

MAINE STATE LEGISLATURE

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2003
ANNUAL REPORT
to the
JOINT STANDING
COMMITTEE
on
AGRICULTURE,
CONSERVATION,
AND FORESTRY

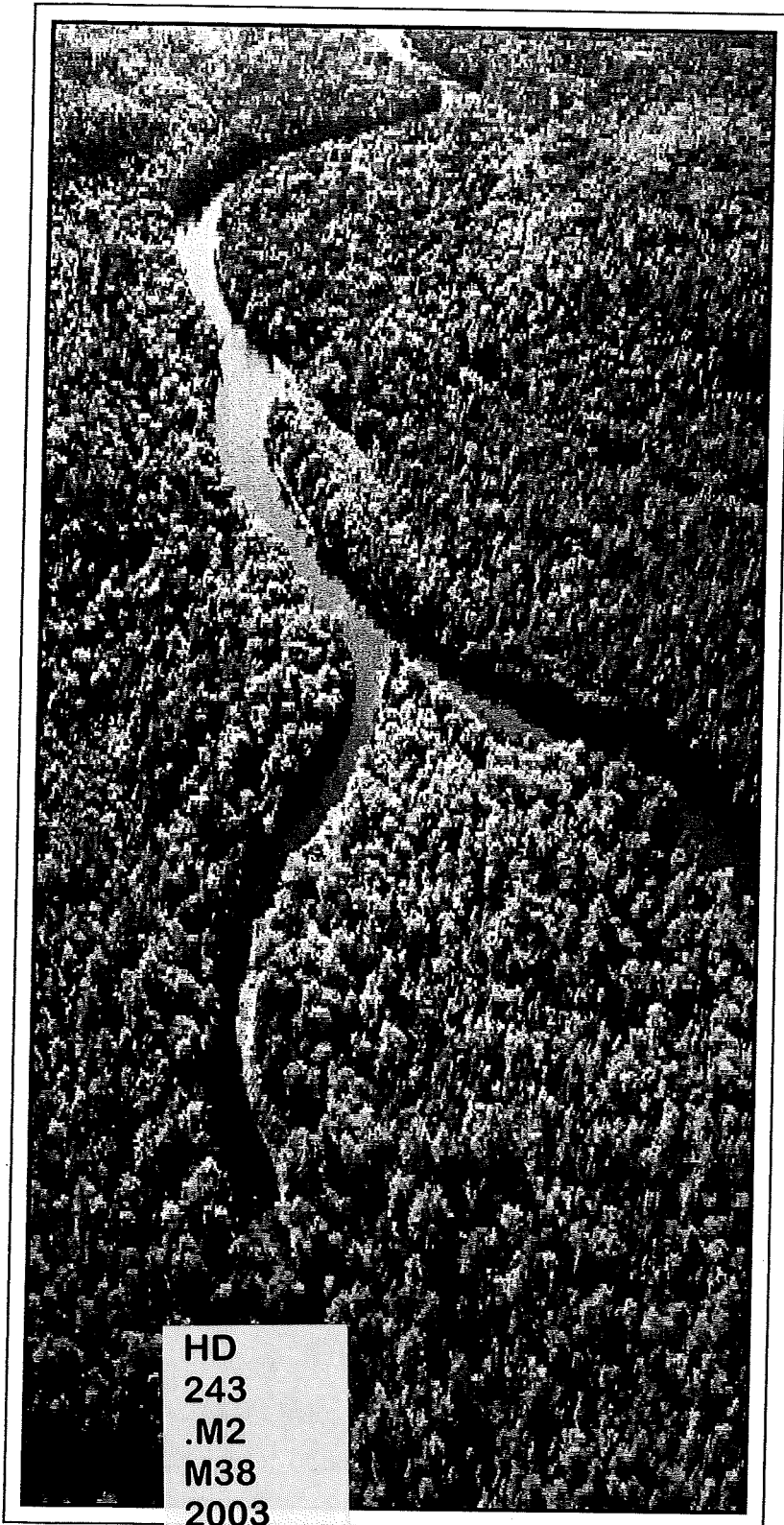
Submitted By:

MAINE DEPARTMENT
OF CONSERVATION
Bureau of Parks and Lands

March 1, 2004



Pursuant to Title 12 MRSA § 1839



*Confluence of the Machias and West Branch of the Machias
River - Acquired in 2003*

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I. EXECUTIVE SUMMARY

The Bureau of Parks and Lands is responsible for the management and administration of Maine's Public Reserved and Non-reserved Lands, Submerged Lands, Coastal Islands, and other lands as provided by law. The Bureau is statutorily mandated to manage the Public Reserved and Non-reserved Lands in a manner consistent with the principles of multiple land use to produce a sustained yield of products and services in accordance with both prudent and fair business practices and the principle of sound planning (Title 12 MRSA § 1833 and 1847).

The "Lands" division of the Bureau is a dedicated revenue component of the agency funding all of its administrative, planning, management, and operational activities from revenue generated from the land base. Ten year, multiple-use plans for the major properties guide the Bureau's management activities. Benefits from the wise management of these lands include:

- **Protection of unique natural and cultural resources**
- **Enhancement of wildlife habitat**
- **Access to recreational opportunities**
- **Production of forest products**

The Bureau also has responsibility for managing public trust rights to Submerged Lands, and, when granting leases for the use of Submerged Lands, includes conditions to maintain customary and traditional public access, navigation, and commercial marine uses.

II. 2003 HIGHLIGHTS

Acquisitions – The Bureau completed 7 land transactions, including the West Branch Project and the Machias River Project.

Submerged Lands - Substantial progress was made in completing the registration of nearly

1000 coastal structures on public submerged lands.

Forest Certification – A system for marketing "green certified" wood was put into place, with hardwood pulp provided to a Washington County mill.

Timber Management Program - Additional resources were devoted to enhancing stumpage revenues; however, account balances remain at lower-than-normal levels.

Recreation - A recreation plan developed by the Maine Island Trail Association, with assistance from the Bureau, was adopted for the increasingly popular state-owned coastal islands.

Wildlife - Habitat improvements on an orchard complex on the Hebron public lot were successfully completed.

Planning - Unit management planning commenced with a preplan developed for the Donnell Pond Unit. A shift to a more regionalized planning effort was also implemented.

III. PREFACE

Title 12 MRSA § 1839 requires the Bureau of Parks and Lands to prepare a yearly report of its Reserved, Non-reserved, and Submerged Lands. This report is submitted on or before March 1st of each year to the Joint Standing Committee on Agriculture, Forestry, and Conservation. The first section of this Report provides a summary of the Bureau's management activities during the 2003 calendar year in the following program areas:

- Land Management Planning
- Wildlife
- Recreation
- Timber Management
- Transportation
- Land Transactions
- Submerged Lands
- Public Access
- Shore and Harbor Management Fund
- Coastal Island Program
- Income and Expenditures Accounting
- Administration

As required, information on gates and barriers preventing public vehicle access to Public Reserved and Non-reserved Lands is included, along with campsite or recreation facility fees charged for the use of these lands, and a status report on Ecological Reserves. The report also contains information on income and expenditures for calendar year 2003.

Secondly, a Financial Report for FY 2005 is included as part of this document. The ACF Committee, in turn, has the obligation to report by March 15th to the Appropriations Committee on the Bureau's Lands Division budget.

IV. INTRODUCTION

The Bureau of Parks and Lands is an agency within the Department of Conservation. In addition to its responsibilities for the management of State Parks, Historic Sites, the Allagash Wilderness Waterway, the Penobscot River Corridor, Boating Facilities, and the Snowmobile and ATV Programs, the Bureau is responsible for the management of approximately 561,236 acres of Public Reserved Lands, 3,560 acres of Non-reserved Lands, 51,226 acres of conservation easements, 2,300,000 acres of the State's marine and freshwater Submerged Lands, and approximately 1,325 public-owned coastal islands. Bureau staff involved in managing Reserved and Non-reserved Lands include specialists in planning, forest transportation, wildlife, outdoor recreation, and field forestry. All collaborate to ensure an integrated and balanced approach to the management of the various resources on these lands.

Since the creation of the Bureau of Public Lands in 1973, many of the original public lots have been traded with other landowners to consolidate the State's holdings into larger, more efficient management units having greater public use values. Other lands, such as coastal islands, surplus institutional lands, and land acquired through the Land for Maine's Future Program have been assigned to the Bureau for management. The Bureau is statutorily mandated to manage Reserved and Non-

reserved Lands "under the principles of multiple use to produce a sustained yield of products and services by the use of prudent business practices and the principles of sound planning" (12 MRSA § 1833 & 1847).

Submerged Lands beneath coastal waters to the 3-mile territorial limit, and natural Great Ponds, are managed by the Bureau under the Public Trust Doctrine to protect the public trust rights to fishing, waterfowl hunting, navigation, and recreation. In addition, the Bureau maintains the Coastal Island Registry, which catalogs the ownership of all coastal islands.

V. LAND MANAGEMENT PLANNING

PLANNING INITIATIVES

Completion of SCORP: In 2003, The Bureau completed the 2003-2008 *State Comprehensive Outdoor Recreation Plan* (SCORP). This undertaking qualifies Maine to receive federal Land and Water Conservation Fund (LWCF) grants for the acquisition and development of public outdoor recreation areas and for statewide recreation planning. The program requires a 1:1 match of federal to state or local dollars. The plan was approved by the National Park Service in December of 2003 and secures the state's eligibility through 2008. A portion of these funds will be available to help acquire fee or easement interests in lands designated as Public Reserved and Non-reserved lands, and to develop or improve recreation facilities on these lands. The Bureau's LWCF apportionment for FY 2003, the last under the previously adopted plan, was \$925,366.00.

UNIT MANAGEMENT PLANNING - OVERVIEW

The Bureau manages 29 "Consolidated Units" and 136 non-consolidated parcels referred to as "scattered lots." Of the 29 consolidated units, 22 have management plans. (See Table 1, pages 5 and 6, and map showing location of the consolidated units on the back page).

The Bureau's *Integrated Resource Policy* adopted in 1985 and revised in 2000 guides resource management decisions and governs management planning for all Public Reserved and Non-reserved lands. The planning process allocates areas for specific uses including:

- **Special Protection**
- **Wildlife**
- **Recreation**
- **Timber**

Because of the nature of multiple-use management, these areas often overlap, creating zones where management is designed to accommodate a variety of uses. The relative impact of one use upon another is carefully weighed to establish a hierarchy of resource management that protects the most sensitive resources and uses, while allowing other management to continue. For example, planned timber harvests in deeryards can provide a sustained yield of forest products and deer browse, while maintaining the winter shelter value of these areas.

Unit plans are developed utilizing technical expertise at the State and Bureau level, and involving the general public in the plan development process. For each unit, Public Advisory Committees of 15-30 individuals are established representing local, regional, and statewide interests. These committees serve as forums for discussion of management issues and review of draft plans. Public Meetings are also held, providing interested parties an opportunity to comment on draft plans. After consideration of these comments, the Bureau then submits to the Department of Conservation Commissioner, upon recommendation by its Director, a final plan for adoption.

Unit Planning in 2003. The Bureau underwent the preplanning phase for the **Donnell Pond Unit** during 2003, holding a public Scoping Session in March and an Advisory Committee meeting in the fall. Resource inventories were updated and management issues identified in a preplan document developed by staff.

Regional Planning Concept. The increase in land management responsibilities, along with the need to look more broadly at addressing resource management issues, led staff to reexamine the Bureau's planning methodology. This resulted in the adoption of a plan development process that will address multiple properties within a specific region of the state. This revised process will enable a more "landscape" approach to management planning, and address the balance of uses within a particular region. There is also hope that managing fewer processes will enhance efficiency, and enable the Bureau to better meet its 10-year plan revision schedule.

Table 1. Management Plans

1	Bald Mountain/Rangeley	To Do
2	Bigelow Preserve	Adopted Aug. 1989
3	Chain of Ponds	To Do
4	Chamberlain	To Do
5	Cutler Coast	Adopted Nov. 1993
6	Dead River/Spring Lake	To Do
7	Deboullie	Adopted Jan. 1987
8	Dodge Point	Adopted Nov. 1991
9	Donnell Pond	Revision in progress
10	Duck Lake	Adopted Feb. 1989
11	Eagle Lake	Adopted Mar. 1990
12	Four Ponds	Adopted Oct. 1989
13	Gero Island/Chesuncook	To Do
14	Great Heath	Adopted Aug. 1984
15	Holeb	Adopted Dec. 1989
16	Little Moose	Adopted Oct. 1988
17	Mahoosuc	Adopted Feb. 1988
18	Moosehead	Adopted July 1997
19	Nahmakanta	Adopted Nov. 1995
20	Pineland	Adopted Sept. 1988

21	Richardson	Adopted Mar. 1990
22	Rocky Lake	Adopted Dec. 1989
23	Round Pond	Adopted Dec. 1992
24	Salmon Brook Lake Bog	To Do
25	Scraggly Lake	Adopted Oct. 1988
26	Seboeis	Adopted Feb. 1990
27	Squapan	Adopted Mar. 1990
28	Telos	Adopted Feb. 1990
29	Wassataquoik	To Do

NATURAL RESOURCE INVENTORIES - OVERVIEW

As part of its management planning process, the Bureau contracts with ecologists to conduct natural resource inventories (NRI's). These inventories identify rare plants and animals, significant natural communities, and other natural features to be considered for "Special Protection" status. "Special Protection" areas are highly sensitive areas set aside by the Bureau, where detrimental impacts could result from active land management practices. Although no forest management occurs in "Special Protection" areas, dispersed recreation is often a compatible use. A Memorandum of Understanding has been developed with the Maine Natural Areas Program to conduct NRI's on all Bureau lands across the state.

NRI's completed in 2003. The Maine Natural Areas Program updated the **Donnell Pond Unit** NRI, which included revisions to existing NRI's and additional lands acquired since 1996.

ECOLOGICAL RESERVES - OVERVIEW

Title 12 MRSA §1805, established in 2001, authorized the Director to designate "ecological reserves" on Bureau-managed lands, and to conduct a monitoring program for those reserves. Reporting of the Bureau's reserves inventory and monitoring program is governed under the Annual Report statutory requirements.

Ecological reserves are designated areas containing representative native ecosystem types managed as special protection areas. These areas serve as benchmarks to measure changes in both managed and unmanaged ecosystems, to provide habitat unlikely to occur where active management occurs, and to serve as sites for scientific research, monitoring, and education. In 2001, 13 areas comprising 68,944 acres of Public Reserved Land were designated for this purpose. Since that time, the Bureau has acquired two parcels, **Big Spencer Mountain** (4,244 acres) and **Mount Abraham** (4,033 acres), which have been added to the ecological reserve system. These new acres, however, do not exceed the legislatively set acreage limit for ecological reserves because their reserve status existed prior to acquisition. As of the end of 2003, ecological reserves comprised approximately 12.5% of the total acreage (the statutory limit is 15%), and 5.4% of the operable timberland (the statutory limit is 6%).

The Bureau signed a Memorandum of Understanding with the Maine Natural Areas Program to administer and conduct baseline monitoring (plant surveys) on the reserves. These surveys are being conducted in accordance with established monitoring guidelines. This ongoing effort will provide information necessary for measuring ecological changes on Bureau-designated reserves over time.

Baseline Data Collection in 2003. Data was collected on ecological reserves on the **Rocky Lake, Duck Lake, and Deboullie Units**, with 6 ecological reserve areas now completed as part of this ongoing project.

VI. WILDLIFE

OVERVIEW

A key component of the Bureau's integrated resource management program is coordinating land management activities with fisheries and wildlife habitat enhancement. Since 1984 a wildlife biologist from the Maine Department of Inland Fisheries and Wildlife has

been assigned to the Bureau through a cooperative agreement between the two agencies. The primary responsibility of the biologist has been to develop and implement a habitat management program for Bureau-managed lands. Wildlife management activities conducted in 2003 on lands managed by the Bureau were as follows:

Wildlife Inventory and Survey Work. The 16-week Wildlife Technician assigned to the Bureau's wildlife program conducted a variety of inventory and survey projects including waterfowl brood counts at 6 wetlands, a high elevation bird survey, and loon nest monitoring. Habitat enhancement work was conducted on 5 parcels.

Prescriptions. Thirteen multiple-use timber harvesting prescriptions covering 14,092 acres were reviewed.

Forest Certification. Planning and administration for fisheries, wildlife, and biodiversity issues related to forest certification conditions in both the Sustainable Forestry Initiative (SFI) and Forest Stewardship Council (FSC) programs continued. A compliance audit was conducted by the FSC during the summer season of which the biologist took part. Ongoing assistance was provided to IF&W staff preparing for its own third-party forestry audit, to be conducted in the near future.

Management Plans. Management planning for continued with field trips, information gathering, and preplan document review conducted for the **Donnell Pond Unit** in Hancock County. The Biologist also participated on the advisory committee developing a land management plan for the Atlantic Salmon Commission's ownership on the Denny's River in Washington County.

Habitat Management. One hundred twenty six of 138 waterfowl nest boxes were maintained, with 12 new boxes and 4 replacement boxes installed. Contracts for routine beaver control activities were developed by the Bureau's regional offices. Wetland management involving maintenance of existing siphon pipe/fence installations was implemented at various sites.

Seeding Program. Herbaceous seeding, using coated seed stock, were established on 23 acres on various parcels for wildlife forage and erosion control.

Apple Tree Release. Control of the invasive plant multiflora rose, killing apple trees in an orchard at the **Hebron** public lot, continued by hand cutting and using herbicide. The Department of Inland Fisheries and Wildlife assisted the Bureau by mowing approximately one acre of orchard at the public lot. In addition, ten acres of maintenance mowing was completed at **Chain of Ponds**, the **Richardson Unit** (Upper Dam) and the **Bigelow Preserve**.

Habitat Agreements. As the result of a long-term habitat management agreement between IF&W and the Bureau, work continued on developing specific Habitat Management Area plans for **Round Pond** and **Holeb Units**. Favorable wintering conditions for deer limited the need for aerial surveys during 2003. One plan agreement for harvesting in a zoned deeryard at **Scraggly Lake** was developed with IF&W.

Training and Education. The biologist received training in oil spill response and pesticide application to maintain current certifications. The biologist also presented a session on the use of herbicides for habitat management at a National Wild Turkey Federation seminar for landowners.

VII. RECREATION

OVERVIEW

In response to public demand, and in accordance with management plan commitments, the Bureau continues to develop recreation opportunities on its lands. The Bureau's Lands Division is responsible for 204 campsites, 187 miles of hiking trails, 35 tailored and hand-carry boat launching areas, and 131 miles of public access road. In 2003, projects completed or worked on were:

Grafton Loop Trail. The eastern segment (approximately 17 miles) was completed and officially opened as part of a June 7, 2003 National Trails Day ceremony. The trail constitutes a partnership between the Bureau and private landowners.

Little Moose Unit. Extensive rehabilitation of trail steps continued on the Big Moose Mountain hiking trail.

Coastal Islands. The Bureau adopted a recreation management plan for the state-owned islands on the Maine Island Trail. This plan was prepared by the Maine Island Trails Association. The islands have seen a steady increase in visitation over the past decade from both campers and day users traveling primarily by small boat along the coast. The work was funded in part through a grant from the Maine Outdoor Heritage Fund.

Round Top Mt. Trail. In partnership with the Belgrade Regional Conservation Alliance and the Maine Conservation Corps a hiking trail was developed to provide access to Round Top Mountain on Public Reserved Lands known as the **Kennebec Highlands**. The work was funded with access improvement monies provided through the Land for Maine's Future program.

PUBLIC INFORMATION - OVERVIEW

The Bureau continued to distribute pocket-sized and other brochures describing the location of hiking trails, campsites, and other recreation opportunities on the Bureau properties listed below:

Table 2. Completed Brochures

Bigelow Preserve
Cutler Coast
Deboullie
Dodge Point
Donnell Pond
Duck Lake
Holeb
Little Moose
Mahoosuc
Pineland
Richardson/Bald Mountain

Rocky Lake
Scraggly Lake
Seboeis
Squapan
"Your Islands and Parks on the Coast"

Public Information Projects in 2003. No new brochures were printed in 2003 because of financial constraints. Work did continue on revising the **Bigelow Preserve** brochure and developing a new brochure for the **Nahmakanta Unit**. Other public information efforts in 2003 included outreach programs in the schools, presentations at in-state conferences, and attendance at sportsman's shows.

STAFFING - OVERVIEW

A full-time Recreation Specialist and six seasonal rangers are involved in recreation management activities. The seasonal rangers are responsible for recreation facilities maintenance and construction, and informing visitors about Bureau rules and outdoor etiquette. In addition, regional staff spend time on recreation management issues. The full-time **Bigelow Preserve** Manager spends most of the summer managing recreational use for the area. Bureau staff also assists with recreation facility construction and maintenance, with assistance from volunteers. The expanding land base and increasing visitor use have required the Bureau to commit more resources to this effort.

Much of the recreation facility development continues to be accomplished with labor supplied by the Maine Conservation Corps (MCC). This program utilizes federal monies in conjunction with Bureau allocations to fund corps members' salaries and project expenses. This has been an efficient and cost effective means for developing recreational opportunities and performing other work on Bureau managed lands.

MCC Crews in 2003. In 2003, one corps team worked 2,400 hours developing trails on the **Little Moose Unit**. The Recreation Specialist, in coordination with regional staff, designed and located the trails and related camping facilities, and scheduled the work for the MCC crews.

FEES - OVERVIEW

Fees are not charged on most Public Reserved and Non-reserved Lands managed by the Bureau; however, in four situations fees are charged because these lands are near or within private recreation management systems having similar management objectives. Fees were charged in 2003 on Public Reserved Lands as described below:

North Maine Woods. Approximately 135,500 acres of Public Reserved Lands managed by the Bureau (including the newly acquired West Branch Project lands) are within the three million-acre North Maine Woods (NMW) system. To access these lands, the public passes through NMW checkpoints, where fees are paid for day use and camping. Visitors then travel over roads on private land within the NMW system. In 2003, Maine resident camping fees were \$6.00 per night per person and \$5.00 per day per person for day use. Fees are retained by NMW for facility maintenance and development, except that camping fees on the **Deboullie Unit** are returned to the Bureau once the Bureau's seasonal park ranger assumes responsibilities for the summer months.

South Arm Campground. The Bureau leases campsites on the **Richardson Unit** (Upper Richardson Lake) to South Arm Campground, a privately owned campground on adjoining private land. In 2003, the campground owner charged \$13.91 (including tax) per night per site. The campground retains a portion of this fee for maintenance of the 12 campsites, and the Mill Brook public boat launch facility at the north end of lake.

Penobscot River Corridor. Parks Division staff as a part of the Penobscot River Corridor (PRC) carries out recreation facility maintenance for **Gero Island** in Chesuncook Lake. Visitors to the area pass through checkpoints operated by North Maine Woods, Inc., which collect the PRC's camping fee of \$5 per person per night for residents and \$6 per person per night for nonresidents. A portion of these fees is returned to the Bureau for campsite management and maintenance. Resident and nonresident day use fees (\$5.00 and \$8.00 respectively) are

charged and retained by North Maine Woods to cover operating costs for the checkpoint system.

Baxter State Park. Management of recreation sites on Webster Lake in the **Telos Unit** have been assigned by mutual agreement to the Baxter State Park Authority. Most of the use of Webster Lake is connected with the Webster Stream canoe trip, which traverses the northern end of Baxter State Park. Under the agreement, campsites at the west end of Webster Lake are administered through Baxter State Park and subject to its rules and policies.

PARTNERSHIPS - OVERVIEW

For some properties, the Bureau has entered into partnerships with other organizations to cooperatively manage recreational use. Noteworthy examples of partnerships in place in 2003 were:

Appalachian Trail. The Bureau continued its partnership with the Maine Appalachian Trail Club to accomplish stewardship and trail maintenance along the AT corridor in the **Mahoosuc, Four Ponds, Bald Mountain, and Nahmakanta Units**, as well as the **Bigelow Preserve**.

Bigelow Preserve. An agreement is in place with the Maine Appalachian Trail Club to ensure a summer staff presence at heavily used areas of the Appalachian Trail in the Preserve.

Dodge Point. An arrangement is in place with the Damariscotta River Association to assist with the maintenance of trails and facilities.

Coastal Islands. The Bureau continued to participate in an island recreation and stewardship project sponsored by the Maine Island Trail Association.

Moosehead Lake Properties. The Bureau manages a private contract for the maintenance of remote campsites on the lake.

Cutler Coast. The Cobscook Trails Coalition provides trail stewardship and visitor information through a management agreement with the Quoddy Regional Land Trust, The Nature

Conservancy, Maine Coast Trust Heritage Trust, Moosehorn National Wildlife Refuge, Maine IF&W, local businesses, and the Bureau.

Kennebec Highlands. This recently acquired property is managed in partnership with the Belgrade Regional Conservation Alliance. Hiking trail development and environmental remediation were the focus of this year's efforts.

Grafton Loop Trail. The Bureau continued to be an active member of a coalition of nonprofit organizations and private landowners developing a 35-mile hiking trail in the Mahoosuc Mountains. The trail will branch off from the Appalachian Trail on the **Mahoosuc Unit** and continue east over private land to Puzzle Mountain, where it will then return to the Appalachian Trail.

VIII. TIMBER MANAGEMENT

OVERVIEW

The Bureau manages the natural resources on the lands under its care through a carefully planned multiple use program that balances timber management with all other resource values. An important facet of the Bureau's timber management program is examination and inventory of the forest resource. The complete re-inventory of forest land is ongoing. The field data acquired during 1999 detailed timber, site, and natural resource measurements. This data was analyzed during 2000 and 2001, to provide information for both Bureau staff and third-party forest certification auditors.

Over the past three years, the Lands Division has gone through a staff-intensive green certification process, and dealt with severely depressed timber markets. In addition, the division has undergone its greatest turnover in field staff in over 20 years. These influences have had significant effects on the Bureau's current timber management program.

Status of Current Inventory. An analysis revealed a total inventory of nearly 7 million cords on 349,414 regulated acres (the acres used in calculating sustainable harvest levels),

or a stocking of 20 cords per acre. This level of stocking is approximately 30 percent more than the average for all of Maine's timberland as reported by the U.S. Forest Service in 1995. The most abundant tree species on BP&L lands is red spruce, and its volume per acre is over 50 percent greater than that shown statewide in the 1995 report.

Inventory Changes for 2003. The West Branch acquisition in 2003 potentially adds over 30,000 acres to the regulated land base. Some inventory information will be received from the former landowner; the Bureau will then determine in the coming year whether that information can be integrated into the existing inventory, or whether new information will have to be gathered.

PRESCRIPTIONS - OVERVIEW

Planning for the timber management of Public Reserved and Non-reserved Lands is a two-step process:

- *A management plan for the unit as a whole is prepared and adopted;*
- *More detailed plans for discrete areas between 500 - 2,000 acres (known as compartments) are then developed for the unit.*

Compartments are examined on a 15-year cycle to identify timber and wildlife resources and recreational opportunities. Based on the field examination and the information collected, work plans (prescriptions) are developed to ensure adequate protection of special resources and a sustained yield of forest goods and services, which include timber, wildlife, and appropriate recreational uses.

Prescriptions in 2003. Bureau staff examined and prescribed 10,459 acres for a wide range of resource management activities.

TIMBER SALES - OVERVIEW

If a timber harvest is prescribed in a compartment, a timber sale is developed. The majority of timber sales are put out to competitive bid, following State rules and procedures governing the sale of State property and purchase of services. Most timber is sold

as stumpage. Under this system, the contractor agrees to pay the Bureau a bid price per unit for each type of forest product harvested. A lesser volume of timber is sold using contracts for logging services. Under this system, the Bureau pays the contractor to harvest timber and deliver it to specified mills; these mills then pay the Bureau directly for these products. In 2003 no timber was harvested under contracts for logging services.

Once the timber contracts are awarded, Bureau foresters and forest technicians work closely with the contractors to ensure contract compliance, and to ensure that timber management objectives are met. Bureau staff closely supervises each harvest by marking individual trees for removal or by providing loggers with strict harvesting criteria. These criteria specify which trees are to be harvested. All harvest operations are inspected by Bureau staff on a weekly basis, and more often when individual situations warrant.

Summary of Timber Sales in 2003. The implementation of prescriptions resulted in:

- A total of 66,902 cords (allowable cut is 112,000 cords) harvested from 7,284 acres (allowable acreage is 16,250 acres).
- A total of 31 operations were ongoing in 2003, not including firewood sales to individuals. These operations are a combination of newly established sales, and sales carried over from previous years.
- In concert with the Bureau's contractors, wood was marketed to over 50 mills statewide.

2003 Harvest and Market Analysis. The 2003 harvest was 17,325 cords more than reported the previous year, an increase of 35 percent. This harvest represents 60% of the Bureau-established Allowable Cut.

The average value per cord harvested declined by over 18% from 2002 to 2003, even though prices for sawlogs remained consistent with the previous year and pulp prices rose 15-25%. The average price was lower for two reasons. First, the timber market demand and prices remained low, except that hardwood pulp and aspen waferboard stock were in good demand during the second half of the year.

Even with some increase in prices, these products are relatively low in value. Second, the Bureau worked hard at marketing lower value products such as hardwood pulp, to improve the condition of the forest. The ratio of hardwoods to softwoods sold has changed from 34%H-66%S in 2000 to 70%H-30%S in 2003. This is by far the greatest proportion, and overall volume of hardwood the Bureau has ever harvested in a year.

The reduction in timber revenue over the last several years has resulted in the Bureau's account balance being at its lowest level in many years. The Bureau has worked to streamline its timber sale process and to increase the completion of prescriptions, which resulted in a much greater volume harvested in 2003 than in recent years. However, the markets improved only for the lower value products. While these markets enabled the Bureau to harvest a large volume of low quality wood and leave good quality trees on the land, it also meant only a modest increase in revenue over the prior year.

As part of its multiple use management, the Bureau will continue to emphasize increasing the harvest volume to a level nearer the allowable cut, while continuing to practice excellent silviculture. In future years the hardwood-to-softwood ratio is likely to be more balanced than in 2003, which will increase the average revenue per cord. Larger volume, multi-year sales will be pursued in all Regions during the coming year in an effort to increase the annual harvest volume and provide stability for contractors. It is anticipated that these higher volume, multi-year contracts will attract new contractors with more mechanized equipment. In addition, this approach should foster better working relationships and improve efficiency. However, economic conditions that result in poor markets, and weather events that can reduce harvest levels, will remain beyond Bureau control.

SILVICULTURAL ADVISORY COMMITTEE - OVERVIEW

In 1986, the Bureau established a Silvicultural Advisory Committee, with representatives from environmental groups, academia, and forest managers from public and

private landowners, to review and critique forest management on public lands. Each year the Bureau sponsors a field trip on which the Committee examines work the Bureau has completed or is planning, providing valuable input to staff through on-site dialogue.

Committee Tour in 2003. The Committee visited **Reed Plantation** in the Haynesville Woods, the **Nahmakanta Unit**, and the **Bradford/LaGrange** lot. At Reed the discussion centered on management and retention of large old trees, as a strategy both to improve timber value and to retain all the elements of biodiversity over time as one stand of trees is replaced by the next. At Nahmakanta we explored harvest technology, as three different delimiting methods were employed. This also was a chance for committee members to revisit stands seen in 1991, and to see how their recommendations at that time were reflected in the current harvest. At Bradford/LaGrange we compared harvests by feller-buncher and by cut-to-length processor, and viewed one of the most northerly specimens of American Chestnut.

BOUNDARY LINES - OVERVIEW

The Bureau places importance on the maintenance of boundary lines within its ownership, with a goal of maintaining 10% of its more than 824 miles of property line (2001 estimate) each year.

Boundary Line Maintenance in 2003. 40 miles of property lines were maintained, well short of the Bureau's goal. Shortages of staff time and funds limited the Bureau's ability to meet its objective in this area.

FOREST CERTIFICATION - OVERVIEW

The Bureau was awarded certification of its forestlands under the Sustainable Forestry Initiative (SFI) and the Forest Stewardship Council (FSC) programs in 2002. Third-party audits of its timberlands were conducted in 2001 to determine if these lands were being managed on a sustainable basis. The process for conducting the audit was rigorous and unique in that the Bureau underwent the two audit programs simultaneously. The audit was comprised of a field analysis of forest

management practices at selected sites around the state, and an analysis of the Bureau's financial, personnel, policy development, and record-keeping systems. Successful completion of the FSC/SFI systems also qualified the Bureau to enter into the Chain of Custody program to market its green-certified wood. The process for enrollment in this program was completed in 2003, with certified wood now being marketed from Bureau managed lands.

A Bureau-wide Certification Team was developed to address and implement "conditions" and "minor nonconformances" stipulated in the audit reports, which include significant enhancements to forest inventory data, i.e. development of a computerized forest-modeling program; updating of management plans for the entire land base before March of 2007; improvements in the use of Best Management Practices to protect water quality; and new commitments to public outreach and education programs. The Bureau is required to meet these conditions within certain timeframes in order to keep its certification status in good standing over the five-year certification period.

Certification Accomplishments in 2003. The Bureau continues to make progress on meeting conditions cited in the 2002 certification reports. In autumn of 2003 a Bureau stumpage permittee provided hardwood pulp to a Washington County pulp and paper mill under the Bureau's Chain of Custody certification from FSC. The mill, Domtar, paid a premium (shared by Bureau and permittee) for this wood, which was combined with other FSC-certified wood to produce a small run of 100% green-certified paper. The Bureau anticipates providing a much larger volume of low-grade hardwood to Domtar in 2004, with financial benefits for both landowner and logger.

IX. TRANSPORTATION

OVERVIEW

The Bureau continues to improve access to consolidated units and to other properties, focusing primarily on those areas with timber

stands requiring management and where public vehicle access is needed to take advantage of recreational opportunities. The following is a summary of those accomplishments in 2003:

Days Academy Unit. The Kelly Wharf road was cleared back and stream-crossing structures replaced in the first phase of a larger project to maintain access and address environmental issues on this road.

Bridges. The Musquash Bridge in the Nahmakanta Unit was completed.

Road Construction. The Bureau completed new construction of 4 miles of management road in Bradford-Lagrange, Nahmakanta, Allagash Plt., and the Telos Unit. The Bureau reconstructed 26 miles of management road on 13 units and scattered lots; and reconstructed 3.2 miles of public use road in the Mahoosuc Unit and Bigelow Preserve.

Road Maintenance. Each year the Bureau contracts for maintenance services for grading and brushwork on public use roads. In 2003, 140 miles of roads were maintained.

X. PUBLIC ACCESS

OVERVIEW

Three-fourths of the Public Reserved Lands are accessible to the public without fee or special arrangements. There are a few circumstances where public vehicle access is limited or affected by restrictions. As required in 12 MRSA § 1853, the following is a report of barriers to public access where they block the sole or primary motor vehicle access.

EXTERNAL GATES TO PUBLIC LANDS

North Maine Woods Checkpoints. There are seven checkpoints, staffed seasonally, controlling primary access from Maine points to 135,500 acres of Public Reserved Land within the nearly three million acre North Maine Woods area. These checkpoints are all on private land and facilitate management of recreational use of the areas on both public and private land.

KI/Jo-Mary Checkpoints. The Katahdin Iron Works checkpoint controls access to the 960-acre public lot in Bowdoin College Grant East. Access to the Nahmakanta Unit has been developed from the west and Nahmakanta is no longer managed as part of the KI/Jo-Mary system, in accordance with the management plan. However, historic access from Route 11 to the unit through the KI/Jo-Mary system continues as in the past.

Cary Plantation, Aroostook County. A locked cable gate on private land restricts access to this 230-acre parcel.

Magalloway Plantation, Oxford County. A locked metal gate on private land restricts access to this 1,000-acre parcel.

Dallas Plantation, Franklin County. A chained, metal gate on private land restricts access to the north lot in Dallas Plantation, and to the lot in Davis Twp. The total area of the two lots is 1,050 acres. The gate is owned and maintained by the camp owners on the south end of Kennebago Lake.

Cupsuptic Gate, Franklin County. A staffed gate leased by the Kennebago Campowners Association on private lands limits access to the 62-acre public lot in Stetsontown Twp. on Kennebago Lake. A public access agreement with the Association allows up to three vehicles at any one time to access the lake, and to park at the Grants Camps lease site on the public lot.

Lagrange, Penobscot County. A pipe gate erected by Bangor Hydro on private land restricts access to this 900-acre parcel.

INTERNAL GATES

The Bureau maintains 16 internal gates to protect sensitive areas from vehicle traffic, on service roads, and for safety reasons. None of the barricades restrict foot traffic into the protected areas. Many of the barriers are left open during the winter season to allow safe passage by snowmobiles. There were no changes in the number or location of these gates in 2003.

XI. LAND TRANSACTIONS

OVERVIEW

The Bureau continues to experience an increase in the number of acquisition projects, due to the availability of state (Land For Maine's Future and Maine Outdoor Heritage Funds) and federal (Forest Legacy and stateside Land & Water Conservation Funds) monies, public concern about protecting important natural resources, and landowner proposals to discuss acquisition opportunities. In 2003, the Bureau completed the following transactions:

West Branch Project. The State, in partnership with the Forest Society of Maine, completed the West Branch Project: the largest contiguous tract of land ever conserved in Maine. The project has two components: a fee parcel transfer to the Bureau of 47,000 acres surrounding Seboomook Lake and including frontage on Canada Falls Lake, Baker Lake, and the headwater ponds of the St. John River; and a conservation easement acquired by the Forest Society of Maine on 282,000 acres of forestland in the same area. The fee parcel will be managed for multiple use under statutory guidelines; the easement will be managed for recreation and sustainable forestry. Funding for the project came primarily from the federal Forest Legacy Program, with some assistance from the Land for Maine's Future program, and private funds.

Mount Blue/Tumbledown Project. As part of the on-going Mt. Blue/Tumbledown project, the Bureau acquired a 4,198-acre conservation easement in Weld. This transaction compliments an earlier fee and easement purchase of the summits of Tumbledown and Little Jackson Mountains that protected portions of the hiking trails leading to these summits. The easement prevents further development, allows for responsible forest management, and ensures public access and recreation. The funds for this purchase came from the federal Forest Legacy program.

Machias River Project. The Bureau acquired 6,403 acres of frontage along the Machias River north of Route 9, including portions of First and

Second Machias Lakes. This transaction, involving lands owned by International Paper Company, completes the initial phase of an ongoing project to protect important habitat and recreation values throughout the Machias River system. Phase one included the conveyance of easements along the river south of Route 9 to the State's Atlantic Salmon Commission. The fee portion acquired by the Bureau will be managed under multiple use principles as defined in statute. Funding for the project came from the federal Forest Legacy program, Land for Maine's Future program, the US Fish and Wildlife Service, and the Nature Conservancy.

Frenchman's Hole. A 385-acre parcel in Riley Twp. was acquired, adding valuable scenic and recreation resources to the **Mahoosuc Unit**. Funds for this project were provided through the Bureau's acquisitions account, the Land For Maine's Future program, and the Mahoosuc Land Trust. The property will be managed for multiple use.

Leavitt Plantation. The Bureau acquired an 8,600-acre conservation easement in the Town of Parsonsfield, which permanently protects important habitat and recreation resources, while providing for sustainable forest management. Project partners and funders included the federal Forest Legacy program, the Town of Parsonsfield, the Nature Conservancy, the Outdoor Heritage Fund, the U.S. Fish and Wildlife Service, and the North American Wetlands Conservation Act.

Mattawamkeag Lake Region. The Bureau acquired fee lands (190 acres) and a conservation easement (3,148 acres) for forestlands in T4 R3 WELS. The property includes undeveloped frontage and provides important recreational access on the south portion of Mattawamkeag Lake and along the West Branch of the Mattawamkeag River. The easement lands will be managed for multiple use, including recreation and sustainable forestry. The acquisition was funded through the Land for Maine's Future program, and the federal Forest Legacy Program.

Kennebec Highlands Project. As part of the ongoing **Kennebec Highlands** project, the Bureau added 2 parcels in Vienna totaling 168 acres to its 4,500 acres of fee lands located in the Belgrade Lakes area. The property will be managed for multiple use, including recreation and timber.

Bradbury-Pineland Project. This ongoing project will link existing state ownership at Bradbury Mountain State Park and the **Pineland Unit** through the acquisition of various fee parcels and conservation easements. Once completed, the link will provide non-motorized trail access and protect key open space. In 2003, one parcel was acquired and included as part of Bradbury Mountain State Park, the other was included as part of the Pineland property. Funding for both parcels was provided through the Land for Maine's Future program.

Sales and Land Trades. The Legislature gave approval for two transactions in 2003. One involved the conveyance of all or part of the Hallowell public lot to MSAD 16 for the location of a new elementary school. The Bureau is retaining a portion of the lot for the City's community gardens in use by residents for over 25 years. The other transaction involved conveying the State's common and undivided interest in T1 R4 and fee interests in two parcels in Grand Falls Twp. to International Paper for land adjacent to the **Seboeis** and **Rocky Lake Units**.

XII. SUBMERGED LANDS

These lands are managed under the Public Trust Doctrine to ensure protection of the public trust rights of fishing, waterfowl hunting, navigation and recreation. The Submerged Lands Program plays an important role in maintaining a balance among competing uses of submerged lands and resolving conflicts between public trust rights and the demand for private and commercial uses of these lands.

Project/Permit Applications. In 2003, the Submerged Lands Program processed 81 applications for projects that required a

submerged lease or easement. The Bureau also reviewed 87 environmental permit applications and determined they did not require a conveyance. The Program issued 45 new leases and 12 easements, bringing the combined total to 1615.

Constructive Easements. The Bureau continued to research information on constructive easements needing to be registered by 2005, when the grandfather status of these easements expires.

Advisory Board. The Submerged Lands Advisory Board met four times during the year. This group, established by the legislature in 1997 to provide advice to the Director, discussed a variety of topics relating to submerged lands, constructive easement conversions, amendments to the Submerged Lands Law, and management of the Shore and Harbor Grant Program.

Sunken Logs. The Bureau authorized 2 new sunken log salvage operations at Moosehead Lake. Approximately 50,000 board feet of logs were recovered.

XIII. SHORE AND HARBOR MANAGEMENT ACCOUNT

In 1991, the Legislature created the Shore and Harbor Management Fund in anticipation that annual revenues from the Submerged Lands Program would exceed operating costs. These funds could then be used to support shore and harbor management activities by providing grants to municipalities.

The \$1,200 cap on submerged lands rents that was passed by the legislature in 1997 has significantly reduced the anticipated revenues. However, during 2000 and 2001, this fund received significant revenues from the sale of submerged lands to Bath Iron Works Company. It has been the Bureau's intention to use the BIW funds as "trust monies" with accrued interest used to fund municipal grants - thus ensuring a permanent source of funding. In November of 2002, the Bureau initiated the first

round of grants using \$75,000 in interest monies to support municipal planning and access projects in 2003. This grant offering was subsequently withdrawn when these funds were diverted to help meet the FY 2003 general fund shortfall (\$169,000) and anticipated interest income of \$25,000 diverted to the FY 2004 and FY 2005 general fund.

XIV. COASTAL ISLAND PROGRAM

OVERVIEW

Maine's Coastal Island Registry was created by the 106th Legislature as a means of clarifying title to 3,000 coastal islands by establishing and registering ownership. By now most island owners have registered their islands. The Bureau continues to receive requests for changes in registrations, either changes of address for previous registrants or sales to new owners. There are also many requests for general ownership information from persons with an interest in Maine islands.

The Bureau's brochure "Your Islands on the Coast" continues to be updated each year. It shows the location of approximately 40 State-owned islands suitable for recreational use and explains the Bureau's visiting, camping, and resource protection policies. The Maine Island Trail is a water trail extending along the entire coast of Maine and includes both publicly and privately owned islands. The Bureau continues its partnership with the Maine Island Trail Association in the management and oversight of the State-owned islands on the Trail.

XV. INCOME AND EXPENDITURES ACCOUNTING

OVERVIEW

The Bureau has several different accounts established for specific purposes with statutory restrictions on their use. The statutes require that financial summaries be prepared on a calendar year basis. The figures presented below do not match those reported elsewhere on a fiscal year basis, and may tend to exaggerate the Bureau's income and

expenditures in any one calendar year, depending upon where the income and expenses actually fall within the fiscal year.

Public Reserved Lands Management Account (014.04A.0239.22)

This account is restricted to uses related to the management of lands that have Public Reserved Lands status, which includes the original public lots, land acquired through trading Public Reserved Lands, and other lands designated as Public Reserved Lands. Sources of income to this account include the sale of timber stumpage, camplot leases and other special leases on the Reserved Lands, and interest on the account balance. Income for calendar year 2003 was \$2,650,002 with expenditures of \$3,067,245. Because the Bureau's largest source of revenue is timber, income fluctuates in response to the amount of wood harvested and economic conditions that affect timber markets. Over the past three years, the Lands Division has gone through a staff-intensive green certification process, and dealt with severely depressed timber markets. In addition, the division has undergone its greatest turnover in field staff in over 20 years. These factors have reduced revenue.

Revenue generated in 2003 also was influenced by a higher proportion of low value products, and from economic strains resulting in poor timber markets. These economic conditions are beyond the Bureau's control. The cash balance in the account is applied to make up the difference when revenues drop and expenses exceed the income. This has occurred over the course of the 2003 calendar year.

Not shown in either the income or expenditure figures above are the portion of moneys received from camplot leases and timber sales that are shared with towns and plantations pursuant to 12 MRSA §1854. Based on the income received in 2002 (payable in 2003), the Bureau revenue sharing amounts total \$61,794, paid to 21 towns and plantations. Income from the Reserved Lands Account supports most of the administrative, planning, timber,

transportation, recreation, and wildlife activities on the land base.

Public Lands Management Account
(014.04A.0239.23)

This account is used for the management of lands not in the Public Reserved Lands System. These Non-reserved Public Lands include institutional lands (those lands considered surplus by other State agencies) assigned to the Bureau for natural resource management, and coastal islands. Income is primarily derived from agricultural leases, though the sale of timber contributes occasionally when timber harvests are completed on Non-Reserved Lands. Income for calendar year 2003 was \$1,823, against expenditures of \$35,000. Expenses are primarily for the management of the Maine Island Trail and the Casco Bay Islands. The cash balance is released when expenses exceed revenues.

Submerged Lands Account
(014.04A.0239.27)

The Submerged Lands Account is comprised of funds generated from leases and easements on the State's submerged lands. Most of the fund's income is derived from leases of coastal waterfront properties to allow commercial uses such as marinas, piers, and boatyards. In 1997, additional income was generated as part of a registration program requiring holders of constructive easements to pay a \$50 fee. This fee was collected again in 2001, for the period of January 1, 2001 to December 31, 2005. Additional revenues were generated from the sale of salvaged logs and gravel. Total revenues in 2003 were \$133,507, with expenses of \$140,357. Funds for personnel services (salaries) comprise the bulk of the program's budget.

Shore and Harbor Management Fund
(014.04A0239.29)

A Shore and Harbor Management Fund was established in 1991 to provide grants to municipalities for harbor planning, public access, and similar local management activities on submerged lands. This account receives funds from the Submerged Lands account when income

from leases exceeds the operating costs of the program. The rental cap of \$1,200 has significantly limited the amount of money available in this fund. Total revenues in 2003 were \$25,478, mostly from interest, with no expenses. This revenue, along with interest on the cash balance, contributed to a year-end balance of \$1,566,865. In FY 2003, \$169,000 of these funds was diverted to help meet the general fund shortfall.

Land Acquisition Fund
(014.04A.0239.24)

Funds from this account are restricted by statute to the acquisition of lands of significant public use and value for the Public Reserved Lands system, and acquisition-related costs. Funds from this account cannot be used for operation or maintenance of existing land, and therefore, expenditures do not take place on a regular, scheduled basis. Income that accrues as a result of sales, trades, or interest is carried forward until needed for land acquisition. Income for calendar year 2003 was \$46,944 against expenditures of \$351,797. Income this year was derived from interest earned on the account balance and reimbursements from federal grants. Expenses included the acquisition of approximately 6,401 acres in fee and 18,443 acres in easement along the Machias River, 385 acres adjacent to Mahoosuc Unit, and 8,600 acres of easement in Parsonsfield; with additional expenditures on legal, appraisal, and survey costs associated with land acquisitions. In all cases, funds were expended in conjunction with other funding sources outside of the Bureau. Funds from this account are restricted by constitutional amendment (Article IX, Section 23) to the acquisition of lands having significant conservation and recreation value in the same county in which the sale of lands generating the funds took place.

Public Non-Reserved Land Acquisition Fund
(014.04A.0239.37)

This account was recently established to receive revenue from the sale of Public Non-Reserved Lands. In 2003, \$32,000 was spent to assist in purchasing 260 acres of railroad corridor

between Newport and Dover-Foxcroft. Funds from this account are limited by constitutional amendment (Article IX, Section 23) to the acquisition of lands having significant conservation and recreation values in the same county in which the sale of lands generating the funds took place.

Mackworth Island Trust Fund
(014.04A.0239.30)

Section 2 of Chapter 102 Public Law 1998, authorizes the proceeds from the sale of a 157 acre Bureau of Parks and Lands property in Colorado to be invested as a separate trust fund and managed by the State Treasurer for the benefit of Macworth Island. In November 1999, the Colorado property was sold. The proceeds of \$60,000 have been deposited into this trust fund. A non-lapsing account receives interest income from the trust fund. This account will be used to manage public recreational activities and related resources on land under the Bureau's care on Mackworth Island in Falmouth. Income for calendar year 2003 was \$1,599, with no expenditures.

new positions will be filled when revenues become more stable.

The Bureau continues to explore and utilize new technology, and to look for ways to deal effectively with its increasing workload.

XVI. ADMINISTRATION

OVERVIEW

During 2003, staff responsibilities to support the Bureau's various programs and activities, and to manage responsibilities over newly acquired land increased significantly. In conjunction with this was the need to integrate these activities with the Bureau's other divisions.

The Bureau received approval of a Part II budget request in FY 2002 to address current and future responsibilities and management needs by increasing staff. The new positions included in that budget are necessary to assist with an increasing workload.

Budget constraints warranted a conservative approach in filling new positions. To date the Chief Forester, the Interpretive Specialist, and the part-time Planning & Research Associate II have been filled with 6 Forester I positions still vacant. The remaining

XVII. FINANCIAL REPORT FOR FY 2005

OVERVIEW

Pursuant to Title 12 M.R.S.A., § 1839 and 1853 the Joint Standing Committee on Agriculture, Conservation, and Forestry must review allocations for the Bureau of Parks and Lands dedicated funds and revenue accounts pertaining to Public Reserved and Non-reserved Lands for the upcoming fiscal year, and submit a written report to the Joint Standing Committee on Appropriations and Financial Affairs by March 15th. To assist in the preparation of that report, the Bureau is submitting information regarding Bureau income, expenditures, and management of the following seven dedicated accounts:

- ***Public Reserved Lands Management Fund***
- ***Public Lands Management Fund (Non-reserved Public Lands)***
- ***Public Reserved Lands Acquisition Fund***
- ***Submerged Lands Fund***
- ***Shore and Harbor Management Fund***
- ***Mackworth Island Trust***
- ***Public Non-Reserved Lands Acquisition Fund***
- ***Coastal Island Registry***

These accounts derive revenue from the sale of forest products, from lease fees, from interest on cash balances, and from the sale of land. Programs funded by these accounts receive no support from the State's General Fund. The dedicated revenues in these accounts must cover all operating expenses. The Bureau plans its expenditures for each fiscal year based on a level of income it projects to receive from its various revenue sources. If projected income is not sufficient, then the Bureau determines whether the balance in its contingency fund is sufficient to carry it through until additional revenues are received. If both revenue projections and contingency funds are insufficient, then the Bureau postpones planned expenditures until revenue returns to an adequate level. The Bureau has established internal financial management procedures to accomplish this process and reviews budgetary matters on a monthly and quarterly basis.

In the past, this internal management has proven successful. In especially this year, the Bureau has adjusted its expenditures and managed its financial resources so that core program activities have continued to be funded. The Bureau continues to manage the State-owned Public Reserved and Non-reserved Lands to produce timber on a sustained yield basis and within established levels for allowable harvest to generate revenue to support resource protection, wildlife, and recreation programs. Presented below are the FY 2005 Part I and Part II budget allocations proposed for each of seven dedicated accounts within the Bureau's "Lands" division. These allocations represent the limits within which the Bureau must operate.

FY 2005 ACCOUNT SUMMARIES

1. Public Reserved Lands Management Fund Account # 014.04A.0239.22

Income		Expenses	
Earnings on Investments *	\$190,000	Personal Services	\$2,800,749
Rent of Lands*	\$725,000	All Other (not including STACAP)	\$974,048
Camplot Leases*	\$204,000		
Registration Fees	\$15,000		
Misc Services & Fees	\$23,000	Capital	
Sale of Gravel	\$0	Buildings	\$12,500
Sale of Equipment	\$0	Equipment	\$25,000
Sale of Stumpage *	\$3,395,000	Roads and Bridges	\$300,000
Misc Income	\$97,500	Capital Subtotal	\$337,500
DICAP**	(\$459,022)	STACAP	\$57,594
Total Income	\$4,190,478	Total Expenses	\$4,169,891

* Represents the major components of the Bureau's income stream.

** Consistent with state accounting practices, DICAP is shown as a "revenue debit," although it is actually an expenditure.

The Bureau, as of February 9th, 2004, has an account balance of \$525,777 which serves as its contingency fund. Because most of the Bureau's timber harvesting takes place during the winter (to minimize environmental impacts and potential conflicts with recreational users), there is a significant seasonal fluctuation in income. The contingency fund enables the Bureau to operate during the first half of the fiscal year when income is low and expenses are relatively constant. It also serves as a buffer to cover operating costs when expenses exceed revenues.

The current balance is well below the optimum level, which would be half of the annual operating expense. A concerted effort, with particular emphasis on the timber management program, and modifications to harvest preparation and sale practices, will be necessary to build up this contingency fund.

Part II Request

A Part II budget request has been submitted for approval for FY 2005 to request the purchase four snowmobiles and three All Terrain Vehicles. These items are necessary to provide equipment needs to new forestry positions approved in a previous Part II budget request (anticipated to be filled in FY 04-05), and to address additional land management responsibilities. Due to insufficient funds, these expenses will most likely be deferred. Given the self-funding nature of this dedicated account, adequate funds must be available in the account balance for these approved requests.

PART II Request

Approved for 2005		Dedicated Revenue	
Personal Services	\$66,177	Sale of Stumpage	\$111,825
All Other	\$1,386	DICAP	(7,410)
Capital	12,000		
TOTAL	\$79,563	TOTAL	\$104,415

2. Public Lands Management Fund Account # 014.04A.0239.23

Income		Expenses	
Earnings on Investments	\$2,800	All Other (not including STACAP)	\$31,660
Rent on Lands and Buildings	\$17,000	Capital	\$22,000
Sale of Stumpage	\$36,400	STACAP	\$323
DICAP**	(\$2,050)		
Total Income	\$54,150	Total Expenses	\$53,983

** Consistent with state accounting practices, DICAP is shown as a "revenue debit", although it is actually an expenditure.

Both income and expenses will be less than the budgeted allocations in this account. The account has a balance of \$48,668, which is used as a contingency fund to cover expenses that occur between the relatively small and infrequent timber harvests on these lands. It is unlikely the Bureau will harvest the amount of timber needed to meet the proposed revenue projection. Therefore, management expenditures and associated activities will be limited.

3. Public Reserved Lands Acquisition Fund Account # 014.04A.0239.24

Income		Expenses	
Earnings on Investments	\$144,000	All Other (not including STACAP)	\$102,722
Sale of Land	\$671,500	Capital	\$700,000
DICAP**	(\$10,983)	STACAP	\$1,733
Total Income	\$804,517	Total Expenses	\$804,455

** Consistent with state accounting practices, DICAP is shown as a "revenue debit", although it is actually an expenditure.

By statute, the money in this account is used only for purposes related to the acquisition of interest in land. Lands purchased with the funds from this account have Public Reserved Land status. These funds are necessary to acquire rights-of-ways, in-holdings, conservation easements, and additions to the existing land base. As in most years, it is difficult to predict the timing, income, and expenditures involved in potential land transactions. This budget allows the Bureau, if the opportunity arises, to acquire land or other interests within the available allocation. The "All Other" expenses are used to cover the cost of legal assistance for title searches, drafting deeds, appraisals, and related items. This account currently has a balance of \$363,661.

4. Submerged Lands Fund Account # 014.04A.0239.27

Income		Expenses	
Earnings on Investments	\$17,000	Personal Services	\$174,044
Rent of Lands	\$200,000	All Other (not including STACAP)	\$24,485
Sale of Gravel		STACAP	\$2,929
Misc Income	\$22,000		
DICAP**	(\$21,226)		
Total Income	\$217,774	Total Expenses	\$201,458

** Consistent with state accounting practices, DICAP is shown as a "revenue debit," although it is actually an expenditure.

Most of the rental income for the program is not received until late in the fiscal year because rent payments are due in February. Like the Public Reserved Lands account, the Submerged Lands account carries a balance that funds the program through the first portion of the fiscal year. This account currently has a balance of \$354,706. With the \$1200 rental cap that is now in place, annual program expenses exceed rental income, and this fund balance is needed to cover the anticipated shortfall through FY 2005. The fund balance will be drawn down during this period, but will be supplemented in 2006 by revenues from constructive easements being brought under lease.

5. Shore and Harbor Management Fund Account # 014A.0239.29

Income		Expenses	
Earnings on Investments	\$115,000	Grants to Cities & Towns	\$115,000
Total Income	\$115,000	Total Expenses	\$115,000

This account was set up by the legislature in 1991 in anticipation that the Submerged Lands Program would eventually yield revenues that could provide benefits to the public beyond what was needed to administer the program. These funds are set aside in a special

account and made available to municipalities for grants to enhance their shore and harbor management, planning, and access efforts. From the conveyance of submerged land and reuse of dredged material as fill to Bath Iron Works, the program received an additional \$490,000 to this account in FY 2001, the interest from which was to be distributed to municipalities as grants. In the short-term, it was necessary to divert the accrued and anticipated interest from this account to meet the FY03, FY04, and FY05 general fund shortfall. Diversion of interest income from this account, together with possible further account reductions in the FY04 and FY05 budget process, caused the Bureau to suspend its activities in this program.

6. Mackworth Island Trust # 014.04A.0239.30

Income		Expenses	
Earnings on Investments	\$4,500	All Other (not including STACAP)	\$3,805
DICAP**	(\$407)	STACAP	\$64
Total Income	\$4,093	Total Expenses	\$3,869

** Consistent with state accounting practices, DICAP is shown as a "revenue debit", although it is actually an expenditure.

This account is used to manage public recreational activities and related resources on land under the Bureau's care on Mackworth Island in Falmouth, Maine. The account currently has a balance of \$5,524.

7. Public Non-Res Lands Acquisition Fund Account # 014.04A.0239.37

Income		Expenses	
Sale of Land	\$200,000	All Other (not including STACAP)	\$58,400
DICAP**	(\$600)	Capital	\$100,000
		STACAP	\$1,600
Total Income	\$199,400	Total Expenses	\$160,000

** Consistent with state accounting practices, DICAP is shown as a "revenue debit", although it is actually an expenditure.

The money in this account is used only for purposes related to the acquisition of interest in non-reserved land. Lands purchased with the funds from this account have Public Non-Reserved Land status. These funds are necessary to acquire rights-of-ways, in-holdings, conservation easements, and additions to the existing land base. As in most years, it is difficult to predict the timing, income, and expenditures involved in potential land transactions. This budget allows the Bureau, if the opportunity arises, to acquire land or other interests within the available allocation. The "All Other" expenses are used to cover the

cost of legal assistance for title searches, drafting deeds, appraisals, and related items. This account currently has a balance of \$515,750.

8. Coastal Island Registry Fund Account # 014A.0241.26

Income	\$114	Expenses	\$103
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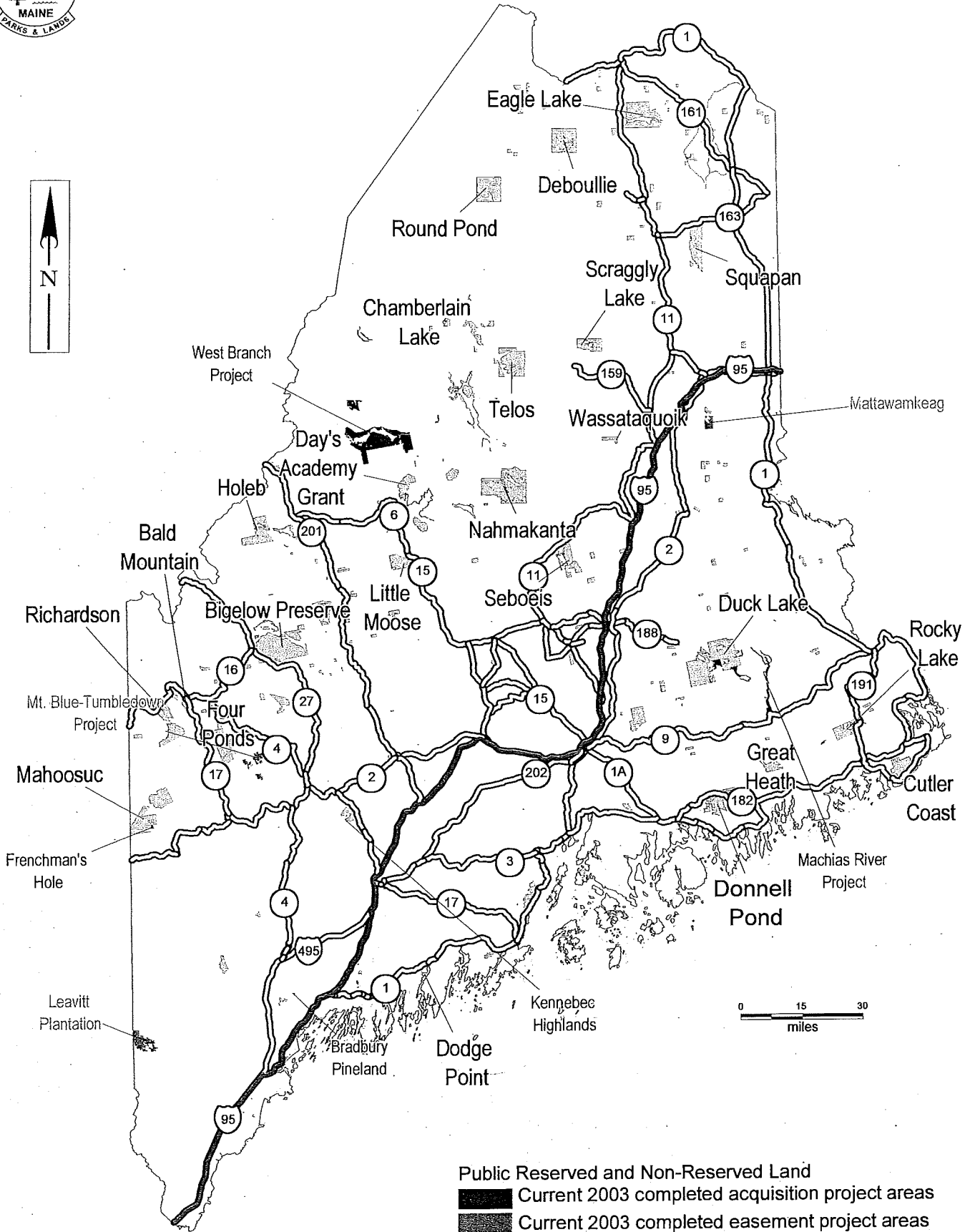
Funding in this program covers the cost of reviewing new applications for island registrations. Most private coastal island titles have been reviewed and current program activity, for the most part, involves providing information to the public and occasionally reviewing application and deed information. The funds from this account have been diverted to meet the FY03 general fund shortfall. The account currently has a balance of \$80.

XVIII. CONCLUSION

Expenditures will be managed to operate the Bureau's financial means for all accounts. The Public Reserved Lands Management Fund is expected to be a cause of particular concern over the next year due to suppressed market prices for forest products, demands on staff time related to new acquisition initiatives, and increased non-timber related responsibilities. The Bureau will continue to explore ways to stabilize revenues in all accounts, while managing Public Reserved and Non-reserved Lands on a sustained yield basis.



Department of Conservation Bureau of Parks and Lands



Public Reserved and Non-Reserved Land
 ■ Current 2003 completed acquisition project areas
 ■ Current 2003 completed easement project areas
 *Only Consolidated Units are Labeled