

Protocol for the Review of BSP Camping Fees.

Review Date: August 2016

I. Background:

BSP operates independently of the General Fund and receives no State revenues for Park operation.

Park operations are funded by a combination of revenues from Trust Endowments, fees for the use of camping facilities, revenues from the sale of forest products from the Scientific Forest Management Area, entrance fees charged to non-Maine registered vehicles, sale of bundled firewood for campfires, fees for the use of Park canoes, and a variety of miscellaneous fees including sale of books & maps, fishing licenses. In addition to these sources, the Park receives significant unearned revenue from unsolicited donations. These donations include dedicated revenues (Baxter Wilderness Trust) as well as random donations from individuals. In fiscal year 2015, donations comprised approximately 3.5% of total Park revenue.

Considerable attention has been given to specifying policy for the management of Trust Endowments. The resulting spending policy provides guidance regarding the withdrawals from BSP Endowment Funds in order to help insure the protection of the fund principal and the ability of the funds to provide, in perpetuity, a level of revenue equal to or greater than the current level.

With the strict definition of endowment spending levels, it is important that interior sources of revenue act as an expandable (and contractible) component of Park revenues to address the gap between endowment revenues and the spending levels necessary to operate the Park.

The principal sources of user-based revenue in Baxter State Park are:

- **Fees for the use of winter and summer camping facilities (cabins, lean-tos, tent-sites, bunkhouses and group areas)**
- **Non-resident entrance fees**
- **Canoe rentals**
- **Firewood bundle sales**
- **Day Use Parking Reservations for Katahdin –access trailheads**

Fees for the use of winter and summer camping facilities (cabins, lean-tos, tent-sites, bunkhouses and group areas), and non-resident entrance fees have been periodically adjusted based on the perceived need for revenues to offset the costs of Park operations. Fees for canoe rentals and firewood bundles have been set based on criteria less oriented to revenue production and more oriented to resource protection. Day Use Parking Reservations (DUPRs) are administered to provide predictability for Park hikers at popular trailheads with limited parking as a resource protection tool.

This protocol is meant to serve as a tool to guide to define a regular interval between fee reviews and embed objectivity and consistency into the review process.

The DUPR cost is meant to be the minimum required to motivate actual use of the DUPR. Consequently, DUPR rates are not considered when reviewing the indices utilized in this protocol.

II. Fee Review Protocol:

A. Review Process

The fee review process should begin with a review by the Director and senior staff. Once completed, a proposal to increase, decrease, or maintain fees is forwarded for review by the BSP Finance Committee and then the full Advisory Committee. After consideration of review comments, the Director may then forward the proposal to the BSP Authority for consideration. If approved, the Park would implement a communications plan to broadcast the planned adjustments to Park users and change appropriate Park brochures and hand-outs.

- Proposal preparation by Park Director/Staff
- Proposal to review - BSP Finance/Advisory Committees
- Final proposal for consideration - BSP Authority
- Implement communications plan and change of brochures/handouts.

B. Review Interval

- Review interval should be biennial, taking place on every even-numbered year.
- Based on this timeline, staff review of fees should take place in the summer preceding or in concert with the development of a biennial budget proposal. The review should be included on the fall BSPA meeting agenda for consideration by the Authority. If changes are enacted by the Authority, the staff can implement changes to publications and publicize the changes prior to the start of reservations in January.

C. Review Criteria

The following *Criteria*, with associated *Indicators*, are suggested to guide the fee review process.

Criterion 1:

Fees would be set to supply a minimum percentage of annual Park expenditures.

As stated in the Background section, fees must “act as an expandable (and contractable) component of Park revenues to address the gap between endowment revenues and the spending levels necessary to operate the Park”. Endowment management has focused on ensuring that the trust funds provide a perpetual flow of income equal to or greater than current real (after inflation) levels. Consequently, the trust endowments should be viewed as

somewhat independent from Park operations and should not be expected to react to significant changes in Park needs that exceed normal increases from inflation. In addition, without adjustment inflation would, over time, erode the real income derived from fees. In consideration of these realities, a comparison of the percentage of annual revenue expected from camping fees against the anticipated annual expenditures may provide a useful indicator of the need for a fee adjustment. The chart below displays this relationship over the last 23 years.

FEE REVENUES AS A PERCENTAGE OF EXPENDITURES						
FISCAL YEAR*	EXPENDITURES	CAMPING REVENUES	ENTRANCE FEES	MISC SERV	TOTAL FEES	FEES/EXP %
2015	3,619,541.00	817,702.00	136,746.00	57,798.00	1,012,246.00	27.97%
2014	3,565,651.00	985,136.00	188,173.00	48,703.00	1,222,012.00	34.27%
2013	3,274,643.00	735,234.00	165,428.00	45,074.00	945,736.00	28.88%
2012	3,270,557.00	846,901.00	164,526.00	47,958.00	1,059,385.00	32.39%
2011	3,143,830.00	787,593.00	152,646.00	41,569.00	981,808.00	31.23%
2010	3,322,612.00	817,459.00	122,092.00	37,839.00	977,390.00	29.42%
2009	3,346,096.00	698,243.00	112,559.00	31,957.00	842,759.00	25.19%
2008	3,124,801.00	676,912.00	114,415.00	30,718.00	822,045.00	26.31%
2007	3,153,014.00	627,926.00	110,104.00	25,826.00	763,856.00	24.23%
2006	2,879,416.00	629,776.00	108,778.00	24,613.00	763,167.00	26.50%
2005	2,819,915.00	610,235.00	117,965.00	26,737.00	754,937.00	26.77%
2004	2,806,340.00	707,405.00	109,331.00	26,705.00	843,441.00	30.05%
2003	2,474,608.00	657,104.00	97,951.00	27,651.00	782,706.00	31.63%
2002	2,546,675.00	573,298.00	95,194.00	28,251.00	696,743.00	27.36%
2001	2,405,991.00	592,435.00	97,925.00	28,435.00	718,795.00	29.88%
2000	2,212,398.00	563,269.00	100,676.00	26,727.00	690,672.00	31.22%
1999	2,254,430.00	546,538.00	102,050.00	28,181.00	676,769.00	30.02%
1998	2,213,014.00	540,488.00	94,967.00	26,194.00	661,649.00	29.90%
1997	2,083,874.00	538,142.00	91,350.00	24,218.00	653,710.00	31.37%
1996	1,966,603.00	565,949.00	92,450.00	25,069.00	683,468.00	34.75%
1995	1,704,226.00	559,509.00	92,289.00	22,916.00	674,714.00	39.59%
1994	1,644,065.00	534,676.00	91,249.00	21,044.00	646,969.00	39.35%
1993	1,599,347.00	512,720.00	92,310.00	21,044.00	626,074.00	39.15%
1992	1,545,186.00	466,250.00	89,354.00	17,436.00	573,040.00	37.09%
1991	1,513,215.00	347,114.00	86,357.00	10,642.00	444,113.00	29.35%
1990	1,452,184.00	342,116.00	82,554.00	9,277.00	433,947.00	29.88%
Average:						30.98%

- The chart indicates that this percentage has varied over the past 15 years with a low of nearly 24% and a high of over 37%. The variance between years is largely a function of the fiscal year date of July 1. This date coincides with an active revenue period in the Park and revenues may be deposited in different fiscal years. The average for the period is 30.9%. **The suggested minimum target percentage is 29% With the exception of FY 2013, this**

target has been met annually since 2010. This target is an applied judgment principally expressing the importance of the Park user fees providing a stable portion of overall Park revenues.

Criterion 2:

Fees must be affordable to the average Maine resident

In accordance with Percival Baxter’s wishes, the Park should be *“made available to persons of moderate means...”*. Fees should be considered to be affordable to the average Maine resident. Several possible benchmarks can be considered to determine fee affordability:

Indicator 1:

Change in Maine per capita income levels¹ since the last BSP fee adjustment (previous fee review measured the changes from 2003-2005).

Maine per capita income

2009-2015 CALENDAR YEAR	ME per capita inc.	% CHANGE
2009	36,586	0
2010	37,102	1.41%
2011	38,597	4.03%
2012	39,589	2.57%
2013	39,562	-0.07%
2014	40,745	2.99%
2015	42,077	3.27%
Tot Change since 2009		13.05%

<http://www.bea.gov/iTable/iTable.cfm?ReqID=70&step=1>

These data suggest a significant increase of over 13% in the per capita income of Maine citizens since the last fee increase.

Indicator 2:

Change in Consumer Price Index since the last BSP fee adjustment (previous fee review measured the changes from 2003-2005).

Using the published CPI for All Urban Consumers², an example of the index over time is as follows:

²<http://www.bea.gov/regional/spi/action.cfm> - Bureau of Economic Analysis

Consumer Price Index - All Urban Consumers

Consumer Price Index

<ftp://ftp.bls.gov/pub/special.requests/cpi/cpi.ai.txt>

Year	Ave CPI	% Chng
2009	214.537	1.64%
2010	218.056	3.16%
2011	224.939	2.07%
2012	229.594	1.46%
2013	232.957	1.62%
2014	236.736	0.12%
2015	237.017	

Change over period: 10.48%

The CPI indicates a modest, but significant rise of over 10% in general price levels since the last BSP fee review in 2009.

Indicator 3:

Comparison to similar public and private facilities in the Katahdin region and New England.

	<u>Rates for 2009</u>	<u>Rate for 2015-16</u>
Acadia (Blackwoods, Seawall):	\$20/tentsite	\$30/tentsite
White Mtn Nat. Forest:	\$18/tentsite	\$22/tentsite
AMCTentsite		\$35-37/pers/night
AMC 2-pers bunkroom		\$41/person/night
ME –DOC		
Aroostook State Park	\$12-\$15/site	\$15-25/site
Camden Hills State Park	\$15-\$25/site	\$35-45/site
Lamoine State Park	\$15/\$25/site	\$20-30/site
Peaks/Kenny State Park	\$15-\$25/site	\$20-30/site
KFM W. Branch Cabin	\$97/night	same
	<u>(6 bunks, no max occupancy limit)</u>	

Katahdin Shadows	\$22/tentsite \$26/site (- 2 person cabin)	\$26/tentsite same
Big Moose Inn	\$13/pers/night (lean-to) \$10/pers/night (tentsite) \$45/pers/night (<u>weekday cabin</u>)	\$15/pers/night \$12/pers/night \$55/pers/night
Northern Outdoors	\$11/pers/night (tentsite - average)	\$13/pers/night
Baxter State Park	\$30/site/night (drive-to leantos & tentsites) \$20/site/night (hike-to leantos & tentsites)	

Because of differing specifics in facilities offered by other private and public entities, comparison is difficult, but a general comparison can be made. Although BSP is a publicly owned park, it receives no public funding and therefore may be more comparable to private sites. Fees noted for private facilities probably do not include sales tax, which is charged in addition to the listed rates. Sales tax is inclusive in fees charged by Baxter State Park.

Criterion 3:

Fees must be clear and understandable to the user and practically administered

Based on the recommendations of the previous (2009) Fee Review, Baxter State Park restructured camping fees from a per person to a per site basis. This revision substantially simplified our fee schedule and revenue accounting for camping in the Park. No additional changes to the system are recommended at this time to improve the clarity and administration of the fee system.

III. Fee Adjustment Proposal:

General Discussion and Rationale:

After reaching a 30 year low in 2005, Park use (camping and day-use) numbers have been generally increasing. In the six years since 2009, combined use fees (camping, non-resident entrance, canoe/kayak and DUPR's) have provided, on average, slightly more than 30% of the Park's annual revenue, 1% above the target of 29%.

Maine per capital income has increased about 13% since 2009. This increase included a year of flat, or no change, in capital income (2013); but per capita income still outpaced inflation (10.5% since 2009) for Maine citizens over the period.

Most comparable camping opportunities in the local area or region implemented price increases in their fee schedules over the period 2009 - 2016.

The pricing of Day Use Parking Reservations is based on affordability with some motivation to make a serious reservation. The \$5 fee appears to be meeting these objectives. No changes recommended.

Canoe fees are currently set at \$1/hour on the honor system. This system provides enough revenue to replace canoes at a rate of 2-4 canoes/year.

Firewood Bundle pricing is based on a break-even recovery objective. FY16 Firewood Bundle revenue was \$44,583.83. FY16 expenditures for firewood bundling contracts were \$42,656.40. This exchange yielded a rough profit to the Park of \$1,972. No changes in Firewood Bundle prices recommended at this time.

Proposed: Increase Baxter State Park Fees for most rental and access fees approximately 5% to the nearest dollar figure.

Facility	<i>(Summer)</i> Current Fee (2016)	<i>(Summer)</i> Proposed Fee (2017)
Campground Lean-to or Tentsite	\$30/site	\$32/site
Backcountry Lean-to or Tentsite	\$20/site	\$21/site
Bunkhouse	\$11/person	\$12/person
Group Area	\$7/person	\$8/person (minimum \$48)
Cabin; 2-person	\$55/site	\$57/site
Cabin; 3 person	\$75/site	\$78/site
Cabin; 4 person	\$100/site	\$105/site
Cabin; 6 person	\$130/site	\$135/site
Canoe/Kayak	\$1/hour	\$1/hour
Non-resident Entrance Fee	\$14	\$15
Non-resident Season Pass	\$39	\$42
Day Use Parking Reservation	\$5	\$5
Firewood Bundle	\$3	\$3

Facility	<i>(Winter)</i> Current Fee (2016)	<i>(Winter)</i> Proposed Fee (2017-18)
Lean-to or Tentsite	\$15/site	\$17/site
Bunkhouse	\$19/person	\$20/person
Chimney Pond Bunkhouse	\$38/person	\$40/person
Cabin; 2-person	\$55/site	\$57/site
Cabin; 3 person	\$75/site	\$78/site
Cabin; 4 person	\$100/site	\$105/site
Cabin; 6 person	\$130/site	\$135/site

IV. Communications Plan:

Park staff must make a persistent and thorough effort to communicate changes in fee schedules to the Park users and general public. Current methods include the posting of current fee schedules at:

- Park Headquarters
- Togue and Matagamon Gatehouses
- Campground Offices
- Hiker registration points in Park campgrounds
- The Park Visitor Center
- Park website and social media