



Baxter State Park Authority Meeting Minutes
Kidney Pond Library, Baxter State Park
10:00 am, September 30, 2022

Approved by Authority Vote (Date): _____ Chair Signature: _____

Attendees:

Baxter State Park Authority: Chair MFS Director Patty Cormier, Commissioner Judith Camuso, Attorney General Aaron Frey

BSPA Legal Counsel: Assistant Attorney General Lauren Parker

BSP Staff: Natural Resources Director Nava Tabak, Acting Chief Ranger Kevin Adam, Maintenance & Transportation Supervisor Keith Wehmeyer, Trails Supervisor Brennan Turner, Human Resources Administrator Desirae Mishou, Supervisor Bruce White, Campground Ranger Andrew Vietze

BSP Advisory: Chair Tom Goetz, Vice Chair Erica Dubois, Brant Miller, Carl Carlson, Bob Baribeau, Mike Perry

Friends of Baxter: Executive Director Aaron Megquier

BPWF Trustees: Buzz Caverly, William (Chip) Weickert

BNY Mellon: Baxter Trust Fund Manager Michael Daley

Other guests: Chris Drew

Chair Cormier called the meeting to order at 10:10 am with a **welcome and introductions** and mentioned that Interim Director Dan Rinard and Acting Chief Ranger Rob Tice continue to recuperate following their incident in the Park, and thanked Kevin Adam and Nava Tabak and others who have stepped up in their absence.

Approval of July 22, 2022 Meeting Minutes: AG Frey moved to approve the minutes, and Commissioner Camuso seconded the motion. Motion carried, 3-0.

Daicey Pond Cabin Closure for Cabin Repairs: Maintenance & Transportation Supervisor Keith Wehmeyer provided the recommendation from the Daicey Pond Subcommittee of the Park Advisory Committee that the Daicey Pond Campground be temporarily closed in 2024 for the purpose of repairing or replacing 9 of the 10 round-log constructed cabins. Bruce White has compiled a comprehensive history of maintenance work performed on these cabins, and repairs have been made over the years, but there comes a point when minor repairs are not enough, and replacement or major improvements must be done. The scope of work for the 2024 project would include stabilizing and/or replacing footings, replacing floors and windows, adding a secondary egress to buildings, log chinking, and insulating and changing roof pitches and supports (weak spans), which will aid in preventing leaks and ice dams, and eliminate the need to shovel roofs in the wintertime (which is unsafe).

Given the scope of work, the lack of accessibility off-season (only six months of vehicle access), and given that working on the cabins while the campground is open would significantly affect the wilderness experience for visitors in a negative way, closing the campground for the year makes the most sense. Each cabin is different, and “piece-mealing” the project would increase the budget (for example due to contractors mobilizing and de-mobilizing multiple

times). From a construction scheduling standpoint, starting up generators and equipment at 7 a.m. when there are visitors in the campground would be disruptive, and starting later in the day would push out the construction schedule. Early in the Park's history, when the Park acquired Daicey and Kidney Pond Campgrounds, they were shut down to make the transition, but otherwise, shutting down a campground completely for a full season has not been done since. A full summer season is needed to accomplish this project, and whether it could be opened for the following winter season remains to be determined.

Advisory member Carl Carlson added that Daicey Pond is a special place, and preserving these cabins provides an opportunity for families with small children and for elderly visitors, and others who simply can't stay in a tent or lean-to to be able to enjoy the experience of staying in the Park. No one wants to close the campground for a year, but when the process is explained as well as why it needs to happen, and that it is an investment, visitors will begin to understand. We are not planning to change the character or capacity or layout of the cabins. Each cabin is unique and would remain that way.

Tom Goetz noted that safety and liability issues are concerns if there is construction happening while visitors are in the campground. Shutting the campground down and taking care of the needs all at once is the faster option.

Aaron Megquier thanked the Daicey Pond Subcommittee for their hard work, and though Friends of Baxter has not taken a position on this, personally he thinks that it is a well-thought-out plan. People connect with these structures and want to see them cared for and their character kept intact, and do not want the cabins replaced with stick-built, prefab units. Careful messaging around this plan would be important.

Chair Cormier asked about a budget and requested a communication plan as soon as possible that includes the rationale and duration, as well as updates as it progresses, adding that many of these cabins have generational users and suggesting we should query these and send them a letter and continue throughout the project with social media communication. Nava Tabak added that the Park has the capacity to execute that query in the reservation system.

Attorney General Frey motioned that the Authority give staff the green light to move forward with planning (the shutdown of Daicey Pond Campground in 2024 for the purpose of the aforementioned improvements), seconded by Commissioner Camuso. All were in favor. Motion (three nods in the affirmative) carried 3-0. Further discussion: Forthcoming additional information – Staff will prepare a (high-level) budget, a communication plan, and a construction plan (scope) to submit to the Authority for approval at its December meeting.

Endowment Fund Update: Michael Daley, of BNY Mellon, described the difficult asset markets caused by current inflation and interest rates, including bonds which historically have been seen as safe assets. Going back to the early 70s, this is the first year when stocks and bonds have both declined for three consecutive quarters. The good news is that the Baxter portfolio has performed relatively well compared with market indices.

The portfolio continues to be managed within the parameters set forth in our asset class ranges (Cash 0-5%, Bonds 15-35%, Equities 60-80%, and Special Opportunities 0-15%). The goal is to stay invested and let time be our greatest ally. The portfolio is positioned relatively conservatively at this point, with equities near the low end of the allowable range.

The market return data was highlighted and shows large-cap stocks down 16% through August and then dropped another 10% in September. Taxable bonds (historically a safe asset class) are down 15% YTD through September due to rising interest rates caused by higher inflation. It is likely that inflation has peaked, but it is expected to decline only gradually. BNY Mellon projects that by year-end 2023 inflation will drop to around 3-4%, compared to just over 8% inflation now. In the last decade before this year, inflation averaged about 2% per year.

Changes made by the BNY Mellon Investment Strategy Committee in the last year include:

- Reduced Equity exposure (particularly non-US equities including developed and emerging markets)
- Increased allocation to Private Equity

Additionally, the Fixed Income asset class is becoming more attractive now that interest rates have increased. A ten-year treasury bond now will earn 4% a year versus a year ago when it was earning 1.5%. Now that bonds are offering a decent income, they are more competitive with stocks.

The BSP Portfolio consists of the Percival Baxter Trust (two-thirds of the asset total), and the Baxter State Park Endowment. The consolidated asset pool YTD performance shows the portfolio is down 12.9% and on a one-year basis down just under 9%. However, the benchmark returns are significantly lower than how the portfolio has performed. The changes to the portfolio, the shift from risk assets to more conservative positioning, and the continued discipline of building up the private equity asset class in the portfolio help in good times as well as in a very difficult year such as this one.

The Stewardship Index shows how the portfolio performs as compared to the combination of spending and inflation. We want to earn a return that at least matches spending and inflation and in doing so we maintain the real value of the portfolio. Over time the BSP Portfolio continues to add value. In eight of the last ten years, the market has generated positive returns, one year was essentially flat and one year there was a negative return. Because the BSP Portfolio is invested for the long term it is tilted toward risk assets that can outperform over longer time horizons (however with risk comes shorter-term volatility, especially in difficult years like 2022). The Investment Committee's goal is to stay focused and disciplined.

Donations Report: Nava Tabak presented the donations report to the Authority. **AG Frey moved to approve the Donations report. Commissioner Camuso seconded the motion. Motion carried, 3-0.**

Permits for Commercial Media Projects in Baxter State Park: Nava Tabak explained that in reviewing commercial media permits issued in the past several years, Director Rinard found they did not fully reflect the mission of Baxter State Park and that the Park's "Permits for Media Projects in Baxter State Park" document could better articulate the basic information about the purpose of the Park Rule 4.12 and the information the Director is looking for to decide whether to grant a permit for a proposed commercial media project in the Park. Director Rinard, with Assistant AG Parker's assistance, revised the existing document to include a new introduction referencing Rule 4.12 and quoting Governor Baxter: "This area is to be maintained primarily as a Wilderness and recreational purposes are to be regarded as of secondary importance and shall not encroach up the main objective of this area which is to be 'Forever Wild'."

The revisions also clarify the scope of commercial media projects that require a permit from the Director and expressly state that such projects must be compatible with the purpose of the Park as primarily a wilderness area, consistent with the Deeds of Trust and Formal Communications from the donor, and, per BSP Rule 4.12, must not be disruptive to other visitors or wildlife in the Park. This theme - consistency with the Deeds of Trust and compatibility with the Park's mission - is reiterated throughout the revised policy.

Other revisions include:

- Expressly stating that non-permissible media projects are those that are inconsistent with the Deeds of Trust or Governor Baxter's Formal Communications, violate one or more of the Baxter State Park Rules and Regulations, and/or conflict with operational policies.

- Updated insurance requirements/standards.
- Stating that the Park may bill the permittee if significant staff time is required.
 - **Authority asked that ‘significant staff time’ be further defined (minimum time, established rate per hour)**
 - BSP Staff will determine if staff time is necessary
 - The fee for the permit seems low
 - **The Authority asked whether the fee is for the application or the permit; Staff will get back to the Authority on this.**
- Clarifying application processing time: Applications will be processed within 30 days, or 45 days if multiple locations, complex logistics, or coordination with other visitor activity is required.
- Projects requiring resource evaluation must be submitted no less than 60 days before the proposed start.
 - **Authority asked how many requests there are - BSP response times seem long, and historically, how long have they taken to process?**
 - This is an ancillary part of the BSP Staff’s job - not part of the core mission. The Park Director processes the applications.

Park Administrative Updates:

AT Hikers: As of this Monday, 2,450 AT hikers have registered, and it is not anticipated that the numbers will reach the 3,150 cap in 2022. Celebrations have been taking place on the mountain, and there have been some issues with entry into the Park. Interim Director Rinard reached out to the Appalachian Trail Conservancy for assistance in communication efforts with AT hikers before those hikers enter the Park.

Search and Rescue: Search and rescue incidents were high in June and July, down in August and September - lower extremity injuries, some unprepared for the elements. Law enforcement saw typical violations.

Personnel: Interviews for the Enforcement Ranger position and the Trail Specialist position are underway. Recruitment is currently open for the Lands Manager position. Preliminary application reviews are being done for the Director of Administrative Services position. Recruitment for the new Campground Ranger and Maintenance Seasonal position (from the Supplemental budget) has begun.

Natural Resource Research & Monitoring: There were four research projects approved by the Research Committee in accordance with its guidelines for research in the Park and hosted by the Park. There were also other ongoing survey and monitoring projects by the Maine Department of Inland Fisheries & Wildlife, the Maine Forest Service (MFS), the Maine Natural Areas Program, and others. Park staff and volunteers continued (and in some cases resumed) long-term monitoring projects including Maine Audubon’s annual loon count and a Katahdin Arctic Butterfly survey. In the Scientific Forest Management Area, a new cycle of CFI Plot surveys with an updated methodology has begun, and the spruce budworm monitoring is ongoing among other surveys and projects.

Scientific Forest Management Area (SFMA): SFMA staff and contractors began forest harvest operations. That (along with management planning, road maintenance, and ecological monitoring) is being done with oversight from Deidra (Dee) George, BSP Forester. In the absence of the Lands Manager, Dee has been assisted by other Park staff, former Land Manager Mike Pouch (now at the Bureau of Parks and Lands), MFS staff, SFMA Advisory members, and former Park Director and Resource Manager Jensen Bissell. The Park is grateful for the assistance that has enabled it to keep SFMA operations running smoothly during the staff transition.

AG Frey moved to adjourn, Commissioner Camuso seconded the motion. Motion carried, 3-0.

Respectfully submitted,

Georgia Manzo,
Office Specialist 1