



BAYFIELD COUNTY FORESTRY AND PARKS DEPARTMENT

2018 BUDGET NARRATIVE

BUDGET SUMMARY AND HIGHLIGHTS

Revenues: Forest Management Program

Traditionally, all revenues received over the course of a year came from the management of the County Forest, primarily through stumpage. However, over the past few years, the Forestry Department has been assigned primary management responsibilities of both the county parks (added in 2011) and trails programs (added in 2013).

In addition to the revenues received from the sale of wood (stumpage), the Forestry and Parks Department now collects revenues from camping and other parks related activities, including the newly constructed yurts (two yurts were constructed in 2016, one in Bayfield and one in Cable), as well as monies pertaining to state funded motorized trail maintenance, rehabilitation and construction.

Sale of Wood (Timber Sales)

The sale of wood is the primary source of revenue for the Forestry and Parks Department (approximately 95% of total revenues received from the County Forest management program and 87% Department wide, which now includes parks and trails).

Revenues from the sale of wood on the County Forest for the calendar year 2018 are projected to increase by roughly 4%, from the adopted budget of \$3.11 million in 2017 to a conservative estimate of \$3.23 million.

Much of the predicted revenue increase is the end result of adding a new forester position in 2011, as well as the addition of 2,602 acres of forest land to the County Forest, via the Knowles-Nelson Stewardship Land Acquisition grant (in 2015). The new position was added, in part, to assist in the management of a growing sustainable timber harvest goal. The total sustainable harvest goal for 2018 is 5,030 acres, which is an increase of over 60% since 2006.

Table 1 displays the number of timber sales, acres and bid values from 2007-2018 (2017 & 2018 are estimates).

Table 1: 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	53	4,782	53	4,782	0	\$4,900,194	\$1,025	\$2,696,756
2013	54	4,275	53	4,177	98	\$3,614,091	\$865	\$3,904,104
2014	61	4,388	61	4,388	0	\$5,252,530	\$1,197	\$4,561,503
2015 ^a	57	5,215	54	4,958	257	\$6,507,887	\$1,313	\$5,007,156
2016 ^b	64	4,750	64	4,750	0	\$4,745,850	\$999	\$5,062,743
2017	55	4,650	55	4,650	0	\$4,550,000	\$978	\$4,500,000
2018	55	4,600	55	4,600	0	\$4,500,000	\$978	\$3,230,000
Average	55	4,221	53	4,120	100	\$3,928,089	\$929	\$3,381,726

^a Includes \$13,506.80 generated from the management of non-county forest lands.

^b Includes \$15,393.90 generated from the management of non-county forest lands.

Periodically, the Forestry and Parks Department manages county owned forest land that is not part of the County Forest. Much of this land was included with the 2015 Stewardship grant and will be enrolled in County Forest Law (CFL). However, a few parcels will remain as county owned, without the County Forest designation. When these parcels are managed, sale of wood revenues are designated as non-CFL in the budget. The budget for non-CFL timber sale revenue in 2017 was \$10,000. The budget for 2018 is \$0.00, as harvesting non-CFL lands is not anticipated next year.

The additional forester has given this Department the ability to 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 was just over 3,000 acres. In 2011, the Department established nearly 4,500 acres of new sales and is projecting annual sustainable harvest goals between roughly 4,500 and 5,000 acres. The \$85,000 investment dedicated to the new forester position will generate additional sale of wood revenues ranging from \$1.0 to \$1.5 million per year!

In 2014, the total value of new timber sales was over \$5.2 million! In 2015, new sales reached \$6.5 million! Since then, markets have receded slightly, but new sale value predictions for 2017 and 2018 are about \$4.5 million each. Prior to 2011, this Department averaged approximately \$2.36 million in new timber sales per year. Since 2012, the average total value of new sales is approximately \$4.9 million, an increase of nearly 2.1 fold.

As long as markets continue to stay constant (and, again, they have receded slightly), the value of new timber sales should average around \$4.25 to \$4.75 million per year. Furthermore, the added sales have the potential to foster new job opportunities and supply local wood product industries with the material they need to maintain productivity.

It takes a while before changes in the timber management program come to fruition. In 2013, by eclipsing the \$3.0 million stumpage revenue mark (for the first time) and nearly reaching \$4.0 million, we finally started to see returns from the investment in the new forester. In 2014, we surpassed \$4.5 million in stumpage revenues. In 2015, we reached \$5.0 million. And in 2016 we exceeded \$5.05 million! Projections for 2017 are between \$4.25 and \$4.75 million (estimating \$4.5 million in the budget). The budget for 2018 is a conservative \$3.23 million.

Table 2 displays the budgeted and actual sale of wood revenues since 2007. Sale of wood revenues occasionally include volumes harvested from non-CFL lands (the revenues for 2017 and 2018 are estimated):

Table 2: 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	\$2,696,756	\$501,756
2013	\$2,400,000	\$3,904,104	\$1,504,104
2014 ^a	\$2,751,565	\$4,561,503	\$1,809,938
2015 ^b	\$3,404,306	\$5,007,156	\$1,602,850
2016 ^b	\$3,139,200	\$5,062,743	\$1,923,543
2017	\$3,110,000	\$4,500,000	\$1,390,000
2018	\$3,230,000	\$3,230,000	\$0
Average	\$2,431,581	\$3,381,726	\$950,145

^a Amended budget

^b Amended budget. Includes revenue from county owned land not part of the county forest

Maximizing the potential of the forest, combined with a very strong market, has sparked these record revenues. The market will eventually stabilize and stumpage prices will, and already have, come down. In the end, all we can do (all that is really within our control) is continue to reach the sustainable harvest goals and offer high quality sales for competitive bidding.

The new forester position has been in place for over six full seasons. Production or outputs, as well as revenues, have begun to normalize. In general, timber sale contracts are two years in length, with the potential for two 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. Between 2013 through the estimate for 2017, actual sale of wood revenues have averaged roughly \$4.6 million per year, compared to \$2.3 million prior to 2012 (or roughly double). Assuming constant markets and stable

establishment goals, actual revenues from the sale of wood are projected to hover around \$4.0 million per year (again, the stumpage revenue budget for 2018 is very conservative at \$3.23 million).

Other Revenues: Grants, Aids and Loans

Revenues from other sources, including grants, aids and leases, are estimated to remain relatively stable in 2018.

Table 3 displays total actual revenues received per account type since 2006. Revenues for 2017 and 2018 are estimated:

Table 3: Forest Management Program Revenues per Account Type (2017 & 2018 are estimates)

Year	Sale of Wood ¹	Grants ²	Road Aid	Loans	Permits	Sand/Gravel	Leases	Transfers ³	Other ⁴	Total
2006	\$1,615,584	\$51,536	\$8,037	\$84,548	\$1,160	\$165	\$0	\$0	\$37,948	\$1,798,978
2007	\$2,167,270	\$61,142	\$9,418	\$84,588	\$850	\$5,168	\$0	\$80,230	\$85,354	\$2,494,020
2008	\$2,621,308	\$115,456	\$10,440	\$84,588	\$995	\$3,060	\$0	\$0	\$1,263	\$2,837,110
2009	\$2,305,259	\$87,996	\$12,126	\$84,669	\$553	\$150	\$0	\$0	\$2,309	\$2,493,062
2010	\$2,047,663	\$75,645	\$11,390	\$84,667	\$2,715	\$9,442	\$0	\$0	\$2,532	\$2,234,054
2011	\$2,477,066	\$98,713	\$11,347	\$84,667	\$2,004	\$563	\$0	\$0	\$26,989	\$2,701,349
2012	\$2,696,756	\$80,299	\$11,330	\$0	\$1,597	\$19,544	\$8,034	\$0	\$29,309	\$2,846,869
2013	\$3,904,534	\$117,504	\$11,896	\$0	\$2,320	\$0	\$8,275	\$0	\$3,548	\$4,048,077
2014	\$4,561,503	\$65,082	\$11,917	\$0	\$1,090	\$16,500	\$8,523	\$0	\$4,243	\$4,668,859
2015	\$5,007,156	\$2,337,972	\$11,918	\$0	\$1,835	\$0	\$8,779	\$0	\$2,901	\$7,370,561
2016	\$5,062,743	\$96,868	\$11,942	\$0	\$1,689	\$0	\$9,042	\$0	\$30,334	\$5,212,618
2017	\$4,500,000	\$124,002	\$11,953	\$0	\$1,000	\$500	\$9,313	\$0	\$5,000	\$4,651,768
2018	\$3,230,000	\$149,060	\$11,953	\$0	\$1,000	\$0	\$9,592	\$0	\$3,500	\$3,405,105
Avg	\$3,245,911	\$266,252	\$11,205	\$39,056	\$1,447	\$4,238	\$4,735	\$6,172	\$18,095	\$3,597,110

¹ Includes revenue from county owned land not part of the county forest.

² CY 2015 includes revenue received from the Knowles-Nelson Steward Grant for land acquisition (\$2,259,857.46).

³ From General Fund or Non-Lapsing accounts.

⁴ Includes donations, equipment sales, use agreements, etc.

Numerous fixed and miscellaneous competitive grants are applied for throughout the year and have the potential to provide additional significant revenues. The fixed or known grants are included in the budget figures, while those that are competitive or unknown are not, though, if awarded, have the potential to significantly increase revenues.

The WDNR Sustainable Forestry Grant and Arbor Day Grant are two good examples of grants that have been received mid-budget. In 2015, a Knowles-Nelson Stewardship Land Acquisition grant was awarded to the Department. This grant was valued at \$2,259,857 and was used towards the purchase of 1,855 acres of forest land (747 acres of county owned, non-CFL lands was also part of the project – totaling 2,602 acres). It is anticipated that another Stewardship grant will be applied for either late 2017 or early 2018. If awarded, the grant would significantly increase revenues in the 2018 budget (as well as expenditures).

Starting in 2016, the Department entered into an agreement with the state to assist in the establishment of timber sales on federal land. Termed Good Neighbor Authority (GNA), county staff are essentially contractors of the state with the goal of assisting in the management of Forest Service properties (exclusively on the Chequamegon-Nicolet National Forest). All Departmental expenses associated with

the establishment of timber sales, as part of GNA, are reimbursed through the agreement. In addition, the Department is reimbursed overhead, typically at a rate somewhere between 8 and 10% of total expenses. The budget for GNA revenues was set at \$34,000 in 2017 and is estimated to be \$36,000 in 2018. Expenses will generally offset revenues, but are estimated to be 8 to 10% lower, depending on the calculated overhead rates.

Table 4 isolates and summarizes the total amount of revenues received from the major grants, aids and leases awarded to the Department from 2008-2018, with an emphasis on the fixed or known awards (the amounts for 2017 and 2018 are estimated):

Table 4: Bayfield County Forestry and Parks Department Summary of Major Grants, Aids and Leases

Year	County Forest Administrator	Wildlife Habitat Improvement	County Forest Road Aid	Sustainable Forestry	County Conservation	Arbor Day	Cell Tower Lease	Total
2008	\$31,933	\$16,929	\$10,440	\$39,720	\$4,125	\$0	\$0	\$103,146
2009	\$35,762	\$16,945	\$12,126	\$33,000	\$2,289	\$0	\$0	\$100,122
2010	\$44,039	\$8,472	\$11,390	\$6,205	\$3,807	\$20,400	\$0	\$94,313
2011	\$44,039	\$8,472	\$11,347	\$0	\$0	\$46,202	\$0	\$110,060
2012	\$46,877	\$8,472	\$11,330	\$0	\$6,500	\$18,450	\$8,034	\$99,663
2013	\$47,814	\$8,416	\$11,896	\$46,329	\$0	\$12,450	\$8,275	\$135,179
2014	\$52,885	\$8,015	\$11,917	\$0	\$4,183	\$0	\$8,523	\$85,522
2015	\$51,210	\$7,991	\$11,918	\$0	\$0	\$13,260	\$8,779	\$93,158
2016	\$51,382	\$7,986	\$11,942	\$37,500	\$0	\$20,250	\$9,042	\$138,102
2017	\$53,595	\$8,067	\$11,953	\$0	\$14,000	\$4,340	\$9,314	\$101,269
2018 ^a	\$53,000	\$8,067	\$11,953	\$38,000	\$3,993	\$10,000	\$9,592	\$134,605
Average	\$46,594	\$9,803	\$11,656	\$18,250	\$3,536	\$13,214	\$5,596	\$108,649

^a Estimated.

The County Forest Administrator grant, Wildlife Habitat Improvement grant, County Forest Road aids, County Conservation grant and Cell Tower lease are all fixed awards and can be relied upon annually. However, many of the above mentioned awards are based upon formulas and capped at specific levels, so funding amounts can, and do, fluctuate slightly on an annual basis. The Sustainable Forestry Grant and Arbor Day grant are both competitive and, as such, are not guaranteed.

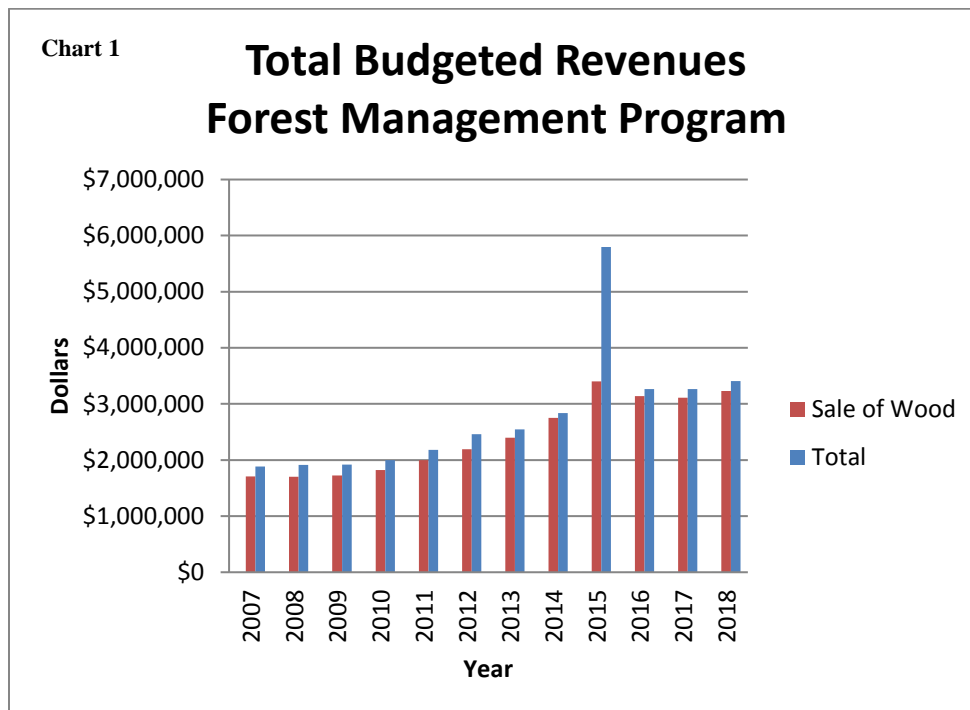
As displayed in Table 4, during the times when a Sustainable Forestry grant or larger Arbor Day grants have been awarded, the total amounts received are significantly higher. The total amount of revenue to be received from the various grants, aids and leases is estimated to be approximately \$134,605 in 2018, which represents an increase of about 32% when compared to 2017.

Total Revenues: Forest Management Program

In summary, 2018 budgeted sale of wood revenues increased by slightly less than 4% when compared to 2017. Total budgeted revenues increased by slightly more than 4% over the same period. The budget for sale of wood revenues has steadily increased over the past 8 years, by over 89% since 2007.

Total revenues for the forest management program are projected to be \$3,405,105, which is roughly 4.3% greater than 2017 and nearly 81% greater than budgeted revenues for 2007 (see Table 8).

Chart 1 illustrates the total budgeted revenues for the forest management program from 2007-2018 (the significant spike in total revenues for CY 2015 is the result of amending the \$2.26 million Stewardship grant into the budget).



Revenues: Recreation/Parks Program

Parks/Campgrounds

The Forestry Department was assigned the management of all county owned 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, including camping (the primary revenue source), boat launch, boat mooring, and kayak/canoe rental, among others. Revenues received from camping account for roughly 88% of the total receipts from the parks program.

Table 5 summarizes the actual annual revenues per park (2017 and 2018 are estimated):

Table 5: Annual Distribution of Net Revenues for the Parks Program (2017 and 2018 are estimated)

Year	Twin Bear				Delta Lake				Big Rock				Atkins Lake				Grand Total
	Camping	Boat Launch	Other*	Total	Camping	Boat Launch	Other*	Total	Camping	Boat Launch	Other*	Total	Camping	Boat Launch**	Other*	Total	
2011	\$41,440	\$7,040	\$2,370	\$50,849	\$22,367	\$801	\$42	\$23,210	\$2,812	\$0	\$0	\$2,812	\$0	\$261	\$0	\$261	\$77,131
2012	\$47,855	\$6,163	\$2,430	\$56,448	\$27,080	\$861	\$57	\$27,998	\$3,860	\$0	\$0	\$3,860	\$0	\$215	\$0	\$215	\$88,521
2013	\$44,602	\$5,324	\$2,092	\$52,018	\$18,982	\$912	\$55	\$19,950	\$3,524	\$0	\$0	\$3,524	\$0	\$181	\$0	\$181	\$75,672
2014	\$46,523	\$4,649	\$2,649	\$53,822	\$18,201	\$1,005	\$97	\$19,303	\$3,733	\$0	\$0	\$3,733	\$0	\$689	\$0	\$689	\$77,547
2015	\$48,156	\$6,152	\$2,528	\$56,835	\$18,327	\$981	\$868	\$20,176	\$5,118	\$0	\$0	\$5,118	\$0	\$0	\$0	\$0	\$82,129
2016	\$48,472	\$6,109	\$2,673	\$57,254	\$23,399	\$952	\$908	\$25,258	\$6,209	\$0	\$0	\$6,209	\$0	\$0	\$0	\$0	\$88,721
2017	\$56,650	\$6,850	\$2,800	\$66,300	\$25,000	\$1,000	\$1,000	\$27,000	\$6,700	\$0	\$0	\$6,700	\$0	\$0	\$0	\$0	\$100,000
2018	\$48,500	\$6,150	\$2,500	\$57,150	\$23,000	\$950	\$900	\$24,850	\$6,500	\$0	\$0	\$6,500	\$0	\$0	\$0	\$0	\$88,500
Avg	\$47,775	\$6,054	\$2,505	\$56,334	\$22,045	\$933	\$491	\$23,468	\$4,807	\$0	\$0	\$4,807	\$0	\$168	\$0	\$168	\$84,778

* Includes boat mooring, boat rental, dump station and shower fees, if applicable.

** Starting in 2015, there is no charge for the use of the Atkins Lake boat launch.

In 2016, the parks program established a new record in total revenues at \$88,721. For CY 2017, total revenues in the parks program are expected to establish yet another all-time high, with the potential to surpass the \$100,000 mark (an increase of over 32% when compared to 2013). Achieving that milestone is a direct result of significant modifications made throughout all facilities, particularly the two most prominent campgrounds, Twin Bear and Delta Lake.

Park revenues peaked in 2012, which was directly correlated to a period of time when the total number of seasonal campsites were at an all-time high. Since 2012, the Department restructured the number and placement of seasonal sites, with an emphasis on keeping prime locations open to transient use and significantly reducing the number of campsites that could be rented for an entire season. The goal of that re-structure was to open up the campgrounds to more transient and day use, with the hope that more families and individuals could enjoy the facilities. Seasonal sites essentially provided upfront, guaranteed revenue. So, reducing the number of seasonal campsites available would come at a short term cost.

As with any change, it can take a little while before people take notice. Revenues declined slightly in 2013, but slowly increased every year thereafter, until reaching new record levels in both 2016 and 2017. In addition to the revenue generating activities like camping and the boat launch, improvements to the beaches, the installation of new playground equipment and investments made in additional fishing piers have contributed to the dramatic increase in day use, especially at Twin Bear and Delta Lake. Plus, Wi-Fi was added at both Twin Bear and Delta Lake.

For CY 2018, total revenues from the Parks program are conservatively estimated at \$88,500. Weather conditions can have a significant impact on potential revenues, which factors into the conservative estimate.

Table 6 summarizes actual revenues received as part of the Parks program per major category (2017 and 2018 are estimated):

Table 6: Total Parks Revenue by Category

Year	Camping	Boat Launch	Other	Total
2011	\$66,619	\$8,101	\$2,411	\$77,131
2012	\$78,795	\$7,239	\$2,487	\$88,521
2013	\$67,108	\$6,418	\$2,147	\$75,672
2014	\$68,458	\$6,343	\$2,746	\$77,547
2015	\$71,600	\$7,133	\$3,396	\$82,129
2016	\$78,080	\$7,061	\$3,581	\$88,721
2017	\$88,350	\$7,850	\$3,800	\$100,000
2018	\$78,000	\$7,100	\$3,400	\$88,500
Avg.	\$74,626	\$7,155	\$2,996	\$84,778

In 2017, camping revenues are predicted to increase by roughly \$10,000 when compared to 2012 (when seasonal campsites were at an all-time high) and by over \$20,000 when compared to 2013.

To put that into perspective, one seasonal site produces camping opportunities for one family (for the entire season). At Twin Bear and Delta Lake, it basically costs \$29/night to camp (with some price modifications if rented by the week, or longer). Because seasonal campsites were significantly reduced in number, the increase in camping revenues are directly related to an increase in transient campers.

Generating an additional \$10,000 equates to about 350 rentals (individuals or families), while an increase of \$20,000 is roughly 700 more individual (or family) uses. So far, we've accomplished the goal of increasing the overall use of our facilities and have significantly increased revenues as a result.

Yurts – County Forest

Late 2016, the Department finished the construction of two rustic yurts. These yurts are located on county forest land, with the goal of providing rustic camping opportunities to the public. One yurt is located in the Town of Bayfield, west of Mt. Ashwabay, and the other is located in the Town of Cable, east of the North End cabin. Both yurts are located adjacent to designated and maintained non-motorized recreational networks and have direct, four season access to mountain bike, cross-country ski, snowshoe and hiking trails.

Each yurt comes equipped with a deck, wood burning stove (firewood provided), two bunkbeds, outdoor pit toilet, outdoor fire pit area, and numerous picnic tables. The yurt in Bayfield commands an exceptional view of Lake Superior and the Onion River Valley, while the yurt in Cable provides a classic back country, Northwoods experience. Both are 5 to 10 minute hikes from the designated parking areas. Both yurts are listed and managed, by the Department, exclusively through Airbnb.

The yurt at Bayfield was open for rent around the middle of October 2016, while the Cable location was ready in mid-November. For the short time they were open in 2016, the Bayfield yurt was rented a total of 42 nights, while the Cable yurt a total of 10 nights. In total, \$3,213 was generated in net revenues from the combined rentals of both yurts (as each yurt rental is subjected to sales and local room tax).

The 2017 revenue budget for yurt rentals was set at a conservative \$12,000, which equates to about 25% occupancy of both yurts, combined. Actual total yurt net revenues for 2017 are projected to be around \$22,000 or nearly double the estimated budget. Both yurts are performing extremely well and have received rave reviews. By the end of 2017, occupancy at the Bayfield yurt is expected to hover around 70 to 75%, for the entire year, while Cable will finish in the range of 40 to 45%.

Net revenues for yurt rentals in 2018 are estimated to be \$18,500, which, again, is conservative, especially considering the general lack of long term use histories.

Revenues: Trails Program

The primary source of revenue for the trails program comes from the State of Wisconsin in the form of maintenance on existing trails.

Table 7 summarizes the total amount of annual maintenance funds received per trail type:

Table 7: Mileage and Funding For Trails Managed by Bayfield County

Trail Type	Miles	Rate/Mile	Total
Snowmobile Maintenance	437	\$250	\$109,250
ATV Summer Maintenance	86.75	\$600	\$52,050
ATV Winter Maintenance	168.15	\$100	\$16,815
UTV Maintenance	86.75	\$100	\$8,675
Total			\$186,790

The Forestry and Parks Department was assigned the management of the county trails program starting the summer of 2013. This primarily includes the active field management of the county wide, state funded ATV/UTV and snowmobile trail programs. Promotion and advertising of the state funded trail system will still be handled by the Tourism Department, but with direct assistance from Forestry and Parks.

Additional state grants for new trails, or repairs to existing infrastructure, are also applied for annually. Awards are based primarily on available funding and are not guaranteed from year to year. Bayfield County also typically receives a state supplemental snowmobile trail grant every year (if applicable). These grants can be used to help cover the costs of maintaining trails, where routine maintenance has exceeded available funds. Supplemental funds are also subjected to availability, are pro-rated based on the amount requested from other county applications throughout the state and, therefore, are not guaranteed to cover 100% of the overage. Depending on these factors, Bayfield County has seen supplemental requests funded at rates from 60% to 100%.

Most supplemental and new project grants are awarded after the completion of the budget. Budgets are typically amended to reflect the value of awarded new projects. The total estimated revenue budget for trails in 2018 is \$186,790 (which just reflects the amounts associated with routine annual maintenance).

Total Revenues: Forestry, Parks and Trails

Table 8 describes total budgeted revenues per program type from 2007-2018 (2017 and 2018 are estimated).

Table 8: Total Budgeted Revenues Per Program¹

Calendar Year	Forest Management	Parks²	Trails³	Total
2007	\$1,885,971	\$0	\$0	\$1,885,971
2008	\$1,912,971	\$0	\$0	\$1,912,971
2009	\$1,918,763	\$0	\$0	\$1,918,763
2010	\$1,999,655	\$0	\$0	\$1,999,655
2011	\$2,183,591	\$87,250	\$0	\$2,270,841
2012	\$2,460,449	\$80,000	\$0	\$2,540,449
2013	\$2,666,238	\$80,000	\$352,878	\$3,099,116
2014	\$2,835,707	\$80,000	\$195,465	\$3,111,172
2015 ⁴	\$5,797,998	\$83,000	\$272,832	\$6,153,830
2016	\$3,233,380	\$78,000	\$339,997	\$3,651,377
2017	\$3,263,241	\$97,500	\$186,790	\$3,547,531
2018	\$3,405,105	\$107,000	\$186,790	\$3,698,895
Average	\$2,796,922	\$86,594	\$255,792	\$3,139,308

¹ Amended budget.

² Starting in 2017, includes revenue from two yurts.

³ 2013 figure included already approved new construction grants when transferred to Forestry.

⁴ Includes \$2,265,770 for the Stewardship grant.

Total revenues for the combined management of the forestry, parks/recreation and trails programs are estimated to be \$3,698,895 for 2018. This represents an increase of roughly 4.3% when compared to the 2017 budget, an increase of approximately 63% when compared to 2011 and nearly double when compared to 2007.

As previously stated, due to a variety of reasons, sale of wood revenue has traditionally been estimated conservatively. As a result, actual revenues have routinely exceeded the budget, oftentimes significantly. From 2007 through the estimate for 2017, the actual sale of wood revenues have exceeded budgeted revenues every year, by an average of nearly 45%, with 2013 through 2017 (predicted) generating substantial surpluses (see Table 2).

The reasons to estimate stumpage revenues conservatively are primarily two-fold: 1) as a reaction to the long term nature of the Departments timber sale contract; and 2) due to relative instabilities in wood markets. To budget accurately, we are projecting when a sale will be harvested (at some point over, potentially, a four year period) and forecasting market conditions at the time when future sales are sold. Both predictions combine elements of risk and speculation, hence the conservative estimates.

With that said, since 2007, the Department has steadily increased budgeted sale of wood revenues, with the estimate for 2018 nearly doubling the amount from 2007. In general, the budget for sale of wood revenues has increased by a total of over \$1.2 million since 2011 (see Table 2). That equates to an average increase of roughly \$155,000 per year over that same time period.

From 2007 through 2018, overall budget revenues for the forest management program have increased by nearly 81%. At \$3,405,105, total forest management budgeted revenues for 2018 are the highest level to date (the amended budget for 2015 was higher, but that was due to adjustments made with regards to the Stewardship grant). As we move past \$3.0 million in budgeted sale of wood revenues (\$3.23 million for 2018), the margin for error will significantly decrease and the potential to generate less than the budget will increase.

Expenditures: Forest Management Program

The forest management program accounts for the vast majority of total expenses within the Department. The most significant expenses include personnel, general operating costs associated with managing the 172,000 acre county forest, reforestation, and payments to each township that contain county forest acreage.

Personnel Expenses

The single most significant expense incurred by the Forestry and Parks Department is personnel. In 2011, the management of County parks and campgrounds was transferred from Tourism to Forestry. In the summer of 2013, the Trails Program was also moved from Tourism to Forestry and Parks. As part of those transitions, the Department created a new full time position – Recreation Forester.

The Department now consists of 9 full time positions including: 4 foresters, 1 recreation forester, 1 forest technician, 1 office manager, 1 assistant administrator and 1 administrator (note: nearly half of the administrator's salary and benefits are reimbursed to the county by the Wisconsin DNR, through the County Forest Administrator grant). One or two interns are also added during the summer months.

Table 9 summarizes the total budgeted expenses pertaining to wages and fringe benefits from 2007 through 2018. Fringe includes costs associated with health insurance, life insurance, retirement, FICA/Medicare contributions, Forestry and Parks Committee per diems and health reimbursement accounts (HRA).

Table 9: Summary of Budgeted Personnel Related Expenses

Year	Wages	Fringe	Total
2006	\$288,634	\$131,123	\$419,757
2007	\$294,411	\$143,825	\$438,236
2008	\$312,348	\$148,848	\$461,196
2009	\$312,261	\$138,104	\$450,365
2010	\$323,578	\$192,046	\$515,624
2011	\$366,335	\$233,695	\$600,030
2012	\$393,507	\$206,574	\$600,081
2013	\$440,786	\$233,577	\$674,363
2014	\$456,743	\$236,632	\$693,375
2015	\$477,382	\$238,663	\$716,045
2016	\$498,733	\$247,295	\$746,028
2017	\$503,277	\$267,565	\$770,842
2018	\$544,513	\$320,040	\$864,553
Average	\$354,289	\$184,936	\$611,577

Aside from the additions of new full time staff (one added in 2011 and one added in 2013), the cost of health insurance has been the biggest contributor to the increase in personnel expenses. Since 2007, the total cost of health insurance within the Department has increased by nearly 2.5 times, while wages have increased by 1.85 times during that same time period. Changes in health care coverage and the employment of summer interns also contribute to the increases (for example, moving from an individual plan to a family plan increases the cost of health insurance by approximately \$14,000 per occurrence).

Starting CY 2018, the Department is proposing the addition of one new full time position. This new position would be responsible for providing a lead role on forest monitoring (stand level and reforestation, as well as associated data collection, analysis and reporting), including the development and implementation of permanent Continuous Forest Inventory plots (CFI), in addition to all things regeneration. Monitoring and reforestation are both fundamental components of forest management.

In addition to taking the lead on forest monitoring and analysis, this position will close the gap on the numerous other program deficits (an emphasis on monitoring, but also providing assistance across all facets of the forest management program). Many of the current deficits, that would be addressed by this new position, are a direct result of the increased workloads created through maximizing the sustainable harvest, which started in CY 2011.

In 2018, total personnel expenses, are expected to be around \$865,000, an increase of approximately 12% when compared to 2017.

Township Payments

The second most significant recurring budgeted expense(s) are combined payments to towns. Townships that contain county forest acreage receive a state mandated payment equal to ten (10) percent of net revenues generated from the sale of wood (stumpage) on county forest lands. The distribution of this money is based solely on the percentage of acreage contained within each township, regardless of where actual timber harvesting occurred.

Table 10 describes the total average annual payments received by each township that contains Bayfield county forest acreage. DNR PILT payments (payment in lieu of taxes) are made directly by the State of Wisconsin to each town (at a rate of \$0.30/acre) and were included in this table to display the total direct net revenues received by each township that contains county forest acreage.

Table 10: Average Annual Revenues per Township (2010-2017)

Township	County Forest Acreage	Avg. Bayfield County 10% Timber Sales	DNR PILT Payments (\$0.30/ac)	Avg. Bayfield County Town Road Aids	Total Avg. Annual Compensation
Barnes	40,540	\$88,044.60	\$12,162.11	\$7,006.94	\$107,213.65
Bayfield	32,793	\$72,726.13	\$9,837.77	\$6,905.01	\$89,468.90
Bayview	13,151	\$28,862.12	\$3,945.44	\$4,955.27	\$37,762.83
Bell	14,585	\$32,346.13	\$4,375.51	\$4,214.27	\$40,935.92
Cable	5,556	\$12,322.64	\$1,666.90	\$2,343.75	\$16,333.29
Clover	5,387	\$11,946.20	\$1,615.97	\$2,974.08	\$16,536.25
Hughes	24,685	\$53,787.65	\$7,405.56	\$4,366.56	\$65,559.77
Iron River	6,042	\$13,400.12	\$1,812.67	\$3,000.00	\$18,212.79
Namakagon	547	\$1,516.70	\$164.04	\$0.00	\$1,680.74
Orienta	4,720	\$10,467.86	\$1,416.00	\$3,168.50	\$15,052.36
Port Wing	8,876	\$19,685.17	\$2,662.85	\$2,663.50	\$25,011.52
Russell	8,571	\$19,008.05	\$2,571.25	\$2,363.25	\$23,942.55
Tripp	6,540	\$14,503.03	\$1,961.86	\$4,899.00	\$21,363.89
Total	171,993	\$378,616.41	\$51,597.92	\$48,860.14	\$479,074.46

Record high 10% stumpage payments have been distributed to the towns over the past two years (\$499,305 in 2015; and \$504,200 in 2016). Estimated stumpage payments to the towns are projected to be \$450,000 in 2017 and \$323,000 in 2018.

As part of the large Knowles-Nelson Stewardship land acquisition project in 2015, county forest land was added to a variety of towns. Of the 2,602 acres added to the county forest, roughly 1,220 was located in the Town of Barnes, 630 acres in the Town of Hughes, and 200 acres in the Town of Bayview. In addition, approximately 547 acres was added to the Town of Namakagon, which, previously, did not contain county forest land.

In 2010, the Department adopted a Town Road Improvement Aid program. This program appropriated 1% of the total sale of wood revenues to town road improvement projects (triggered when actual revenues exceed budgeted revenues by 1%). In 2014, the Forestry and Parks Committee increased this fund to 2% of the sale of wood revenues and removed the trigger. About \$80,000 annually, worth of town road

projects were approved in 2015, 2016 and 2017. It is estimated that \$80,000 will be again be earmarked for projects that will commence in 2018.

Table 11 summarizes the total annual payments received by the towns since 2010. Again, only those towns that contain county forest lands receive compensation. The 10% timber sale (stumpage) payments, as well as the Town Road Aids are distributed by the county, while the DNR PILT payment is distributed by the state.

Table 11: Annual Total Payments to Towns (2017 & 2018 estimated)

Year	10% Timber Sales	Town Road Aids	DNR PILT	Total
2010	\$204,766.34	\$22,738.17	\$51,433.88	\$278,938.39
2011	\$247,706.64	\$20,160.63	\$51,433.88	\$319,301.15
2012	\$269,675.87	\$25,397.99	\$51,433.88	\$346,507.74
2013	\$390,410.42	\$26,967.56	\$51,433.88	\$468,811.86
2014	\$453,766.06	\$78,082.08	\$51,433.88	\$583,282.02
2015	\$499,305.78	\$80,853.86	\$51,433.88	\$631,593.52
2016	\$504,199.95	\$80,000.00	\$51,597.92	\$635,797.87
2017	\$450,000.00	\$80,000.00	\$51,597.92	\$581,597.92
2018	\$323,000.00	\$80,000.00	\$51,597.92	\$454,597.92
Avg.	\$371,425.67	\$54,911.14	\$51,488.56	\$477,825.37

Essentially, the larger the sale of wood revenues received by the county, the larger the collective payment distributed to the towns. As such, average town payments distributed between 2013 through the estimate for 2017 have been significantly greater than the average leading up to 2012 (approximately \$591,000.00 compared to \$316,000.00, respectively, or an increase of about 87%!), with a peak total payment of nearly \$636,000 in 2016. The Department’s goal of maximizing the sustainable management of the forest (starting CY 2011) provides direct financial benefits to the towns as well.

The total compensation to townships is expected to be roughly \$582,000 in 2017 and \$456,000 in 2018 (which, again, is based upon a conservative timber sale revenue estimate).

Reforestation

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, competition control or release, site preparation, and, on occasion, seedling protection. The treatment of invasive species has also been recently added to the list.

In the past, most of the reforestation budget revolved around artificial regeneration (planting and seeding). Expenses related to natural regeneration (red oak, northern hardwoods, paper birch, etc) are starting to increase and are predicted to become a more prominent component of the reforestation budget. Natural reforestation activities such as site preparation, competition control, and protection from browsing are all expected to increase significantly in the coming years and have the potential to equal or even exceed costs associated with artificial regeneration.

Total reforestation expenses for 2018 are estimated to be \$140,000. This represents a decrease of about 3.5% when compared to budgeted costs in 2017. Roughly \$94,000 of the reforestation budget is for planting, seeding and site preparation related expenses. Approximately \$34,000 is for the control of invasive species (primarily on forest roads in the Barrens area). The remaining expenses are for plantation release, other competition controls (primarily TSI – timber stand improvement) and seedling protection. See Table 11 for a summary of total reforestation expenses over the past decade.

Operating Expenses

Operating expenses is a general synthesis of various accounts that include nearly everything required to administer all programs associated with the management of the county forest. The most significant operating expenses include: mileage for the fleet of vehicles; materials and supplies for the establishment of timber sales; utilities for the garage; data processing and office supplies; repair, maintenance and improvements of roads and trails; repair and maintenance of field equipment and vehicles (ATV’s, snowmobiles, etc.); the expenditure of numerous grants, aids, awards, agreements and/or loans; publications, communications (i.e. cell phones), subscriptions, dues and professional development; and, more recently, expenses pertaining to the development, improvement and maintenance of recreational trails (located on county forest land).

The budget for 2018 includes potential funding from the DNR Sustainable Forestry Grant (in the amount of roughly \$38,000). If approved, these funds would help cover the costs associated with the establishment of permanent CFI plots, which, in turn, would help offset some of the initial expenses associated with the new position. Also, additional expenses for the Good Neighbor Authority (GNA) agreement (which are offset by added revenue) and the completion of previously approved grants (which are also offset by added revenue) contribute to operating expenses.

Operating expenses are projected to be nearly \$210,000 for 2018, an increase of approximately 11% when compared to the budgeted expenses for 2017.

Total Expenses: Forest Management Program

Table 11 displays total actual expenses incurred per account type since 2006 (2017 and 18 are estimated):

Table 11: Forest Management Program Expense Summary per Account Type

Year	Personnel	Operating	Reforestation	Town Payment	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	\$608,110	\$135,334	\$115,304	\$290,808	\$0	\$50,000	\$1,199,556
2013	\$655,895	\$162,133	\$92,486	\$418,674	\$0	\$0	\$1,329,187
2014	\$705,295	\$100,595	\$96,289	\$533,684	\$0	\$20,000	\$1,455,863
2015	\$714,068	\$136,781	\$134,095	\$572,143	\$0	\$2,614,447	\$4,171,534
2016	\$749,374	\$123,385	\$144,771	\$589,467	\$0	\$130,680	\$1,737,676
2017	\$771,409	\$228,562	\$145,000	\$530,000	\$0	\$0	\$1,674,971
2018	\$864,553	\$209,857	\$140,000	\$403,000	\$0	\$0	\$1,617,410
Average	\$537,821	\$127,166	\$128,198	\$290,961	\$39,056	\$244,120	\$1,528,662

Total forest management program expenses are estimated to be \$1.617 million in 2018. This represents a decrease of about 3.4% when compared to the estimated actual expenses for 2017 (\$1.675 million), but an increase of about 8.2% when compared to the budgeted amount for 2017 (\$1.495 million).

Expenses: Parks Program

Expenses relating to the management of the parks program are far less than those associated with managing the county forest. Primary expenses include contractual services for the caretaking of the grounds and facilities, waste management (garbage removal), utilities (electric and propane) and repair and maintenance. Contractual services are the largest parks management expense.

Repair and maintenance of the two county forest yurts were added to the 2017 budget. These expenses were estimated to be approximately \$4,000 in 2017. Expected expenses for the maintenance of the yurts are: firewood (for the woodstoves), trail passes, permit fees and general supplies and repairs.

Table 12 displays the annual budgeted expenses for the parks program since 2011.

Table 12: Annual Budgeted Expenses For the Parks Program

Year	Contractual Services	Utilities	Repair & Maintenance ¹	Other ²	Total	Actual ³
2011	\$22,500	\$10,550	\$10,000	\$830	\$43,880	\$42,205
2012	\$30,700	\$9,650	\$12,000	\$1,175	\$53,525	\$55,826
2013	\$31,270	\$10,125	\$12,000	\$1,400	\$54,795	\$53,839
2014	\$32,543	\$10,625	\$12,000	\$1,400	\$56,568	\$50,655
2015	\$35,000	\$14,525	\$12,000	\$1,400	\$62,925	\$54,956
2016	\$35,000	\$11,950	\$11,000	\$1,400	\$59,350	\$56,409
2017	\$34,000	\$11,650	\$12,500	\$1,350	\$59,500	\$57,435
2018	\$37,000	\$12,000	\$9,250	\$1,605	\$59,855	\$59,855
Average	\$32,252	\$11,384	\$11,344	\$1,320	\$56,300	\$53,897

¹ Yurt related expenses added for 2017

² Printing and Permit Related Expenses

³ 2016 and 2017 are estimated.

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 \$37,000 in 2018. The repair and maintenance of all four parks and two yurts, as well as all utilities, communications and miscellaneous fees are estimated to be approximately \$23,000. Total expenses for 2018 are estimated to be nearly \$60,000, a slight increase of roughly 0.6% from 2017. An expected increase in contractual services, combined with anticipated decreases in repair and maintenance are the primary reasons for virtually no net change in budgeted park expenses.

Expenses: Trails Program

The management of the trails program primarily involves maintaining existing motorized trail networks. In a nutshell, this basically means utilizing the annual allocation of maintenance funds provided by the State of Wisconsin, with expenditures offsetting revenues. Occasionally, new grants are awarded for the construction of new trails or major repairs to existing ones (trail rehabilitation). In the past, expenditures equaled revenues on all new construction or trail rehabilitation grants. However, new legislation may

require additional contributions on all future new construction or rehabilitation grants. This could mean a significant future expenditure on anything other than basic trail maintenance.

Total expenditures for 2018 are estimated to equal revenues: \$186,790 (see Table 7). All new construction or rehabilitation grants, as well as any supplemental grants, are typically awarded after the budget is approved, and, if necessary, would require a budget amendment.

Over the past few years, the Department has made it a priority to maximize the potential of the county forest. This goal was multi-faceted, as the county forest provides a myriad of different benefits. Phase one of the internal goal was accomplished a few years ago. Various components were analyzed and direction established to better capture the true sustainable potential of all forest management programs. The result: a sustainably managed forest that is generating over \$2.0 million more in stumpage revenues when compared to accomplishments prior to the adjustments.

County forests were established primarily to optimize production of forest products. Again, we accomplished this goal a few years ago. Maximizing the sustainable timber management potential not only benefits the county directly through timber sale receipts, but also provides raw forest products to local and regional businesses. In general, every \$1.00 generated by the county through stumpage revenue stimulates an additional \$27.00 within local and regional economies.

Other uses, like recreation, are also recognized as important functions of the county forest. Recently, the Department began increasing efforts to improve and/or expand recreational opportunities on the county forest. The yurt projects and improvements to the Lost Creek Falls hiking trail are two good examples. Since improving the Lost Creek Falls trail, we have seen a twenty-fold increase in use, from around 10 users a week to approximately 200 per week. Improving recreational opportunities has some direct benefits to the county i.e. revenues from the new yurt projects, but most of the benefit derived from recreation is indirect.

Improved recreational access has the potential to attract users and draw people to certain areas. The better the attraction and experience, the more use an area will get. If we provide enough good recreational opportunities, areas will start to attract those interested in recreation based day trips or vacations. More use has the potential to increase spending (which benefits local communities), which increases sales tax revenue and thus directly benefits the county.

Obviously, recreational opportunities reach beyond the economic potential. It provides opportunities for individuals and families, whether local or transient, to get out and enjoy our beautiful natural resources. And there's a lot to enjoy, as with nearly 500,000 acres of public land, Bayfield County has more public forests than any other county in Wisconsin.

Increases in recreation also creates additional challenges. As previously stated, county forests were established to optimize the potential of forest products. Those who choose to recreate on the county forest will see timber management. The interaction between recreation and timber management is a good thing, as it's important for everyone to better understand where our insatiable demand for wood products comes from. The challenge will be to establish better ways to communicate the goals and objectives of our forest management program and provide educational opportunities to those recreating near harvested areas. Informational signs or kiosks along well used trails will be one way to start the process.

The 2018 budget includes \$10,000 for trail maintenance and development, which is equal to the amount budgeted in 2017 and reflects the commitment to improve, develop and maintain recreational opportunities on the county forest (various capital projects are being proposed as well).

Total Expenditures: Forestry, Parks and Trails

Table 13 describes the total amended budgeted expenses for the Forestry and Parks Department per program type since 2007 (2017 and 2018 are estimated).

Table 13: Total Budgeted Expenses per Program^a

Year	Forest Management	Parks	Trails	Total
2007	\$924,556	\$0	\$0	\$924,556
2008	\$998,087	\$0	\$0	\$998,087
2009	\$1,014,215	\$0	\$0	\$1,014,215
2010	\$1,094,396	\$0	\$0	\$1,094,396
2011	\$1,205,714	\$43,880	\$0	\$1,249,594
2012	\$1,177,022	\$53,525	\$0	\$1,230,547
2013	\$1,238,210	\$54,795	\$352,878	\$1,645,883
2014	\$1,471,740	\$56,568	\$196,965	\$1,725,273
2015 ^b	\$4,265,325	\$62,925	\$272,832	\$4,601,082
2016	\$1,797,949	\$59,350	\$339,997	\$2,197,296
2017	\$1,494,948	\$59,500	\$186,790	\$1,741,238
2018	\$1,617,410	\$59,855	\$186,790	\$1,864,055
Average	\$1,524,964	\$56,300	\$256,042	\$1,837,306

^a Amended budget.

^b Includes Knowles-Nelson Stewardship Land Acquisition Amendment.

Total expenses for the combined management of the forestry, parks and trails programs are estimated to be approximately \$1.86 million for 2018. This represents an increase of roughly 7% when compared to the 2017 budget.

Since 2010, expenses pertaining to the management of the county forest have increased approximately 48%. The additional positions (forester added in 2011, recreation forester added in June 2013, and proposed new position being added in 2018), increases in general personnel costs and larger payments to townships (as per 10% revenue sharing and increases in the Town Road Aid fund) all contribute to this overall increase.

As a note: the new recreation forester position was primarily created to address the additional workloads generated from the transfer of the parks and trails programs. As such, the increases in expenses associated with that position are not directly correlated with the forest management program.

Park expenses have remained relatively stable over the past three years, but trail costs are largely associated with awarded grants. Trail expenses are based on the total value of the annual maintenance funds, as well as any other previously awarded grant that was not expended during the previous year. Trail grants are typically zero sum items in the budget, meaning revenues offset expenditures (as with most grants), but they still contribute to the overall bottom line.

Capital Expenditures: Forestry, Parks and Trails

Capital expenditures are tracked separately from dedicated Forestry accounts, but still contribute to the overall bottom line of the budget.

Table 14 displays the total budgeted and actual capital expenditures since 2007 (2017 and 2018 are estimated):

Table 14: Total Capital Expenses¹

Year	Budget	Actual
2007	\$150,000	\$150,000
2008	\$0	\$1,600
2009	\$14,400	\$4,821
2010	\$0	\$1,199
2011	\$15,500	\$41,815
2012	\$41,700	\$31,941
2013	\$115,250	\$36,994
2014	\$276,938	\$272,348
2015	\$87,506	\$77,017
2016	\$78,100	\$69,338
2017	\$110,503	\$95,500
2018	\$145,000	\$145,000
Average	\$86,241	\$77,298

¹ Amended budget.

The capital expenses were included to illustrate the total impact of the Forestry and Parks Department on the overall county budget. The value of capital projects listed for 2018 are proposed and are subject to modification, as per the final budget development process.

Net Returns: Forestry, Parks and Trails

Budgeted net returns (or net deposits into the county general fund) for 2018 are expected to surpass \$1.83 million, an increase of approximately 1.6% over the budgeted amount for 2017, and the largest budgeted return to date (see Table 15). This also doubles the budgeted return when compared to 2010.

Actual net revenues for 2017 are expected to be around \$3.1 million. This is less than the actual net returns for 2015 and 2016 (both record breaking stumpage revenue years), but still nearly \$1.3 million more (71%) than the budgeted amount. It is also worth noting that the average actual total net returns since 2013 (\$3.16 million) are nearly \$1.75 million dollars greater than the average actual net returns up to 2012 (\$1.4 million).

Also, as previously stated, anticipated stumpage revenues for 2017 are still being conservatively estimated (\$4.5 million). Actual net revenues could be considerably higher, possibly even exceeding the

\$5.0 million mark by the end of the year. If that happens, actual net revenues would approach or exceed \$3.5 million (or almost double the budgeted amount).

Table 15 best communicates the overall impact of the Forestry and Parks Department on the county budget: the total budgeted and actual net returns (excluding capital) from the Forestry, Parks and Trails programs from 2007 through 2018 (2017 and 2018 are estimated).

Table 15: Total Budgeted and Actual Net Returns (not including capital expenses)

Year	Budgeted Net Returns			Actual Net Returns			Difference
	Revenues	Expenses	Total Return	Revenues	Expenses	Total Return	Actual - Budget
2007*	\$1,885,971	\$924,556	\$961,415	\$2,494,020	\$1,371,594	\$1,122,427	\$161,012
2008	\$1,912,971	\$998,087	\$914,884	\$2,837,111	\$1,076,274	\$1,760,836	\$845,952
2009	\$1,918,763	\$1,014,215	\$904,548	\$2,493,062	\$1,049,430	\$1,443,632	\$539,084
2010	\$1,999,655	\$1,094,396	\$905,259	\$2,234,054	\$1,007,470	\$1,226,584	\$321,325
2011	\$2,270,841	\$1,249,594	\$1,021,247	\$2,778,481	\$1,266,922	\$1,511,559	\$490,311
2012	\$2,540,449	\$1,230,547	\$1,309,902	\$2,935,390	\$1,255,382	\$1,680,008	\$370,106
2013	\$3,099,116	\$1,645,883	\$1,453,233	\$4,505,756	\$1,720,635	\$2,785,121	\$1,331,888
2014	\$3,111,172	\$1,725,273	\$1,385,899	\$4,958,924	\$1,719,686	\$3,239,239	\$1,853,340
2015**	\$6,153,830	\$4,601,082	\$1,552,748	\$7,752,160	\$4,526,088	\$3,226,072	\$1,673,324
2016	\$3,651,377	\$2,197,296	\$1,454,081	\$5,627,653	\$2,163,578	\$3,464,075	\$2,009,994
2017	\$3,547,531	\$1,741,238	\$1,806,293	\$5,002,025	\$1,919,196	\$3,082,829	\$1,276,536
2018	\$3,698,895	\$1,864,055	\$1,834,840	\$3,698,895	\$1,864,055	\$1,834,840	\$0
Average	\$2,982,548	\$1,690,518	\$1,292,029	\$3,943,128	\$1,745,026	\$2,198,102	\$906,073

* Included land acquisition expenses.

** Includes Stewardship grant revenue & expense.

Efforts made to maximize the sustainable management of the county forest, combined with relatively consistent, strong timber markets have resulted in net revenue deposits that are roughly 2.5 times greater than what they were prior to 2011.

Nearly all of the increases are attributed to solid sale of wood figures, primarily associated with continued strong markets for new timber sales, as well as efforts to maximize the sustainable harvest potential of the county forest (see Table 1).

If we continue to see above average prices on new timber sales and continue to sell \$4.5 to \$5.0+ million in new sales per year, actual annual stumpage revenues should stay relatively constant (low to mid \$4.0 million). Again, the unpredictable nature of the timber industry is the primary driver behind conservative estimates of revenue.

To summarize the proposed 2018 budget, which includes the forest management, parks and trails programs: total net returns (deposits) for 2018 are budgeted to be \$1,834,840 compared to \$1,806,293 for 2017, resulting in a net increase of \$28,547 (or an increase of 1.6%).