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2005 ANNUAL REPORT

for Public Reserved, Non-reserved, and Submerged Lands

to the

*JOINT STANDING
COMMITTEE*

on

*AGRICULTURE, CONSERVATION,
AND FORESTRY*



Parks and Lands Forestry Staff Undergo Field Training

March 1st, 2006



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MAINE DEPARTMENT
OF CONSERVATION
Bureau of Parks and Lands

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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. 2005 HIGHLIGHTS

Acquisitions – *Acquired additional lands as part of the Bradbury-Pineland Corridor project; developed project requests for the newly funded Land For Maine's Future program*

Submerged Lands – *Developed cooperative agreements with the Maine Department of Transportation's Small Harbor Improvement program and the State Planning Office to*

provide funding from the Shore and Harbor Fund. To date, 24 municipal waterfront planning and development grants have been awarded.

Forest Certification – *Completed a successful annual audit under the Forest Stewardship Council program*

Timber Management Program – *Harvest volumes decreased by 10% compared to last year, due mainly to adverse weather conditions; however, this was offset by improved timber markets*

Recreation – *Substantial renovations were made to camping areas and campsites along the shoreline of Moosehead Lake*

Wildlife – *A variety of habitat management projects were completed this past year*

Land Management Planning – *Significant progress was made on management plans for the Downeast, Seboomook, and Flagstaff regions*

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 Land activities. This report is submitted by 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 2005 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 that prevent public vehicle access to

Public Reserved and Non-reserved Lands, recreation facility fees charged for the use of these lands, and a status report on Ecological Reserves is included. The report also contains information on income and expenditures for calendar year 2005.

Secondly, a Financial Report for FY 2007 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 FY 2007 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 568,692 acres of Public Reserved Lands, 4,043 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 1,325 publicly 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 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 plan, Public Advisory Committees are established representing local, regional, and statewide interests. These committees serve as forums for discussion 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 Commissioner, upon recommendation by its Director, a final plan for adoption.

PLANNING INITIATIVES

Downeast Region Management Plan. A second draft of this plan was developed in 2005, which includes the **Donnell Pond, Cutler Coast, and Rocky Lake Units** along with the **Great Heath**, and public lots in **Osborn, T24 MD, No. 21 Twp. and No. 14 Twp.** This draft is undergoing additional staff review, and will be released for public comment later this year.

Seboomook Region Management Plan. Planning for the management of over 51,000 acres of lands in the Seboomook Regional Unit continued in 2005 with the development of a draft management plan, and the conducting of various public meetings to scope out issues. The Advisory Committee met on two occasions to review the draft plan. Discussions continued with North Maine Woods about the future operation of the 20-Mile gate that serves as an entry point for both the NMW system and the Seboomook Unit. The Final Draft Management Plan will be discussed at a Public Meeting in 2006.

Flagstaff Region Management Plan. A preliminary planning document was developed for the **Bigelow Preserve, Mt. Abraham, Chain of Ponds, Dead River Twp., Flagstaff Twp., Wyman Twp., Carrabassett Valley, Coplin Plt., Highland Plt., Redington Twp., King & Bartlett Twp., and Freeman Twp.** A Public Scoping Session and Advisory Committee meeting were held as initial steps towards

development of a first draft of the plan to be released for public comment later this year.

Northern Aroostook Region Management Plan. Resource inventory work was begun for the **Deboullie, Eagle Lake, and Salmon Brook Lake Bog Units** and public lots in **St. John Plt., Winterville Plt., New Canada, T17 R4, Cyr Plt., Caswell, Hamlin, Westmanland, and New Sweden.**

Table 1. 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*	In progress
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

* Flagstaff Region Plan

** Downeast Region Plan

VI. NATURAL/HISTORIC RESOURCES

NATURAL RESOURCE INVENTORIES

The Maine Natural Areas Program, a division of the Bureau of Geology and Natural Areas, conducts inventories of natural resources on lands managed by the Bureau under a Memorandum of Understanding. In general, inventories are done in advance of management planning to provide up-to-date information at the time these plans are developed or revised.

NRI's completed in 2005. Natural Resource Inventories were conducted for the Northern Aroostook properties, including the **Deboullie Unit**, **Eagle Lake Unit**, and **Salmon Brook Lake Bog**, along with a number of public lots. Additional work on the Downeast and Flagstaff Region NRI's was also completed.

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, which is within the legislative caps of 6% of timber-operable acres and 15% of the total ownership. In March of 2002, the Bureau accepted donations of two parcels deeded as Ecological Reserves, including **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** acquisition. Deeded Reserve acres do not count towards the legislatively set acreage limit for ecological reserves. No new Reserves were

added to the land base in 2005. The Bureau's Ecological Reserve inventory currently stands at 81,146 acres. However, as part of the draft Downeast Management Plan recommendations, the recently acquired 274-acre "Tilden Block" near Spring River Lake on the **Donnell Pond Unit** is ear-marked for Reserve status. As part of that Plan, there is also a recommendation to reconfigure the Reserve acres on the **Cutler Coast Unit** to include more of the maritime spruce-fir on the coastal parcel. In exchange, an equal amount of upland acres would be reallocated for wildlife and timber management.

A Memorandum of Understanding has been developed with the Maine Natural Areas Program to collect baseline data for the Bureau's Reserve inventory. 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 2005. Data was collected on ecological reserves on the **Nahmakanta Unit**, the largest in the Bureau's Reserve system. A total of 10 Reserve surveys (with 6 remaining) have now been completed as part of this ongoing project. A separate report on monitoring results is available from the Maine Natural Areas Program.

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 and the public process that accompanies Plan development, results in a resource inventory called a Cultural Landscape Inventory (CLI) for each Lands property. This information is then included in the management plans. The MHPC is the lead agency in identifying significant historic resources requiring preservation and protection these resources on the State's ownership, including designating historically sensitive areas for special protection.

Projects Completed in 2005. A CLI was completed for the Flagstaff Region Plan,

including work on the Arnold Trail, the historic route of which passes through Plan area.

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 2005 on lands managed by the Bureau were as follows:

Wildlife Inventory and Survey Work. A seasonal Wildlife Technician conducts most of the inventory and survey work. In 2005 waterfowl brood counts were completed on 6 Bureau-managed wetlands, Bicknells thrush surveys were conducted in two high elevation areas, and loon-nesting surveys were conducted in four locations.

Prescriptions. Twenty-one multiple-use timber harvesting prescriptions covering 21,576 acres were reviewed for compatibility with fish and wildlife habitat recommendations. This was an increase of over 2,000 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. The Wildlife Biologists participated in yearly compliance audits conducted by both programs. 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, research, document review, and advisory meetings for the Downeast, Seboomook, and Flagstaff Region plans.

Habitat Management. One hundred thirty four of 137 waterfowl nest boxes were maintained, with 30 boxes rehabilitated on the **Little Moose Unit**. The Bureau installed 9 beaver control devices for wetland enhancement and road protection, drained the Blanchard Brook impoundment on the **Dead River/Spring Lake Twp.** parcel as part of a maintenance schedule; repaired the Ice Pond dam on the **Dodge Point** parcel with assistance from IF&W, continued wild rice planting on the **Seboeis and Little Moose Units**, pruned and/or released 125 apple trees at 6 locations, released oak seedlings on the **Eagle Lake Unit** and the **Molunkus** public lot, maintained 4 acres of old fields at 5 locations, and conducted invasive plant species control on 9 acres in various locations.

Seeding Program. Herbaceous seeding, using a custom blend, was accomplished on 34 acres on 16 land parcels for wildlife forage and erosion control. Although the amount and number of treated areas was down slightly from last year, it was still significantly higher than in previous years.

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**, which began in 2004. Aerial surveys to monitor deer wintering areas was not necessary due to weather conditions that limited the use of these areas.

Training and Education. Attended a Manomet Biodiversity workshop, late successional/old growth field training, Best Management Practices (BMP) training, hazardous material training, and an herbicides and forestry workshop.

VIII. RECREATION RESOURCES

PROJECT OVERVIEW

In accordance with management plan commitments, and in response to public demand, the Bureau continued to develop or make upgrades to recreation facilities 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 2005, projects completed or worked on were:

Donnell Pond Unit. In response to increasing use and vandalism at the Schoodic Beach public use area of the **Donnell Pond Unit**, a commitment was made to increase ranger presence at the site. The Bureau also entered into a contract with the Hancock County Sheriff's Office for extra patrols.

Moosehead Lake. In partnership with Florida Power and Light, major site renovations were made to the Cowans Cove camping area on the **Days Academy Unit**, and campsites on **Spencer Bay** in Spencer Bay Twp., including the replacement of picnic tables, firerings, and privies. Sanitation upgrades were made to 5 other campsites on Moosehead Lake.

Chain of Ponds. The bridge across the Natanis Pond-Round Pond thoroughfare was replaced as part of a larger project to relocate the Natanis Pond boat launch facility from Route 27 to a site within the commercial campground on the **Chain of Ponds Unit**.

PUBLIC INFORMATION - OVERVIEW

The Bureau continued to develop, revise, and distribute informational brochures to visitors to its lands, which describe the location of hiking trails, campsites, and other recreation opportunities on the 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 Brochure. A new **Nahmakanta Unit** brochure will be ready in 2006, which will serve as a template for future brochures.

STAFFING - OVERVIEW

Six seasonal rangers were involved in recreation management activities in 2005. The seasonal rangers were responsible for recreation facilities maintenance and construction, and informing visitors about Bureau rules. The expanding land base and increasing visitor use have required the Bureau to commit more resources to this effort. The full-time **Bigelow Preserve** Manager spent much of the summer managing recreational use.

FEES - OVERVIEW

Fees are generally not charged on 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 2005 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 2005, 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 2005, the campground owner charged \$15.00 (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 Bureau's Parks Division, includes campsites on Public Reserved Lands on **Gero Island** on Chesuncook Lake, and the portion of the **Seboomook Unit** 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 collects the PRC 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 partnership agreements with other organizations to assist in managing recreational use. Noteworthy examples of partnerships in place in 2005 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 is in place with the Mahoosuc Land Trust to maintain this recently acquired day use area.

Grafton Loop Trail. The Bureau continues to be an active member of a coalition of non-profit organizations and private landowners in 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. This recently acquired property is managed in part through a partnership with the Belgrade Regional Conservation Alliance.

North Maine Woods. The NMW provides maintenance and monitoring services on the Seboeis and Nahmakanta Units

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 timber management program is examination and inventory of the forest resource. The field data acquired in 1999 detailed timber, site, and natural resource measurements, important for both forest management planning, and third-party forest certification auditors.

Status of Current Inventory. The 1999 analysis revealed a total inventory of over 7 million cords on 349,414 regulated acres (the acres used in calculating sustainable harvest levels), or a stocking of 21 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

acquisition of the Seboomook Unit added approximately 30,000 acres (pending management plan allocations) 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 called "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 2005. Bureau staff examined and prescribed 21 compartments totaling 21,576 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 2005 no timber was harvested under contracts for logging services.

Once the timber contracts are awarded, Bureau foresters and forest technicians work closely with contractors to ensure contract compliance, and that timber management objectives are met. Bureau staff closely supervise 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; more often when individual situations warrant.

Summary of Timber Sales in 2005. The implementation of prescriptions resulted in:

- A total of 80,776 cords (allowable cut is 112,000 cords) harvested from 7,437 acres.
- A total of 46 operations were ongoing in 2005, 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.

2005 Harvest and Market Analysis. The 2005 harvest was 10,593 cords less than reported the previous year, which had the Bureau's largest annual harvest ever. This harvest represents 72% of the Bureau-established "allowable cut." Much of the decrease in volume was because Maine had one of its rainiest years on record, causing many harvest operations to be delayed to avoid excessive impact to the land.

The average value per cord harvested, however, increased 10% from 2004. This increase was due to somewhat higher prices for most sawlog products, with hardwood pulp and aspen prices remaining strong. The harvest volume was 61.5% hardwoods, well above the 47% predicted by the Allowable Cut model and slightly higher than 2004, as the Bureau continued 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 at 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, which will increase the average revenue per cord. Larger volume, multi-year sales have been initiated 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. However, economic conditions that result in poor markets, and weather events that can reduce harvest levels, will remain beyond the Bureau's 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 policies and practices 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 2005: The Committee spent two days on the Northern Region lands, discussing the management of many different types of forest stands, from the Northern Hardwood Type (beech-birch-maple), to softwoods in deer wintering areas. The group visited the **Round Pond Unit** during a 3" rainstorm as the remains of hurricane Katrina passed through, then had more favorable weather in which to view the southeast **Allagash** public lot. A visit to the **Deboullie Unit** provided a revisit to a late-successional stand looked at in 2002. Members were pleased with the forest conditions resulting from the implementation of the recommendations made at that time.

BOUNDARY LINES - OVERVIEW

The Bureau continued to make progress on the maintenance of boundary lines this past year, with 28 miles maintained in 2005. The perimeter of the recently acquired **Kennebec Highlands** property in the Belgrade Lakes

region was also surveyed, although metes and bounds, and distance information have not yet been made available.

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. These third-party audits were conducted 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 implemented to address "conditions" and "minor nonconformances" stipulated in the audit reports, including: significant enhancements to forest inventory data, development of a computerized forest-modeling program, a timeline for updating management plans for the entire land base; 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 2005. The Bureau continues to make progress meeting conditions cited in the 2002-certification reports. Many of the conditions noted in the original FCS report have been "closed," meaning they have been fully achieved, including: 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. By early 2007, the Bureau will need to undergo a full re-audit if it is to retain its' FSC certification.

X. TRANSPORTATION

OVERVIEW

The Bureau continued to improve road access within consolidated units and other properties, focusing primarily on recreational needs, and as part of implementing its timber management.

Open Bottom Culverts for Fish Passage. The Bureau cooperated with several agencies to provide 2 trainings on "Open Bottom Culverts for Fish Passage" In the Western Region, the Bureau partnered with the Maine Forest Service and the Maine Dept. of Inland Fisheries and Wildlife to provide training on maintaining fish and aquatic organism passage in streams during road construction. Funding, staff, and field examples of construction in **Sandy River Plantation** were provided by the Bureau to educate landowners and resource managers on this important issue. In the Eastern Region, the Bureau partnered with the Maine Forest Service, Project:SHARE, the Atlantic Salmon Commission, NOAA, and the U.S. Fish and Wildlife Service to hold a stream channel survey training session on a small tributary of the West Branch of the Machias River in T 30 MD BPP. The goal was to design a road crossing according to ideal standards. The training session culminated with the installation of a bank-to-bank crossing, utilizing a 10' open bottom culvert. The installation resulted in reclamation of potential salmon habitat within the Bureau's **Machias River** Phase I fee lands. In addition, two other crossings within the Phase I lands were replaced with oversized culverts partially buried in the streambed to allow aquatic passage.

Bridges. The bridge at the thoroughfare between Natanis Pond and Round Pond in the **Chain of Ponds Unit** was replaced with funding from the Maine Dept. of Transportation. MDOT

became involved when the reroute of US Route 27 eliminated the public boat access to Natanis Pond. Replacement of this bridge will reinstate boat access from within the Unit through an agreement with MDOT, the Bureau and the Bureau's commercial campground leasee at that location. Two bridges were also replaced on the **Scraggly Lake Unit** in T7R8 WELS. These bridges provide recreational and logging access into the unit.

Road Construction. To facilitate the timber management program, approximately 20.5 miles of road was constructed or reconstructed. Over 2 miles of public use road were reconstructed for access to recreational areas.

Access Improvement Projects. A major road improvement project was undertaken on the **Seboomook Unit** on the Roll Dam road, to improve recreational access to the West Branch of the Penobscot River. Minor improvements were also made to the South Seboomook Rd. One-time funding for both projects was obtained from the Land for Maine's Future program. As part of the same contract, the Seboomook Dam and Canada Falls Dam roads were improved with funding from Great Lakes Hydro's annual road maintenance payment, a requirement under the company's FERC license.

Road Maintenance. Each year the Bureau contracts for maintenance services for grading and brushwork on public use roads. In 2005, approximately 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 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**. Free public access to the **Nahmakanta Unit** has been established from the west, with the unit no longer managed as part of the KI/Jo-Mary system. However, a fee for 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 18 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. Two new gates were installed in 2005: one on an access road into Turtle Pond in the **Seboeis Unit**, in order to meet LURC remote pond compliance standards; a second gate was installed at Penobscot Stream on the **Nahmakanta Unit** to prevent vehicle access to abutting private land and the Jo Mary/KI system. This gate will be left open to snowmobile use.

XII. LAND TRANSACTIONS

ACQUISITIONS

There was little acquisition activity in 2005 due primarily to the lack of Land for Maine's Future monies; however, voters did approve a bond issue in 2005 that included 12 million dollars for this fund. Potential acquisition project requests were developed in 2005, and submitted in early 2006. Several other transactions involving the sale of lands were also completed this past year, providing additional monies to the Bureau's Land Acquisition account.

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 2005, an easement on a 13.63-acre parcel was acquired and added to the **Pineland Unit**. Funding for this parcel came from the Non-reserved lands acquisition account.

2005 LAND TRANSACTIONS BILL

The Legislature gave approval for the following conveyances of land in 2005:

Chesuncook Village. Authorization was given to sell for "fair market value" a 2.2-acre parcel in

Chesuncook Village currently leased to the owners of the Chesuncook Lake House. The parcel is the remainder of an original 5.7-acre lease, of which 3.5 acres were sold to the Lake House owners in 1991. This conveyance is expected to close in 2006.

Wyman Twp. Authorization was given to sell to an abutting landowner, at "fair market value," a .36-acre portion of public lands along Route 27 in Wyman Twp. The abutter needed the additional land in order to meet setback requirements for a septic system. This conveyance is scheduled to close some time in 2006.

Rockwood. The Bureau was given authorization to pursue a possible land exchange involving the swap of two public lots (200 acres and 92 acres) in Rockwood for a parcel located on Indian Pond in Sapling Twp. Work on this project is ongoing.

Sandy Bay Twp. Authorization was given to convey a 1-acre portion of the Sandy Bay public lot near the Canadian Border that abuts property owned by the U.S. Department of Homeland Security. The additional acreage was needed for improvements to the border crossing facility. This conveyance is scheduled to close in 2006.

Jonesboro - Blueberry Hill Farm. During 2005 the Bureau discovered that the 29-acre Blueberry Hill Farm property (also known as the Maine Agricultural Experimental Station) in Jonesboro had been omitted from the 1965 Resolve, at which time certain agricultural lands within the Bureau of Public Lands were transferred to the University of Maine. The bill authorized this transfer.

OTHER DISPOSTIONS

Closings on previously authorized conveyances took place in 2005 on the following:

- 24 acres of the 30-acre **Hallowell public lot** conveyed to Maine School Administrative District 16 for location of a new elementary school
- The 25-acre **Lynchtown Twp.** public lot conveyed to Bosebuck Mountain Club, the

location of the long-standing commercial sporting camp facility

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 2005, the Submerged Lands Program processed 84 applications for proposed and existing waterfront structures and dredging projects requiring a submerged lands lease or easement. This includes 57 constructive easement conversions, and 27 leases and easements for new development projects, bringing the combined program total to 1,812 conveyances. The Bureau also reviewed an additional 144 environmental permit applications and determined that no conveyances were required.

Constructive Easements. The Bureau continued to research information on constructive easements (structures in existence prior to October 1, 1975). The grandfathered status of these easements expired in September 2005. In addition, the Bureau began the conversion of these easements to new conveyances with approximately 300 completed to date.

Advisory Board. The Submerged Lands Advisory Board met once 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 two new sunken log salvage operations on Moosehead

Lake. Approximately 60,000 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 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 and dredge materials from the Kennebec River to Bath Iron Works Company. In 2003, the Bureau's initial grant offering was withdrawn when the interest on these funds were 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 2005, \$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 periodic requests to register an island or make changes in existing registrations (address or ownership changes). There are also many requests for ownership information from persons with a general interest in Maine islands.

The Bureau's brochure "Your Islands and Parks on the Coast" continues to be updated each year. This brochure 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, campplot leases and other special leases on the Reserved Lands, and interest on

the account balance. Income for calendar year 2005 was \$4,065,868 with expenditures of \$3,553,659. 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.

In previous years the Lands Division has gone through a staff-intensive green certification process, dealt with severely depressed timber markets, and had experienced high staff turnover rates - factors contributing to reduced revenues.

Revenue generated in 2005 was greater than expenditures for the first time in four years, the direct result of considerable 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 campplot leases and timber sales that are shared with towns and plantations pursuant to 12 MRSA §1854. Based on the income received in 2004 (payable in 2005), the Bureau revenue sharing amounts total \$40,890, 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 2005 was \$1,357, against expenditures of \$6,915.. 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 2005 were \$243,622, with expenses of \$165,546. Funds for personnel services (salaries) comprise the bulk of the program's budget.

Shore and Harbor Management Fund **(014.04A.0239.29)**

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 2005, 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 2005 were \$6,615, 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 2005 was \$544,575 against expenditures of \$241,582. 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. Income for calendar year 2005 was \$208,482. In 2005, \$5,997 was spent on legal fees required for land acquisitions. 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. 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 2005 was \$1,415, with no expenditures.

XVII. ADMINISTRATION

OVERVIEW

During 2005, staff responsibilities to support the Bureau's various programs and activities, and to manage responsibilities over newly acquired land continued to increase. 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, although the Chief Forester, Interpretive Specialist, the part-time Planning & Research Associate II have since been filled. Two new Forester I positions were filled in 2005.

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

VIII. FINANCIAL REPORT FOR FY 2007

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. 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 2007 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 2007 ACCOUNT SUMMARIES

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

Income		Expenses	
Earnings on Investments *	\$190,000	Personal Services	\$3,026,875
Rent of Lands*	\$800,000	All Other (not including STACAP)	\$1,020,861
Camplot Leases*	\$160,000		
Registration Fees	\$12,000		
Misc Services & Fees	\$20,000	Capital	
Sale of Gravel	\$7,500		
Sale of Equipment	\$5,000	Equipment	\$26,500
Sale of Stumpage *	\$3,481,269	Roads and Bridges	\$145,000
Misc Income	\$70,000	Capital Subtotal	\$171,500
DICAP**	(\$323,819)	STACAP	\$60,362
Total Income	\$4,416,950	Total Expenses	\$4,279,598

* 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 January 26th, 2006, has an account balance of \$1,086,519 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 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, is ongoing and will be necessary to build up this contingency fund.

Part II Request

A Part II budget request was submitted for approval for FY 2007 to purchase equipment (a rock rake) necessary to address land management responsibilities. Given the self-funding nature of this dedicated account, adequate funds must be available in the account balance for this purchase to take place.

PART II Request

Requested for 2007		Dedicated Revenue	
Personal Services		Sale of Stumpage	
All Other		DICAP	
Capital	\$5,000		
TOTAL	\$5,000	TOTAL	

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

Income		Expenses	
Earnings on Investments	\$3,000	All Other (not including STACAP)	\$33,183
Rent on Lands and Buildings	\$17,000	Capital	\$60,000
Sale of Stumpage	\$75,130	STACAP	\$339
DICAP**	(\$2,682)		
Total Income	\$92,448	Total Expenses	\$93,522.

** 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 \$11,619, 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)	\$107,659
Sale of Land	\$674,500	Capital	\$700,000
DICAP**	(\$8,758)	STACAP	\$1,816
Total Income	\$809,742	Total Expenses	\$809,475

** 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 \$1,322,888.

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

Income		Expenses	
Sale of Land	\$267,915	All Other (not including STACAP)	\$61,763
DICAP**	(\$5,031)	Capital	\$200,000
		STACAP	\$1,121
Total Income	\$262,884	Total Expenses	\$262,884

** 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 \$430,712.

5. Submerged Lands Fund Account # 014.04A.0239.27

Income		Expenses	
Earnings on Investments	\$17,000	Personal Services	\$202,578
Rent of Lands	\$199,051	All Other (not including STACAP)	\$25,662
Sale of Gravel	\$3,000	STACAP	\$3,070
Misc Income	\$35,000		
DICAP**	(\$18,505)		
Total Income	\$235,546	Total Expenses	\$231,310

** 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 \$464,066. 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 2007 to increase the Planning & Research Assoc II position from 24 to 32 hours weekly.

PART II Request

Requested for 2007		Dedicated Revenue	
Personal Services	\$15,051	Sale of Stumpage	
All Other		DICAP	
Capital			
TOTAL	\$15,051	TOTAL	

6. Shore and Harbor Management Fund Account # 014.04A.0239.29

Income		Expenses	
Transfers and Earnings on Investments	\$120,527	Grants to Cities & Towns	\$120,527
Total Income	\$120,527	Total Expenses	\$120,527

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 2005, \$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 \$159,829.

7. Coastal Island Registry Fund Account # 014.04A.0241.26

Income	\$115	Expenses	\$107
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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 \$312.

8. Mackworth Island Trust # 014.04A.0239.30

Income		Expenses	
Earnings on Investments	\$4,374	All Other (not including STACAP)	\$3,988
DICAP**	(\$324)	STACAP	\$67
Total Income	\$4,050	Total Expenses	\$4,055

** 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. 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. The proceeds of \$60,000 have been deposited into this trust fund. A non-lapsing account receives interest income from the trust fund. The account currently has a balance of \$9,084.

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 maintain improved stability 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

February, 2006

