



BAYFIELD COUNTY FORESTRY AND PARKS DEPARTMENT

2013 BUDGET NARRATIVE

BUDGET SUMMARY AND HIGHLIGHTS

Revenues: Forest Management Program

The sale of wood is the primary source of revenue for the Forestry and Parks Department (approximately 91% of total revenues received). Revenues from the sale of wood for the calendar year 2013 are projected to increase from the budgeted \$2.195 million in 2012 to a conservative estimate of \$2.40 million.

Much of the predicted revenue increase is the end result of adding a new forester position in 2011. The position was added, in part, to assist in the management of a growing sustainable timber harvest goal (see Tables 4 and 5). The total allowable harvest goal for 2012 was 5,234 acres, an increase of 67% since 2006.

The additional forester has given this Department the ability to better reach the targeted sustainable timber harvest goal, thus maximizing the value potential of the forest. Prior to 2011, the average annual establishment of timber sales equaled just over 3,000 acres. In 2011, the Department established nearly 4,500 acres of new sales and is expected to average between 4,500 and 4,800 acres on an annual basis.

The \$85,000 investment dedicated to the new forester position will generate additional sale of wood revenues ranging from \$1.2 to \$1.5 million per year! In 2012, the total value of new timber sales is expected to top \$4.0 million. Prior to 2011, this Department averaged approximately \$2.36 million in new timber sales per year. That's an increase of nearly 70%! As long as markets continue to stay constant, the sale of new timber should average \$3.5 to \$4.0 million per year. Furthermore, the added sales will foster new job opportunities and supply local wood product industries with the material they need to maintain productivity.

It should be noted that the full benefit of an additional forester will not be realized until the year 2015. This is due to the nature of the timber sale contract. In general, contracts are two years in length, with the potential for 2 one year extensions. In other words, it can take up to four years before the full value of a timber sale is realized. Work on maximizing the sustainable management of the forest started in 2011. Once normalized, revenues from the sale of wood are projected to hover around \$2.75 million per year (assuming constant markets).

Table 1 displays the budgeted and actual sale of wood revenues since 2007 (the actual revenues for 2012 and 2013 are estimated):

Table 1: Bayfield County Forest Sale of Wood Revenues

Calendar Year	Revenues Budget	Revenues Actual	Difference
2007	\$1,705,000	\$2,167,156	\$462,156
2008	\$1,700,000	\$2,621,308	\$921,308
2009	\$1,727,400	\$2,305,259	\$577,859
2010	\$1,820,500	\$2,047,663	\$227,163
2011	\$1,996,000	\$2,477,066	\$481,066
2012	\$2,195,000	\$2,600,000	\$405,000
2013	\$2,400,000	\$2,400,000	\$0
Average	\$1,934,843	\$2,374,065	\$439,222

2012 and 2013 are estimates.

Revenues from grants, aids, and loans are estimated to increase from \$91,579 in 2012 to \$121,995. The transfer of funds from dedicated non-lapsing accounts will total approximately \$117,000 in 2013. The largest transfer will see \$75,000 in accumulated non-lapsing reforestation dollars moved to the fund balance applied revenue account and used to offset a significant portion of the reforestation expense. In addition, approximately \$26,000 of earmarked Town Road Aid dollars will be moved and used to fund that expense in 2013. All transferred funds will be shown as an injection of revenue in the Fund Balance Applied account.

Revenues from the sale of miscellaneous forest products and permit fees are estimated to be \$1,000. Revenues from the sale of sand and gravel are estimated to be \$2,000, a significant decrease from the estimated revenue for 2012. Sand and gravel revenue in 2012 was received from one time projects that will not be duplicated in 2013. Another significant revenue source is the \$8,275 lease for a communications tower. Numerous miscellaneous grants are applied for throughout the year and have the potential to provide additional significant revenues. The WDNR Sustainable Forestry Grant and Arbor Day Grant are two good examples of grants that have been received mid-budget over the years. Table 2 displays total revenues received per account type since 2006 and estimates for 2012 and 2013:

Table 2: Forest Management Program Revenues per Account Type (2012 & 2013 are estimates)

Year	Sale of Wood	Grants	Road Aid	Loans	Permits	Sand/Gravel	Leases	Transfers	Other²
2006	\$1,615,584	\$51,536	\$8,037	\$84,548	\$1,160	\$165	\$0	\$0	\$37,948
2007	\$2,167,270	\$61,142	\$9,418	\$84,588	\$850	\$5,168	\$0	\$80,230	\$85,354
2008	\$2,621,308	\$115,456	\$10,440	\$84,588	\$995	\$3,060	\$0	\$0	\$1,263
2009	\$2,305,259	\$87,996	\$12,126	\$84,669	\$553	\$150	\$0	\$0	\$2,309
2010	\$2,047,663	\$82,923	\$11,390	\$84,668	\$2,715	\$9,442	\$0	\$0	\$6,629
2011	\$2,477,066	\$104,247	\$11,347	\$84,667	\$2,004	\$563	\$7,800	\$0	\$13,655
2012	\$2,600,000	\$80,249	\$11,330	\$0	\$750	\$34,875	\$8,034	\$138,000	\$13,125
2013	\$2,400,000	\$110,66	\$11,330	\$0	\$1,000	\$2,000	\$8,275	\$117,000	\$5,000

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Avg	\$2,279,269	\$86,777	\$10,677	\$63,466	\$1,253	\$6,928	\$3,014	\$41,904	\$20,660	

¹ From General Fund or Non-Lapsing accounts.

² Includes donations, equipment sales, use agreements, etc.

Total revenues for the Department from the management of the County Forest are projected to be nearly \$2.66 million in 2013, an increase of 8% over the budgeted revenues for 2012.

Revenues: Parks Program

The Forestry Department acquired the management of all county parks in 2011. The four county managed parks include three campgrounds: Twin Bear, Delta Lake and Big Rock; and one day use park: Atkins Lake. Revenues for the parks come in a variety of forms. The primary revenue is from camping (approximately 87% of revenues received). Camping revenues for 2013 are predicted to be around \$70,000. Weather conditions can have a significant impact on potential revenues. The other significant form of parks revenue comes from boat launch and mooring fees, which are predicted to be around \$10,000. Public use boat launch sites are located at Twin Bear, Delta Lake and Atkins Lake. Total park revenues for 2013 are expected to be around \$80,000.

Total Revenues: Forestry and Parks

Total revenues for the combined management of the forestry and parks programs are estimated to be \$2.74 million for 2013. This represents an increase of nearly 8% over 2012 budgeted revenues.

Expenditures: Forest Management Program

The most significant expense incurred by the Forestry and Parks Department is personnel. The department consists of 7 full time positions including: 4 foresters, 1 forest technician, 1 office manager, 1 assistant administrator and 1 administrator. The cost of health insurance has been the biggest contributor to the increase in personnel expenses. Since 2008, the total cost of health insurance has increased by 77% within the Department. Total personnel expenses, which include wages, health insurance and retirement, for 2013 are expected to be around \$638,000. Other significant expenses include payments to Towns, reforestation and general operating.

Townships that contain county forest acreage receive a combined payment equal to ten (10) percent of revenues generated from the sale of wood. The distribution of this money is based on the percentage of acreage contained within each Township. As a result, estimated total payments to the Towns are projected to be \$240,000. Also, in 2010, the Department adopted a Town Road Improvement Aid program. This program appropriates 1% of the total sale of wood revenues to Town road improvement projects (triggered when actual revenues exceed budgeted revenues). It is estimated that \$26,000 will be earmarked for 2013. The total payment to Townships is expected to exceed \$266,000 in 2013.

Bayfield County maintains one of the largest public land reforestation programs in the state. Reforestation expenses come in a variety of forms including planting, seeding, release, site preparation, and, on occasion, seedling protection. Total reforestation expenses for 2013 are estimated to be \$106,000 (though over \$6k will be offset by a grant) consisting of over \$56,000 for planting, \$16,000 for site preparation, \$26,000 for release and \$8,250 for direct seeding. \$75,000 of the reforestation expenses will be offset by the injection of non-lapsing Reforestation account

dollars.

Operating expenses are projected to be over \$155,000 for 2013. The most significant operating expenses include mileage for the fleet of vehicles, materials and supplies for the establishment of timber sales, utilities, data processing and office supplies, repair and maintenance of roads and trails, repair and maintenance of field equipment, the expenditure of numerous grants and loans, publications, subscriptions, dues and professional development.

Total forest management program expenses are estimated to be \$1.165 million for 2013. This represents a decrease of over 1% when compared to the 2012 budget. Table 3 displays total expenses received per account type since 2006 and estimates for 2012 and 2013:

Table 3: Forest Management Program Expense Summary per Account Type (2012 & 2013 are estimates)

Year	Personnel	Operating	Reforestation	Town Payment ¹	Loans	Land Purchase	Total
2006	\$423,646	\$134,827	\$152,369	\$161,558	\$84,548	\$0	\$956,948
2007	\$440,632	\$117,764	\$153,453	\$216,830	\$84,588	\$358,325	\$1,371,592
2008	\$463,030	\$176,453	\$81,453	\$270,636	\$84,588	\$114	\$1,076,274
2009	\$479,696	\$96,838	\$157,117	\$231,083	\$84,669	\$0	\$1,049,403
2010	\$475,294	\$96,021	\$133,148	\$218,339	\$84,668	\$0	\$1,007,470
2011	\$588,787	\$124,533	\$149,697	\$277,033	\$84,667	\$0	\$1,224,717
2012	\$613,128	\$108,115	\$163,945	\$285,398	\$0	\$50,000	\$1,220,586
2013	\$637,917	\$155,034	\$106,650	\$266,000	\$0	\$0	\$1,165,601
Average	\$515,266	\$126,198	\$137,229	\$240,860	\$63,466	\$51,055	\$1,134,074

¹ Towns which contain county forest land receive a prorated 10% share of total sale of wood revenues. Starting 2010, also includes payments from Town Road Aid program.

Expenses: Parks Program

Contractual services are the largest parks management expense. The caretaking of the facilities and grounds, as well as hosting and managing reservations are all duties performed by contractors. The estimated cost of these services is \$31,270 for 2013. The repair and maintenance of all four parks, as well as all utilities, communications and miscellaneous fees are estimated to be over \$22,500. Total expenses for 2013 are estimated to be nearly \$55,000.

Total Expenditures: Forestry and Parks

Total expenses for the combined management of the forestry and parks programs are estimated to be approximately \$1.22 million for 2013. This represents a decrease of 1% when compared to the 2012 budget.

Net Revenues: Forestry and Parks

Net revenues from the Forestry and Parks programs combined are expected to be nearly \$1.52 million in 2013. This represents an increase of over 16% from the budgeted net revenues for 2012 (roughly \$1.31 million).

PERFORMANCE INDICATORS

The Bayfield County Forestry and Parks Department manages over 167,000 acres of county forest land and 4 county parks. The forest management program is one of the most significant responsibilities of the Department. There are three major facets of the forest management program: 1) forest management (timber sale establishment), 2) reforestation, and 3) forest reconnaissance. The quality and quantity of goal accomplishments, as well as the sold value of timber sales, are some of the best indicators used to evaluate performance. Below are summaries of the major forest management priorities.

- 1) Sustainable harvest goals: Sustainable timber harvest goals for every major forest type are calculated based upon sound silvicultural guidelines and principles. Table 4 displays the sustainable harvest goals and accomplishments of the timber sale program by major forest type since 2007 (note: 2011 marked the first year with 4 full time foresters):

Table 4: Bayfield County Forest Sustainable Harvest Goals and Accomplishments (acres)

Species	2007		2008		2009		2010		2011		Average	
	Goal	Accomp.	Goal	Accomp.	Goal	Accomp.	Goal	Accomp.	Goal	Accomp.	Goal	Accomp.
Aspen ¹	620	729	620	716	850	928	870	853	1,189	1,191	830	883
Nor. Hdwd	700	720	800	803	900	721	900	418	914	973	843	727
Red Oak	550	592	550	533	670	554	670	607	808	798	650	617
Paper Birch	200	79	200	60	200	16	200	156	200	38	200	70
Scrub Oak	85	90	85	89	85	15	85	167	85	188	85	110
Red Pine	584	599	752	731	749	572	870	743	978	987	787	726
Jack Pine	350	286	354	353	405	413	540	518	516	480	433	410
White Pine	100	38	50	6	50	76	50	15	50	35	60	34
Fir/Spruce	100	6	100	0	100	33	100	180	100	140	100	72
Swamp Conifer ²	0	0	0	0	0	0	0	0	142	160	28	32
Swamp Hdwd. ²	0	0	0	0	0	0	0	0	126	0	25	0
Total	3,289	3,139	3,511	3,291	4,009	3,328	4,285	3,657	5,108	4,990	4,040	3,681

¹ Greater accomplishments are a result of managing some of the backlog

² Timber types included in goals starting in 2011

Table 5 displays a summary of how the accomplishments for the sustainable timber harvest program are allocated (2012 and 2013 are estimates). In general, most of the harvest goal is in the form of a timber sale, however, there are occasions when a stand is updated and managed at a later date. Updates typically occur when a stand has not attained the predicted amount of growth in between harvests, when the data describing the stand is incorrect, or when the stand is removed from management due to a restrictive feature i.e. riparian buffers or inoperable slopes.

Table 5: Bayfield County Forest Sustainable Harvest Summary (acres)

Year	Management Goal	Timber Sale Establishment	Stand Update	Total Accomplishments
2007	3,289	2,950	221	3,171
2008	3,511	2,736	573	3,309
2009	4,009	3,157	243	3,400
2010	4,285	3,331	326	3,657
2011	5,108	4,491	499	4,990
2012	5,234	4,500	734	5,234

2013	5,000	4,500	500	5,000
Average	4,348	3,666	372	3,705

The differences in total accomplishments displayed in Tables 4 and 5 are a result of managing non-forested stands i.e. grass or upland brush, which had been previously mistyped. These stands show up in the total accomplishments, but not in the goals developed for forested stands. Again, note the significant difference in accomplishments starting in calendar year 2011. Total accomplishments increased over 47% compared to the average from 2007 to 2010. 2011 marks the first year with the additional forester position.

- 2) Timber sale program: Bayfield County offers two timber sale lettings per year, one in the spring and one in the fall. Table 6 displays the summary of timber sale offerings since 2007 (2012 and 2013 are estimates). This table describes the total number of sales sold per year, as well as total acres, the total value of the winning high bids, the average bid value per acre and total actual revenues received from the sale of timber.

Table 6: Bayfield County Forest Timber Sale Summary

Calendar Year	Sales Offered	Acres Offered	Sales Sold	Acres Sold	Acres Not Sold	Timber Sale Bid Values	Bid Value per Acre	Timber Revenues
2007	59	3,771	45	3,157	614	\$2,140,897	\$678	\$2,167,156
2008	58	3,546	55	3,507	39	\$2,381,513	\$679	\$2,621,308
2009	45	3,297	42	3,100	197	\$2,510,601	\$810	\$2,305,259
2010	40	3,218	40	3,218	0	\$2,404,178	\$747	\$2,047,663
2011	54	4,156	54	4,156	0	\$3,629,330	\$873	\$2,477,066
2012	52	4,500	52	4,500	0	\$4,006,984	\$890	\$2,600,000
2013	52	4,500	52	4,500	0	\$3,408,719	\$757	\$2,400,000
Average	51	3,855	48	3,734	121	\$2,926,032	\$757	\$2,374,065

- 3) Reforestation program: Reforestation is an integral part of forest management. Bayfield County manages one of the largest public land reforestation programs in the state of Wisconsin. The direct seeding of jack pine in the Barnes Barrens Management Area will be added to the program in 2013. In general, there will be a decrease in red pine planting and an increase in jack pine seeding over the next decade. As a result, total reforestation costs are expected to decrease. Site preparation and plantation maintenance are expected to stay relatively constant.

Table 7: Bayfield County Forest Reforestation Program Summary 2007 - 2013 (acres)

Year	Planting				Seeding	Site Preparation				Maintenance		Monitoring
	Red Pine	Jack Pine	White Pine	Other*	Jack Pine	Trench	Fire Plow	Scarify	Spray	Rx Fire	Spray	Survival Counts
2007	406	23	144	0	0	535	93	19	308	97	0	2,121
2008	378	207	24	0	0	796	88	0	442	0	0	1,683
2009	487	415	0	0	0	726	72	0	348	40	0	2,652
2010	367	196	0	0	0	363	118	0	420	42	305	2,183
2011	319	153	35	68	0	900	88	0	186	21	324	1,424
2012	295	107	274	0	0	0	201	0	728	32	609	2,700
2013	336	28	59	0	575	200	0	0	100	0	400	3,000
Avg	370	161	77	10	82	503	94	3	362	33	234	2,252

* In 2011, tamarack and white spruce.

In addition, two deer exclusions fences have been installed on the County Forest to monitor the effects that over browsing has on regenerating red oak, paper birch and white pine. The fence sites are located in Iron River and Cable and total 29 and 50 acres, respectively. Table 7 displays the summary of the reforestation program from 2007 through 2011 (2012 and 2013 are estimates).

- 4) Forest Reconnaissance Program: forest reconnaissance, or updating stand information, is a critical aspect of the forest management program. The development of annual and long term goals is nearly entirely dependent on the accuracy of information for each stand in the database. Maintaining accurate and up-to-date stand information is essential. Table 8 displays the summary of compartment/stand updates from 2007 through 2011 (2012 and 2013 are estimates):

Table 8: Bayfield County Forest Stand Updates (acres)

Year	Goal	Accomplishment
2007	17,000	11,002
2008	17,000	9,807
2009	10,000	2,872
2010	10,000	4,079
2011	10,000	9,728
2012	10,000	6,000
2013	10,000	10,000
Average	12,000	7,641

MISSION STATEMENT

The mission of this department is to manage, conserve and protect the resources of the Bayfield County Forest in a manner that ensures optimum production of forest products together with providing recreational opportunities, wildlife habitat, watershed protection and the stabilization of stream flow. Management practices that focus on sustainability and multiple use will ensure a wide variety of forest products and amenities for current and future generations. Natural resources, such as those provided by the Bayfield County Forest, provide valuable social, economic and

environmental benefits that are important to our quality of life.

County Forest resources will also be managed to minimize adverse effects from natural catastrophes such as fire, insect and disease outbreaks, and from human threats such as encroachment, over utilization, environmental degradation, and excessive development.

Management of the County Forest must balance local needs with broader ecological concerns through the integration of forestry, wildlife, fisheries, endangered species protection, water quality, soil capability, and recreational opportunities. Multiple use management provides the assurance of maximum public benefit.