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2004 ANNUAL REPORT
to the
JOINT STANDING
COMMITTEE
on
AGRICULTURE, CONSERVATION,
AND FORESTRY



Black Point Cove – Cutler Coast Unit

Submitted By:



MAINE DEPARTMENT
OF CONSERVATION
Bureau of Parks and Lands

March 1, 2005

Pursuant to Title 12 MRSA § 1839

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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. 2004 HIGHLIGHTS

Acquisitions - Seven transactions resulted in an additional 9,341 acres of fee lands added to the State's public lands ownership

Submerged Lands - The Bureau initiated cooperative agreements with MDOT's Small Harbor Improvement Program and the State Planning Office to provide funding from the Shore and Harbor Fund

Forest Certification - Completed a successful re-audit of the Sustainable Forestry Initiative program

Timber- Management Program - Harvest volumes increased by 40% and timber values by 24% over last year; primarily the result of a more favorable hardwood pulp market

Recreation - Relocated an important hiking trailhead on the west side of the Bigelow Preserve resolving long-standing parking issues

Wildlife - Completed fishing pond project on the Little Moose Unit

Planning - Completed initial phases of the Bureau's first regional management plan for the Downeast area; completed initial phase of the Seboomook Unit management plan

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, Conservation, and Forestry. The first section of this Report provides a summary of the Bureau's management activities during the 2004 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 2004.

Secondly, a Financial Report for FY 2006 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 568,703 acres of Public Reserved Lands, 4,067 acres of Non-reserved Lands, 51,314 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

OVERVIEW

The Bureau manages 33 "Consolidated Units" and 136 non-consolidated parcels referred to as "scattered lots." Of the 33 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.

PLANNING INITIATIVES

Downeast Region Plan. The **Donnell Pond Unit** management planning process begun in 2003 was expanded in 2004 to include other lands in the Downeast areas of the state, including the **Cutler Coast Unit, Rocky Lake Unit, the Great Heath, and scattered lots in Osborn, T24 MD, No. 21 Twp. and No. 14 Twp.** A public Scoping Session, several local focus groups, and two Advisory Committee meetings were held to obtain feedback on various components of the Plan draft. Resource inventories were updated and management issues were identified as a part of this process.

Seboomook Region Plan. Planning for the management of over 51,000 acres of recently acquired lands included in the Seboomook Unit began in 2004. These lands were acquired in 2003 as part of the West Branch Project and include a block of land around Seboomook Lake and a shoreline strip around Canada Falls Lake and the South Branch of the Penobscot River; a parcel including the headwater ponds of the St. John River; a shoreline strip around Baker Lake, and Big Spencer Mountain. Resource inventories have been conducted; a Public Scoping meeting was held in August to define the management issues of concern, along with two follow-up public focus meetings in October and December addressing concerns about access to the lands.

Flagstaff Region Plan. In the fall of 2004 staff began resource inventory work and process planning in preparation for the Flagstaff Region

Management Plan. The regional plan will include a revision of the current **Bigelow Preserve Plan**, along with the development of new plans for parcels in **Dead River Twp., Flagstaff Twp., Wyman Twp., Carrabassett Valley, Coplin Plt., Highland Plt., King & Bartlett Twp., Chain of Ponds,** and the recently-acquired **Mt. Abraham** property.

Table I. Management Plans

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

26	Round Pond	Adopted Dec. 1992
27	Salmon Brook Lake Bog	To do
28	Scraggly Lake	Adopted Oct. 1988
29	Seboeis	Adopted Feb. 1990
30	Seboomook*	In Progress
31	Squapan	Adopted Mar. 1990
32	Telos	Adopted Feb. 1990
33	Tumbledown Mt.	To Do
33	Wassataquoik	To Do

* Recent acquisitions

ECOLOGICAL RESERVES - OVERVIEW

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. The Director is authorized to designate "Ecological Reserves" on Bureau-managed lands, and to conduct a monitoring program for those Reserves (Title 12 MRSA §1805). Reporting of the Bureau's Reserves inventory and monitoring program is governed under the Annual Report statutory requirements. In 2001, 13 areas comprising 68,944 acres of Public Reserved Land were designated for this purpose. In March of 2002, the Bureau accepted donations of two parcels already designated as ecological reserves, **Big Spencer Mountain** (4,244 acres) and **Mount Abraham** (4,033 acres). In December of 2003 the Bureau accepted another Reserve parcel, the **St. John Ponds** (3,895 acres) as part of the **Seboomook Lake** fee acquisition. These new acres, however, do not exceed the legislatively set acreage limit for ecological reserves because their reserve status was designated before Bureau acquisition. At the end of 2004, Bureau-designated Ecological Reserves comprised approximately 81,146 acres. A Memorandum of Understanding has been developed with the Maine Natural Areas Program to conduct plant and natural community 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 Reserves over time.

Baseline Data Collection in 2004. Data was collected on ecological reserves on the **Cutler, Mount Abraham, and Gero Island Units**, with 9 ecological reserve areas now completed as part of this ongoing project. A separate report on initial monitoring results is available from the Maine Natural Areas Program.

VI. NATURAL/HISTORIC RESOURCES

NATURAL RESOURCE INVENTORIES

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 negative 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.

NRIs completed in 2004. The Maine Natural Areas Program updated the **Rocky Lake, Great Heath, and Cutler Coast Units**, and conducted inventories of public lots in **Marion Twp., Osborn, T24 MD, No. 14 Twp., and No 21 Twp.** in preparation for developing the Downeast Regional Plan. The **Donnell Pond Unit** NRI was completed the previous year, with the report made available in 2004. Inventory work in preparation for NRIs for the **Flagstaff and Seboomook Regions** was completed.

HISTORIC/CULTURAL INVENTORIES

The Bureau's Historic Site Specialist routinely conducts research into the history of parcels subject to the management planning process. This research, along with input from the Maine Historic Preservation Commission (MHPC) and the public process that accompanies Plan development, results in a Cultural Landscape Inventory (CLI) for each Lands property. This information is included in the management plans. The MHPC is the lead agency in identifying significant historic resources requiring preservation and protection, including designating historically sensitive areas for special protection.

Projects Completed in 2004. A CLI was completed in preparation for the Downeast Region Management Plan; preliminary work was completed for the Flagstaff Region Plan, including work on the Arnold Trail project; a CLI was completed for the Kennebec Highlands and the Seboomook Unit.

VII. WILDLIFE RESOURCES

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 2004 on lands managed by the Bureau were as follows:

Wildlife Inventory and Survey Work. The seasonal Wildlife Technician assigned to the Bureaus' wildlife program conducted a variety of inventory and survey projects including waterfowl brood counts at 6 wetlands, 2 high elevation bird surveys, and monitoring of numerous loon-nesting areas.

Prescriptions. Nineteen multiple-use timber harvesting prescriptions covering 19,271 acres were reviewed for compatibility with fish and wildlife habitat recommendations. This was an increase of more than 4,000 acres from the previous year.

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. Both programs conducted a compliance audit 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 continued with field trips, information gathering, preplan document review and advisory meetings for the Downeast Regional Plan, which combined four major units (**Donnell Pond, Great Heath, Rocky Lake and Cutler**) and all of the smaller public lots south of Route 9 in Hancock and Washington counties. Planning efforts for the Flagstaff Regional Plan and the **Seboomook Unit** plan were begun with field trips to various portions of the lots to be covered in the plans.

Habitat Management. One hundred six of 137 waterfowl nest boxes were maintained, with 1 new box 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 a custom blend, was accomplished on 68.5 acres on 18 land parcels for wildlife forage and erosion control. This was a significant increase from the 23 acres seeded the previous year.

Wildlife Habitat Management. Work on reclaiming and managing the old farm fields at **Days Academy** continued with an additional 4 acres of brush treated with herbicide. Invasive

species control in the **Hebron** lot apple orchard continued with an additional 35 trees released from competing vegetation. The Department of Inland Fisheries and Wildlife assisted the Bureau by mowing approximately one acre of orchard at the public lot. The biologist and seasonal wildlife assistant helped IF&W with habitat projects at **Flag and Jenny Islands** and **Kennebunk Plains**.

Gravel Pit Pond. This cooperative fish habitat and access improvement project was completed in the fall of 2004. Located in the **Little Moose Unit** less than a mile south of Greenville Junction, the "Gravel Pit Pond" provides a convenient spot for local residents and visitors to teach their children to fish, and provides persons with disabilities a place to enjoy a day of fishing.

The installation of a handicapped accessible fishing trail was the final stage of the project that has been a work in progress for several years. The Bureau of Parks and Lands and Dept. of Inland Fisheries and Wildlife worked collaboratively to accomplish this project, which involved enlarging and deepening a man-made pond in a closed-out gravel pit to provide suitable habitat for stocked brook trout.

The project included building 4 wheelchair accessible fishing stations connected by a hardened wheelchair trail. The fishing stations were built using Bureau staff, with the trail work and parking lot improvements done by a local contractor. The project was partially funded by grants from the Department of Conservation's Recreational Trails Program and the U.S. Dept. of Agriculture's Natural Resource Conservation Service. Paul Johnson, IFW Regional Fisheries Biologist, provided technical assistance, inspiration and in-kind support to the project.

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 the **Round Pond** and **Holeb Units**. Both management plans will be finalized and implemented in early 2005. Favorable wintering conditions for deer limited the need for aerial surveys during 2004. One plan agreement for

harvesting in a zoned deeryard at **Macwahoc Pit** was developed.

Training and Education. Staff efforts in training and education included: updated training in CPR and First Aid to maintain current certifications; a symposium on beech bark disease; a one-day training on the use of GPS; a one-day training in Best Management Practices (BMPs); and training in vernal pool identification and management for 45 Wagner foresters.

VIII. RECREATION RESOURCES

PROJECT OVERVIEW

In response to public demand, and in accordance with management plan commitments, the Bureau continued to develop recreation opportunities on its lands. The Bureau's Lands Division is responsible for 220 campsites, over 200 miles of hiking trails, 35 trailered and hand-carry boat launching areas, and 131 miles of public access road. In 2004, projects completed or advanced included the following.

Grafton Loop Trail. Considerable progress was made on the western portion of the trail, with approximately 12 of the 18 miles completed. The work on Sunday River Whitecap Mountain was highlighted as an example of state-of-the-art high elevation trail building technique at the Appalachian Mountain Club's Alpine Stewardship Conference. The remaining 6 miles are scheduled for completion in 2005 with a National Trails Day opening in June 2006.

Kennebec Highlands. In partnership with the Belgrade Regional Conservation Alliance, improvements to existing trails and parking areas were completed. The work was funded with access improvement monies provided through the Land for Maine's Future program.

Bigelow Preserve. The Bureau completed a new trailhead access project for the Range Trail. Improvements included vehicle access, toilet facilities, and parking. Toilet facilities were also

improved at Trout Brook and Stratton Brook campsites.

Chain of Ponds. Toilet facilities were improved at campsites located at Upper Farm and Burnt Dam.

PUBLIC INFORMATION - OVERVIEW

In 2004, the Bureau continued to provide outreach programs in the schools, presentations at in-state conferences, and updates for staff and our visitors on health issues, including rabies, Browntail moth, West Nile virus, and Lyme disease. The Bureau also 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"

Website Updates. The Bureau took advantage of available technology to improve and update information on its website, which now provides photos, maps, and facility information for most of its consolidated units.

Nahmakanta Bochure. The Bureau trained some staff to use a new graphics program that will make the production of brochures and panels more efficient in the future. The **Nahmakanta** brochure, which was drafted this year, will be the first produced in this program. The revised boilerplate will emphasize the *Leave*

No Trace philosophy of low-impact use on public lands.

Leave No Trace. The *Leave No Trace* program also played a part in one of the Bureau's partnerships for public information. In cooperation with the Maine State Library and 96 community libraries statewide, the Bureau provided materials and ideas for the summer reading program, whose theme was "Discover a New Trail." A "kick off" event was also conducted by the Bureau.

Maine State Museum. Training focusing on communication and interpretive techniques was conducted at the Maine State Museum in an effort to improve the quality by which the Bureau shares information with the general public regarding the resources on its landbase.

STAFFING - OVERVIEW

A full-time Recreation Specialist and six seasonal rangers were involved in recreation management activities in 2004. The seasonal rangers were responsible for recreation facilities maintenance and construction, and informing visitors about Bureau rules and outdoor etiquette. In addition, regional staff spend time on various recreation management issues. The full-time **Bigelow Preserve** Manager spent much of the summer use season managing recreational use for the area. Bureau staff also assisted with recreation facility construction and maintenance, with the help of numerous volunteers. The expanding land base and increasing visitor use have required the Bureau to commit more resources to this effort.

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 2004 on Public Reserved Lands as described below:

North Maine Woods. Approximately 135,500 acres of Public Reserved Lands managed by the Bureau, including the **Deboullie, Round Pond,**

Chamberlain, Telos, and Seboomook Units, 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 2004, 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 2004, 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. The Penobscot River Corridor (PRC), managed by the Parks Division, does contain some reserved lands, including campsites on Gero Island on Chesuncook Lake, and the portion of the corridor below Seboomook Dam, including the Roll Dam and Burbank campsites. PRC staff maintains recreation facilities at these sites. Visitors to the area pass through checkpoints operated by North Maine Woods, Inc., which collect the PRC's camping fee of \$4 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 for the day in and day out only, 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 assist in managing recreational use. Noteworthy examples of partnerships in place in 2004 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.

Coastal Islands. The Bureau continued its partnership with the Maine Island Trail Association for the management of certain state-owned islands along the coast of Maine that are part of the Maine Island Trail.

Cutler Coast. The Cobscook Trails Coalition provided 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.

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

Frenchman's Hole, Mahoosuc Unit. A partnership was developed with the Mahoosuc Land Trust to maintain this recently acquired day use area.

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

Kennebec Highlands. The recently acquired property is managed in part through a partnership with the Belgrade Regional Conservation Alliance. This group played an important role in who was important in acquisition of the property, and continues to do so with ongoing improvements to trails and parking.

IX. TIMBER RESOURCES

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. Complete re-inventory of forest land is ongoing.

Status of Current Inventory. A 1999 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 Bureau lands is red spruce, and its volume per acre is over 50 percent greater than that shown statewide in the 1995 report. The previous years' acquisition of the Seboomook tract added approximately 30,000 acres to the Bureau's timber management program, which according to figures from the previous landowner held 510,000 cords or 17 cords per acre.

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 recreational uses.

Prescriptions in 2004. Bureau staff examined and prescribed 19 compartments totaling 19,271 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 2004 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 2004. The implementation of prescriptions resulted in:

- A total of 91,369 cords (allowable cut is 112,000 cords) harvested from 9,983 acres (allowable acreage is 16,250 acres).
- A total of 43 operations were ongoing in 2004, 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.

2004 Harvest and Market Analysis. The 2004 harvest was 26,467 cords more than reported the previous year, an increase of 40 percent. This harvest represents 82% of the Bureau-established Allowable Cut. Some of this volume was expected in 2005 but came in 2004 because of good operating conditions.

The average value per cord harvested increased by over 24% from 2003 to 2004. This increase came largely due to significantly higher prices for hardwood pulp and aspen prices, plus smaller increases in nearly all other products. The harvest volume was 60.5% hardwoods, well above the 47% predicted by the Allowable Cut model, as the Bureau continues to remove low quality wood to favor the better trees for the future.

As part of its multiple use management, the Bureau will continue to emphasize maintaining the harvest volume to a level near the allowable cut, while continuing to practice the highest quality silviculture. In future years the hardwood-to-softwood ratio is likely to be more balanced than currently, which will increase the average revenue per cord. Larger volume, multi-year sales have been initiated in all Regions during the past year in an effort to provide stability for contractors, which in turn should increase annual harvest volumes. These contracts have attracted contractors with desired harvesting equipment. In addition, this approach

should foster better working relationships and improve efficiency.

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 2004: The Committee spent two days on the Western Region lands, discussing the management of the Northern Hardwood Type (beech-birch-maple), and looking at various younger stands established by the previous landowner's harvests on **Days Academy**. The Bureau's Northern Hardwoods management on the **Little Moose Unit** near Greenville has been conducted for over 20 years, and harvest sites dating from 1984 to 2003 illustrated both the process of regeneration and change, and the results of different silvicultural strategies. At **Days Academy** the group discussed the most appropriate management actions for the 30-40 year old stands visited. We also looked at the Bureau's most extensive old field rehabilitation, as the former Deer Head Farm fields had the alders and brush replaced by herbaceous vegetation, to provide a wildlife habitat quite scarce in heavily forested northern Maine.

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 2004. 13 miles of property lines were maintained, well short of the Bureau's goal. Shortages of staff time and

funds continue to limit 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 from both our North and East Regions.

A Bureau-wide Certification Team was developed to implement corrective actions to address "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 2004. The Bureau continues to make progress on meeting conditions cited in the 2002-certification reports. Several conditions noted in the original FSC report have been "closed," meaning that they have been fully achieved. They include the detailed monitoring of timber harvest volumes by

species and product, policy development and staff training for retention of legacy trees, and the standardization of wood measurement among the Bureau's three regions.

In addition to the annual audit by FSC, the Bureau underwent a successful re-audit by SFI in August of 2004, necessary to come under compliance with the programs' newly revised standards. This audit included three days of field visits covering a number of harvest sites in eastern and western Maine.

X. 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 2004:

Days Academy Unit. Phase 2 of the Kelly Wharf Road public access improvement project was completed. As part of this project a reroute of a Moosehead Lake campsite access road was completed to eliminate environmental problems with the old access and to resolve an access issue to a Bureau camplot lease. As part of the project a bridge was replaced along with culvert replacement and roadside vegetation management.

Bridges. The Jewett Brook Bridge in Spencer Bay Twp. was replaced with the assistance of Plum Creek. This bridge provides access to 3 campsites and a gravel boat launching facility on the recently acquired Spencer Bay parcel on Moosehead Lake. The previous structure over Jewett Brook collapsed in the fall of 2003 due to a heavy rain event, making vehicle access impossible until it was replaced this year.

A bridge on a shared use road was replaced on the **Little Moose Unit**. This bridge is used by Bureau logging operators, ATVs, snowmobiles, and non-motorized users. The Bureau's Off-

Road Division assisted in funding the reconstruction of this bridge. Other bridges were replaced on the **Deboullie** and **Telos Units**.

Road Construction. A mile of public use road on the **Little Moose Unit** was rebuilt and a trailhead parking lot relocated. These changes allow for better public access to the Notch Pond trailhead for hikers. The road also will be used for timber management purposes. A 1.2-mile section of public use road on the **Seboeis Unit** was also reconstructed to allow two-wheel vehicle access to Endless Lake.

To facilitate the timber management program, approximately 23 miles of road was constructed, and more than 7 miles of existing roads reconstructed.

Road Maintenance. Each year the Bureau contracts for maintenance services for grading and brushwork on public use roads. In 2004, 140 miles of roads were maintained.

XI. 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 restricted. As required in 12 MRSA § 1853, the following is a report of barriers that affect 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, including the **Deboullie**, **Round Pond**, **Chamberlain**, **Telos**, and **Seboomook Units**. 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 via the public lot, and to park at the Grants Camps lease site located on the 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 17 internal gates for safety purposes, to protect sensitive areas, to limit vehicle traffic on service roads, or to control certain recreational uses. None of the barricades restrict foot traffic into these areas. Many of these barriers are left open during the winter season to allow safe passage by snowmobiles. A new gate was installed on a recently improved management road on the **Rocky Lake Unit** that restricts use to ATVs, snowmobiles, and foot traffic only.

XII. LAND TRANSACTIONS

OVERVIEW

The Bureau acquired 9,431 acres in fee and 88 acres in conservation easements in 7 separate transactions in 2004. Many of these acquisitions were made possible because of 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 2004, the Bureau completed the following transactions:

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 2004, three parcels (2 fee parcels totaling 55 acres and one conservation easement totaling 25 acres) were acquired and added to the **Pineland Unit**. Funding for these parcels was provided by the Bureau's land acquisition account and through the Land for Maine's Future program.

Kennebec Highlands Project. As part of the ongoing **Kennebec Highlands** project, the Bureau added 3 parcels in Rome and Mt. Vernon (totaling 857 acres) to its 4,686 acres of fee lands located in the Belgrade Lakes area. This acquisition included a gift of 557 acres. The property will be managed for multiple uses, including recreation and timber. The funds for these purchases came from the Land for Maine's Future program and a local trust.

Mount Abraham Project. The Bureau acquired 1,153 acres in Mt. Abraham Twp. from the Mead Westvaco Oxford Corp. This transaction complements the 5,200 acres acquired in 2001 and 2002, and includes the remaining summit areas of **Mt. Abraham**. The property was deeded to the state as an Ecological Reserve, and will be used primarily for ecological research and non-motorized recreational uses. Funds for

this purchase came from the Land for Maine's Future fund and the Bureau's land acquisition account.

Mount Blue/Tumbledown Project. As part of the on-going **Mt. Blue/Tumbledown** project, the Bureau acquired 6,356 acres of fee ownership in Township 6 North of Weld. This purchase protects most of the hiking trail network leading to the summits of Tumbledown and Little Jackson Mts. and complements earlier fee and easement purchases (16,229 acres), including the mountaintops. The funds for this purchase came from the Land for Maine's Future program and the federal Forest Legacy program. The property will be managed for multiple uses, including recreation and timber.

Royal River Project. In collaboration with the Friends of the Royal River and local municipalities, the Bureau is working towards protecting significant portions of the Royal River from New Gloucester to Yarmouth through this ongoing project. In 2004, the Bureau purchased a 63-acre conservation easement in North Yarmouth, which prevents development and permits public access. The funds for this purchase came from the Bureau's land acquisition account.

Seboeis-Rocky Lake Project. A land trade with International Paper involving the acquisition of three parcels and the trading out of three public lots was finalized in 2004. The trade further consolidated the State's Reserved Land ownership by adding two parcels to the **Rocky Lake Unit**, including a 59-acre island in Rocky Lake and a 70-acre parcel abutting the East Machias River. Both parcels will be managed principally for wildlife and recreation. A 789-acre parcel in Lake View Plantation was also added to the south portion of the **Seboeis Unit**, including 4.5 miles of shoreline along Seboeis Lake. In return, the Bureau conveyed its fee interests in two parcels (totaling 1,005 acres) in Grand Falls Twp. and its 1/6 common, undivided interest in a 553-acre lot in No. Yarmouth Academy Grant (T1 R4 WELS). Legislative approval for this transaction was granted in 2003.

Tunk Lake, Donnell Pond Unit. A 4.5-acre parcel located along the southwest shoreline of Tunk Lake was gifted and added to the **Donnell Pond Unit**. The property came to the State with deeded development restrictions, and will be used primarily for non-motorized recreation.

Other Transactions. The Legislature gave approval for 5 land transactions in 2004.

One involved the conveyance of the state's interests in a public road in **Winterville Plantation** to the Town. This transaction allows the Town to maintain and make improvements to the road, with the State retaining rights to use the road for access to the public lot. This transaction was near complete in 2004, with a closing anticipated in 2005.

Another project involved the conveyance of over 40 acres of land on First Roach Pond in **Frenchtown Twp.** to the 32 camp owners who had leased the property since the 1950's. This transaction was nearly completed in 2004, with the revenue being added to the land acquisition account. The remaining lots (10 acres) will be conveyed sometime during 2005.

Approval was given to convey 25 acres of the state's interests on Aziscohos Lake in **Lynchtown Twp.** to Bosebuck Mountain Club, a commercial sporting camp. Bosebuck has leased the parcel since the 1960's. Negotiations for final sale of the property are ongoing, with a closing anticipated in 2005.

A fourth project involved the sale of up to 45 acres on the **Little Moose Unit** to the Town of Greenville for expansion of the industrial park adjacent to the Unit. Negotiations are ongoing, with sale of at least some portion of the property expected in 2005.

Lastly, approval was given to convey a 1/4-acre parcel in Corinna to the Town. This parcel, located in the center of town, came to the Bureau when the heirs of the property disclaimed their interests. The transaction was completed in 2004.

XIII. 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 2004, the Submerged Lands Program processed 170 applications for proposed and existing waterfront structures and dredging projects requiring a submerged lands lease or easement - a 110% increase since 2003. This includes 127 constructive easements conversions, and 43 leases and easements for new development projects, bringing the combined program total to 1,725 conveyances. The Bureau also reviewed an additional 135 environmental permit applications and determined that no conveyance was required.

Constructive Easements. The Bureau continued to research information on constructive easements needing to be registered by September of 2005, when the grandfather status of these easements expires. In addition, the Bureau began the conversion of these constructive easements to new conveyances with approximately 200 completed to date.

Advisory Board. The Submerged Lands Advisory Board met twice 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, including constructive easement conversions, amendments to the Submerged Lands Law, and management of the Shore and Harbor Grant Program.

Sunken Logs. The Bureau authorized one new sunken log salvage operation at Moosehead Lake. Approximately 9,000 board feet of logs were recovered.

XIV. 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 enacted 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 and dredge materials from the Kennebec River to Bath Iron Works Company. Interest on these funds was diverted to help meet the FY 2003 general fund shortfall (\$169,000) and anticipated interest income of \$25,000 was diverted to the FY 2004 and FY 2005 general fund.

In 2004, \$1,000,000 was transferred to the Bureau's Boating Facilities Program to offset revenue transferred to the general fund. Subsequently, \$400,000 was restored to the Shore and Harbor Management Fund. In cooperation with the Coastal Program at the State Planning Office, the Small Harbor Improvement Program at the Department of Transportation, and the Maine Island Trails Association, the Bureau contributed \$665,000 from the Fund for municipal waterfront access facilities and harbor management planning, as well as ongoing recreation management on Maine's coastal islands.

XV. 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.

XVI. 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 2004 was \$3,653,412 with expenditures of \$3,449,265. Because the Bureau's largest source of revenue is timber, income fluctuates from year to year in response to the amount of wood harvested and economic conditions that affect timber markets.

Revenue generated in 2004 was greater than expenditures for the first time in four years, the direct result of extraordinary effort on the part of field staff, and more favorable markets, including greater demand and higher prices for hardwood pulp as well as stronger per cord prices in other products.

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 2003 (payable in 2004), the Bureau revenue sharing amounts total \$53,107, 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 2004 was \$2,273, against expenditures of \$33,864. Expenses are primarily for the management of the Maine Island Trail and the Casco Bay Islands. The cash balance is drawn down 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 2004 were \$183,437, with expenses of \$195,776. 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. In 2000 and 2001, one-time revenues totaling \$1,537,500 from the sale of submerged lands and dredge materials to BIW were deposited to this account. In 2004, a significant portion of this revenue totaling \$1,290,000 was transferred to provide funding for municipal grants (\$550,000), the Bureau's Boating Facilities Program (\$600,000), coastal island management (\$115,000), and the FY04 general fund (\$25,000). Total revenues in 2004 were \$15,717, mostly from interest. This revenue contributed to a year-end balance of \$292,582.

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. These funds cannot be used for operation or maintenance of existing land, and therefore, expenditures do not take place on a regular basis. Income that accrues as a result of sales, trades, or interest is carried forward until needed for future acquisitions. Income for calendar year 2004 was \$1,069,023 against expenditures of \$486,805. Income this year was derived from interest earned on the account balance, reimbursements from federal grants, and the

sale of camplot leases in Frenchtown Twp. Expenses included the acquisition of 9,431 acres in fee and 88 acres in conservation easements, with additional expenditures on legal, appraisal, and survey costs associated with these 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.

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 2004, \$280,295 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 Mackworth Island. In November 1999, the Colorado property was sold, and the proceeds 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. Principal and income for calendar year 2004 totaled \$55,468, with no expenditures.

XVII. ADMINISTRATION

OVERVIEW

During 2004, staff responsibilities to support the Bureau's various programs and activities, and to manage responsibilities over newly acquired land, increased significantly.

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.

Due to budget constraints, the Bureau has taken a conservative approach in filling new positions. To date positions of Chief Forester, Interpretive Specialist, and part-time Planning & Research Associate II have been filled, with 6 Forester I positions still vacant. A Forester I position was filled in the Eastern Region in 2004. The Bureau anticipates filling similar positions in the Western and Northern Regions in 2005.

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

XVIII. FINANCIAL REPORT FOR FY 2006

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

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. 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 2006 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 2006 ACCOUNT SUMMARIES

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

Income		Expenses	
Earnings on Investments *	\$190,000	Personal Services	\$2,886,189
Rent of Lands*	\$800,000	All Other (not including STACAP)	\$1,113,745
Camplot Leases*	\$160,000		
Registration Fees	\$12,000		
Misc Services & Fees	\$20,000	Capital	
Sale of Gravel	\$7,000		
Sale of Equipment	\$5,000	Equipment	\$34,500
Sale of Stumpage [^]	\$3,481,269	Roads and Bldges	\$142,000
Misc Income	\$65,000	Capital Subtotal	\$176,500
DICAP**	(\$319,995)	STACAP	\$58,890
Total Income	\$4,420,274	Total Expenses	\$4,235,324

* 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, 2005, has an account balance of \$837,896 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 2006 to request the purchase of a bale chopper/trailer, a rock rake and one All Terrain Vehicle. 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

Requested for 2006		Dedicated Revenue	
Personal Services		Sale of Stumpage	
All Other		DICAP	
Capital	\$15,000		
TOTAL	\$15,000	TOTAL	

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

Income		Expenses	
Earnings on Investments	\$3,000	All Other (not including STACAP)	\$32,373
Rent on Lands and Buildings	\$17,000	Capital	\$60,000
Sale of Stumpage	\$74,272	STACAP	\$330
DICAP**	(\$2,590)		
Total Income	\$91,682	Total Expenses	\$92,703.

** 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 \$16,687, 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)	\$105,032
Sale of Land	\$671,500	Capital	\$700,000
DICAP**	(\$8,403)	STACAP	\$1,772
Total Income	\$807,097	Total Expenses	\$806,804

** 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 \$1,041,879.

4. Public Non-Reserved Lands Acquisition Fund Account # 014.04A.0239.37

Income		Expenses	
Sale of Land	\$266,258	All Other (not including STACAP)	\$61,350
DICAP**	(\$4,908)	Capital	\$200,000
		STACAP	\$1,600
Total Income	\$261,350	Total Expenses	\$262,950

** 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 \$393,500.

5. Submerged Lands Fund Account # 014.04A.0239.27

Income		Expenses	
Earnings on Investments	\$17,000	Personal Services	\$193,759
Rent of Lands	\$184,000	All Other (not including STACAP)	\$25,036
Sale of Gravel	\$3,000	STACAP	\$2,995
Misc Income	\$35,000		
DICAP**	(\$17,504)		
Total Income	\$221,496	Total Expenses	\$221,790

** 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 \$412,355. 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 2006. The fund balance will be drawn down during this period, but will be supplemented in 2007 by revenues from constructive easements being brought under lease.

Part II Request

A Part II budget request has been submitted for approval for FY 2006 to increase the Planning & Research Assoc II position from 24 to 32 hours weekly.

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

Income		Expenses	
Transfers and Earnings on Investments	\$117,588	Grants to Cities & Towns	\$117,588
Total Income	\$117,588	Total Expenses	\$117,588

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 \$1,537,500 to this account, the interest from which was to be distributed to municipalities as grants administered by the Bureau. In the short-term, it was necessary to divert the accrued and anticipated interest and funds received from the dredged materials from this account to meet the FY03, FY04, and FY05 general fund shortfall. In 2004, \$1,290,000 from the sale to BIW was transferred to provide funding for municipal grants, the boating facilities program, and coastal island management. This account currently has a balance of \$292,582.

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

Income	\$113	Expenses	\$105
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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 account currently has a balance of \$249.

8. Mackworth Island Trust # 014.04A.0239.30

Income		Expenses	
Earnings on Investments	\$4,267	All Other (not including STACAP)	\$3,891
DICAP**	(\$311)	STACAP	\$65
Total Income	\$3,956	Total Expenses	\$3,956

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

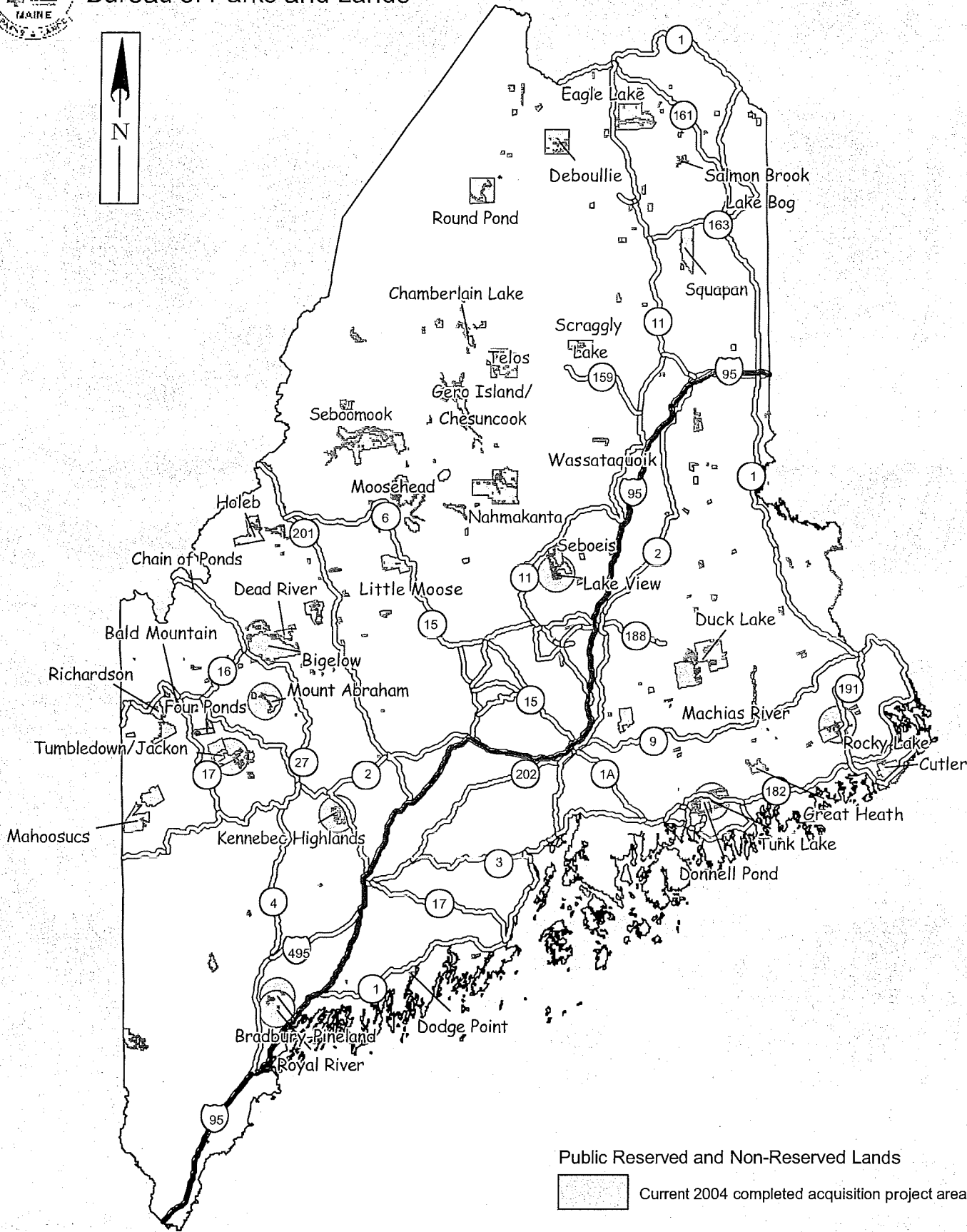
This account is used to manage public recreational activities and related resources on land under the Bureau's care on Mackworth Island in Falmouth, Maine. The account currently has a balance of \$7,586.

XIX. CONCLUSION

Expenditures will be managed to operate within the Bureau's financial means for all accounts. The Public Reserved Lands Management Fund is expected to improve over the next year as the Bureau continues to make a concerted effort to further increase the volume of timber harvested to an amount closer to the sustainable harvest level, in anticipation of a more favorable forest products market. This effort will need to be balanced with continued demands on staff time related to new acquisition initiatives and non-timber related responsibilities, including recreation. 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 Lands
 [Grey Box] Current 2004 completed acquisition project areas

February, 2005