests in northeastern Vermont. Additional supplies and small tools were purchased in FY'09 necessary for completing the remaining kiosks for this project.

State Park Tree Replacement (District 5) - \$6475

This project involved removing invasive trees (primarily Norway Maple) at several northeastern state parks, and replacing these trees with native species. These parks included Stillwater Campground, Boulder Beach, and the Nature Center at Groton State Forest and Crystal Lake State Park in Brighton.

Marketing and Promotion of Lands and Facilities Trust Fund

In FY08, the Agency contracted with a consultant to conduct a feasibility study for both marketing and fundraising. This effort was completed in the spring of FY'09 (though payment for this study was not made until FY'10). A copy of the feasibility study is posted on the Department of Forests, Parks and Recreation's website at: <http://www.vtfpr.org/lands/lftf.cfm>.