

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

*Annual Report*  
January, 2013

Trust Fund Balance as of 06/30/12: **\$4,070,346**

## 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 2013 Annual Report on the Lands and Facilities Trust Fund represents the twelfth such report. This report documents the balance in the fund at the end of state fiscal year 2012 (June 30, 2012) as well as revenue sources deposited and funds spent during FY'12.

Readers are referred to previous annual reports which are posted on the Department of Forests, Parks and Recreation's website ( [www.vtfpr.org/lands/lftf.cfm](http://www.vtfpr.org/lands/lftf.cfm) ).

Balance at end of FY'11		\$4,463,047
Income during FY'12:		
Timber Sale Receipts on State Forests	254,179	
Permit Fees on State Forests	16,636	
Donations	525	
Sale of Products	29,042	
Earnings	144,607	
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		444,989
Project funds dispensed in FY'12:		
State Lands Survey	34,436	
State Lands Management – Forestry	635,014	
Coolidge Nature Center	681	
Improvements to Bomoseen SP Access	1,269	
Stone House Roof-Coolidge SF	27	
ANR Lands Maintenance – Dist 1 – 4	1,073	
Signs & Kiosks – Dist 5	626	
SP Vegetation Enhancements – Dist 5	3,564	
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		(676,690)
Swept into General Fund per FY 2012 Budget Adjustment Act		(161,000)
Balance at end of FY'12		<hr/> <hr/> \$4,070,346

## Background

In response to an urgent and growing need to provide responsible stewardship of state lands and facilities held by the Agency of Natural Resources, the Legislature created the *Lands and Facilities Trust Fund* (LFTF) 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; property survey and boundary investigations; contract inventories of state land natural resources; repair, replacement and maintenance of conservation camps; monitoring and stewardship of conservation easements; timber management activities conducted in accord with USDA silvicultural guidelines; and other vegetation management activities such as crop tree release, prescribed burns, invasive species control, brush hogging wildlife openings. Land acquisition is *not* an eligible activity.

As established, the LFTF 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. 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 Legislature.

The Agency's long term goal is to build the LFTF 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, the fund continues to grow nearly every year. At the end of FY'12 (June 30, 2012), the balance in the Lands and Facilities Trust Fund was \$4,070,346. This represents a decrease of \$392,701 over the balance at the end of FY'11 (\$4,463,047).

Over the last couple of years and continuing in FY'13, state revenues declined significantly resulting in a substantial budget shortfall. This situation is expected to continue into FY'14 and 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 Department of Forests, Parks and Recreation state lands staff. This funding enabled Forestry Division staff to continue to work on priority state lands management activities and stewardship projects.

It must be noted and stressed that initiating use of the LFTF to cover some FPR personnel represents an emergency response to serious on-going budget limitations. While this use has allowed the Department to maintain function without further staff reductions, legitimate questions remain about the long-term sustainability of such use. As the State's budget situation begins to improve and the balance in the Trust Fund continues to grow, we expect to solicit new stewardship project proposals for LFTF as early as FY'14. Moving forward, we will be looking for ways to reduce our reliance on LFTF monies for supporting state lands stewardship staff so that more funds can be directed to eligible stewardship projects.

## Fund Expenditures

The Agency spent \$676,690 in trust fund monies in FY'12. All FY'12 LFTF expenditures are summarized below:

### **State Lands Management (Forestry) - \$635,014**

Staff from the Division of Forests has the primary responsibilities for the on-the-ground management activities on all Agency lands. These stewardship responsibilities range from the development of long-range management plans to the implementation of vegetative management activities. All proposed projects are detailed in annual district stewardship plans that go through inter-disciplinary agency review.

There were three main focus areas during FY'12: continued development or revision to long-range management plans; the planning for, marking, selling and administration of timber sales; and state forest highway and recreational trail projects.

**Long-range management plans** are the backbone of all our work on Agency lands. Plans provide assessments on everything from natural communities, to recreational resources, to special treatment areas and restrictions, to timber and wildlife resource values. In addition to the assessment function, long-range management plans detail the implementation strategies to be carried out short term and long term on the property. During FY '12, the following planning work was accomplished:

**Border Management Unit** (includes Bill Sladyk Wildlife Management Area, Black Turn Brook State Forest, and Averill Wildlife Management Area) – Final plan under development.

**Brattleboro Management Unit** (includes Molly Stark, Ft. Dummer, Sweet Pond, and Dutton Pines State Parks) - Final plan developed, approved and adopted.

**Camel's Hump Management Unit** (includes Camel's Hump State Park, Robbins Mt. Wildlife Management Area, Huntington Gap Wildlife Management Area, and Howe Block of Camel's Hump State Forest) - Draft plan under development after holding public scoping meetings and resource assessment work.

**Okemo State Forest** - Timber and ecological assessments finished.

**Ascutney Management Unit** (includes Ascutney State Park, Wilgus State Park, Little Ascutney Wildlife Management Area, and other nearby wildlife management areas) – Draft plan under development.

**Big Jay/Black Falls Block of Jay State Forest** – Preliminary draft plan prepared by the Green Mountain Club under review and development.

**Worcester Range Management Unit** (includes CC Putnam State Forest, Elmore State Park, Middlesex Notch Wildlife Management Area and Worcester Woods Wildlife management Area) - Development of resource assessments under way.

**Townshend State Forest** – Amendment to existing long range management plan was completed and approved.

**The Heights Management Unit** (includes Calendar Brook Wildlife Management Area, Holbrook State Park, and Mathewson State Forest) – Initial stages of planning under way; UVM graduate student assisted in collecting and developing the resource assessments.

**Niquette Bay State Park** - Assessment work underway.

**Round Pond State Park** – Assessment work underway.

**Roaring Brook Wildlife Management Area** – Final plan completed, approved, and adopted.

**The Narrows Wildlife Management Area** – Final plan completed, approved, and adopted.

**Timber sale administration** not only is a large part of the workload for division staff, it also brings in the bulk of revenues in the Lands and Facilities Trust Fund. Revenues during FY'12 from timber sales on state forests brought back \$254,179.00 to the Lands and Facilities Trust Fund. (Note: timber sale revenues from state park lands are not deposited in LFTF but instead go into the Parks Special Fund).

**West Rutland State Forest** - 71 acres, 208 mbf, 312 cords

**Coolidge State Forest** – 90 acres, 205 mbf, 515 cords

**Groton State Forest** – 56 acres, 45 mbf, 988 cords

**Mt Mansfield State Forest** – 170 acres, 176 mbf, 1246 cords

**Camel's Hump State Park** – 143 acres, 324 mbf, 755 cords

**Camel's Hump State Park** - 87 acres, 236 mbf, 699 cords

**Bomoseen State Park** – 47 acres, 97 mbf, 340 cords

In addition to the seven sales that were marked, offered for competitive bid and sold to contractors, there were an additional nine sales that had been previously sold and were active during the reporting period. Sale administration is a critical element to the timber management program, ensuring that contract stipulations and silvicultural objectives are being met. A total of 100 cords of firewood were made available through the division's roadside firewood lottery program. The division continued the lottery system instituted to equitably distribute available lots to the public. Finally, 50 cords of tree length firewood included in one of the seven sales was offered for the Wood Warms Program. These 50 cords from Mt. Mansfield State Forest went to United Way of Lamoille County.

**Forest road and trail maintenance** activities in FY'12 were challenged by the events of Tropical Storm Irene. Division staff spent considerable time evaluating and documenting damage to forest roads and trails. FEMA declarations made it possible for the division to receive federal reimbursements for many of

the repairs. Once the review by FEMA was complete staff also were involved with developing and overseeing contracts to repair the damage to forest highways.

Trail maintenance activities continued to be a priority in FY'12. Forestry Division staff oversee most of the trail projects while the actual work is accomplished by Vermont Youth Conservation Corps (VYCC) and State Trail Crews. Maintenance activities were undertaken on several trails including those at Mt. Ascutney State Park and Quechee Gorge State Park. Trail maintenance projects continued to be the focus on both Camel's Hump State Park and Mt. Mansfield State Forest where recreational trail use is heavy. In Coolidge State Forest two major projects were completed including one trail that was relocated and rebuilt following Tropical Storm Irene.

Overall, stewardship of Agency lands remains a challenge. Projects over and above what was listed, including boundary line maintenance monitoring and/or controlling invasive species, mowing trail-head parking lots, cleaning culverts, administration of special use permits and other projects take time and resources. Agency land also has an important role to play as demonstration areas. Looking ahead, the issue of climate change and its impact on Agency lands will increasingly shape ANR land stewardship activities.

**State Lands Survey - \$34,436**

Property survey is a fundamental component of state lands stewardship. During FY'12, state lands survey staff responded to several alleged encroachments or boundary disputes and conducted surveys or related investigations at Alburgh Dunes State Park in Alburgh, Holbrook State Park in Sheffield, and Sentinel Rock State Park in Westmore. Survey staff also provided assistance on other projects including finalizing an exchange of rights-of-way deeds with the Town of Groton regarding property at the intersection of Boulder Beach Rd. and Rt. 232 at Groton State Forest, initiating a survey of the proposed Lafrenier sale parcel at Camel's Hump State Park, conducting survey research and field work at Okemo State Forest on Terrible Mt., conducting research at the Department's Woodchuck Mt. property in Newbury, and miscellaneous mapping and other small projects involving ANR lands.

**Coolidge State Park Nature Center - \$681**

The new Nature Center building at Coolidge State Park was constructed by an AmeriCorps youth crew in 2010 and measures 12 feet by 16 feet. The Department finished the interior and developed various exhibits for this attractive log structure in FY'11. The final touches were put on finishing up the display cases in FY'12. The project is now complete. The new Nature Center receives considerable use and is quite popular with state park users.

**Bomoseen State Park Access Improvements - \$1,296**

This project was designed to improve the forest management access road to the north end of Glen Lake. The funds were used to repair the road, add gravel and improve several pull-off parking spots. When combined with an improved parking area at the gate/causeway and some signing this money helped to make this portion of Bomoseen State Park more inviting and easier to reach by the general public.

**Stone House Roof-Coolidge SF - \$27**

A project from FY '11 for emergency roof repair to the old Coolidge State Forest Ranger's house that was built by the Civilian Conservation Corp was completed.

**State Lands Maintenance (Districts 1 thru 4) - \$1,073**

This project includes on-going maintenance activities on Agency lands in districts 1 through 4. Projects included control of invasive exotics, state park tree maintenance and other on-going activities.

**Signs & Kiosks (District 5) - \$626**

This project funded the materials and supplies to construct three more visitor kiosks in the northeast part of the state.

**State Park Vegetation Enhancements (Districts 4 and 5) – \$3,564**

The State Park Vegetation Enhancement Project planted fifteen trees at Elmore State Park and Waterbury Center Day use area. Funds were also spent on mulch, stakes and gators (devices used to supply water slowly to the trees).

**The Future**

Although the principal in the LFTF has declined slightly from last year, the trust fund is expected to continue to grow over the long term. Timber sale receipts from state forest land are expected to remain robust for the foreseeable future and will continue to provide the main source of funding for the LFTF.

Additionally, in FY'13, the LFTF received a contribution for the purpose of monitoring and stewarding a conservation easement held by the Department of Forests, Parks and Recreation. Going forward, we anticipate similar contributions to the LFTF for conservation easement stewardship and other specific stewardship purposes. To ensure that such funds are effectively administered and used for their intended purpose, it will be important to establish separate accounts within the LFTF for any specific-purpose contribution it may receive.

With a balance of more than \$4,000,000, the LFTF can now provide a meaningful and reliable source of funding for needed stewardship projects for ANR lands and facilities. Looking ahead, we hope to once again allocate some trust fund monies for eligible stewardship projects including conservation easement stewardship and monitoring activities and other eligible stewardship projects as early as FY'14.

The future of the LFTF is bright, but if it is to fully live up to its potential to support priority stewardship projects on ANR for ANR lands and facilities, the Department must be successful in reducing its reliance on using trust fund monies to support state lands staff.