



**Baxter State Park Authority Meeting Minutes**  
**Burton Cross Building, Room 600, Augusta, Maine**  
**10 am, Friday, July 12, 2024**

Approved by Authority Vote (Date): \_\_\_\_\_ Chair Signature: \_\_\_\_\_

Attendees:

**Baxter State Park Authority:** Chair and MFS Director Patty Cormier, ME IF&W Commissioner Judy Camuso, Attorney General Aaron Frey

**Assistant Attorney General:** Lauren Parker

**BSP Staff:** Director Kevin Adam, Office Specialist Georgia Manzo

**BNY Mellon:** BSP Portfolio Manager Michael Daley

**BSP Advisory:** Vice Chair Carla Ritchie

**Friends of Baxter State Park:** Executive Director Aaron Megquier, President Josie Quintrell

**Other Guests:** Ellen Manzo

Chair Cormier called the meeting to order at 10:05 a.m. with a welcome and introduction.

**Consideration of the May 31, 2024, BSPA meeting minutes: AG Aaron Frey moved to approve the minutes, and the motion was seconded by Commissioner Camuso. No discussion. Motion carried, 3-0.**

**BSP Portfolio Overview (Michael Daley):** The Investment Committee held a hybrid meeting in May and as always there was a robust discussion around the markets and related topics. The portfolio continues to be managed in line with the Investment Policy Statement (IPS) and allowable ranges across asset classes, including the updated ranges recently implemented.

YTD market performance: the S&P was up 26% in 2023, and this momentum has continued into the first half of 2024, driven by growth-oriented stocks, specifically the “Magnificent Seven”. These primarily technology-focused stocks are benefiting greatly from the excitement around artificial intelligence (AI), as well as the earning power and margins these companies generate. There is some concern among clients around it being a very concentrated market with the Magnificent Seven representing approximately 30%, though BNY strategists feel the earnings power behind these companies justifies the weights in the index. The BSP portfolio continues to be in line with BNY’s best thinking, including an overweight to US large-cap stocks. Asset classes that have underperformed so far in 2024 are the rate-sensitive asset classes such as bonds, though it does appear the Fed will soon be pivoting to rate cuts after a number of friendly inflation readings. Inflation is essentially flat from last month and up 3% year over year - much different from the 9% annual inflation rate 18 months ago. The market has rallied significantly in advance of the Fed’s potential rate cuts. The short-term Fed funds rate is 5.5% so it’s likely this will increase because inflation has turned over and the economy is slowing down. Unemployment was at 3.5% last year and has now increased modestly to 4.1%. The Fed's inflation target is 2% - likely not achievable in the short term but, directionally, as long as the economy moves in that

direction the Fed will be comfortable easing up on interest rates. The market has anticipated this pivot, which is evident in the gains observed.

Consumer net worth has increased \$40T since Covid, due to high housing prices and stock markets being up significantly. AI is expected to be a game changer, and it is expected to eventually benefit the broader market including mid and smaller-sized companies - though they may not have the resources the larger companies have to implement this cutting-edge technology in the near term. Regarding the political environment and the impact of a presidential election on the stock market - there will be volatility; however, BNY Mellon and the Investment Committee are focused more on the implications to different sectors in the economy, and what is driven more by congressional policy such as regulations and climate change related legislation. BNY's recommended relative positioning across the three major asset classes includes a neutral stance across all major asset classes (Equities, Fixed Income, and Diversifiers). However, within the asset classes, the funds are tilted to overweight in US large cap and underweight in non-US equities with concerns about low growth in China, and Europe having very stagnant growth, along with other risks such as the Ukraine/Russian conflict, and regional disputes in Gaza etc. Within Alternatives (Diversifiers), with long-term oriented perpetual portfolios such as Baxter Park's, private strategies continue to be appropriate and have delivered stronger long-term returns than public markets.

As of June month-end, consolidated assets in the Baxter portfolio are just over \$117M and July has also been a strong month. As of this morning, the current value is just over \$119M. This is expected in a portfolio tilted toward equities and risk assets during a strong market environment. The growth is the result of not only strong markets but also due to the disciplined approach to spending (being maintained at or below 3% of total assets). Spending above 3-4% starts to become challenging to maintain and enhance value. The portfolio's updated policy ranges bring the IPS in line with how the portfolio has been managed and in line with recommended breakdown between public/private markets. In terms of performance - YTD through the end of May the consolidated portfolio was up 6%, generally in line with the primary blended benchmark, and at the end of June, up 7.5% YTD. This is a testament in great part to the Investment Committee's diligence. One-year performance is up 16.4% (slightly under the blended benchmark as the benchmark contains a significantly greater allocation percentage to strong-performing public equity markets). Over longer periods the consolidated portfolio continues to generate strong absolute and relative returns vs both the primary blended benchmark and the CPI+3% measure (and hence the real value of the portfolio has continued to increase over time).

#### **SFMA Herbicide Policy - tabled until the October 4 BSPA Meeting.**

Agenda Item added:

#### **A decision regarding the reappointment of John Loyd as Trustee of the Baxter Park**

**Wilderness Fund Trust:** John Loyd's reappointment to a three-year term as co-trustee of the Baxter Park Wilderness Fund Trust was approved by the Authority in 2021 and expired in June of 2024. **Director Adam recommended the reappointment of John Loyd to another 3-year term**

**(at John Loyd's request). A motion to this effect was made by Commissioner Camuso and seconded by Attorney General Frey, all in favor. Motion carried 3-0.**

**Overview of Park Operations:**

**Human Resource:** Second interviews for the chief ranger position have been completed and the decision will be made soon.

**Finance:** The FY25 budget totals \$6,051,667, an increase of 2% over the FY24 budget. The overall rise in general operating costs includes the Worker's Compensation premium, statewide insurance premium, personnel wages and fringe benefits, contractor service rates, motor vehicle costs, and general overhead expenses such as utilities and supplies. The Daicey Pond closure has impacted the revenue in FY24 (typical revenue from that campground is ~\$200,000.) Lori Morrison is leading the development of the FY26-27 Biennial Budget, and meetings are being held with department managers and the Park Director to review historical and forecasted expenses and revenue in preparation for submission of the budget proposal on September 1, 2024, and for presentation to the Authority for review and approval at the October Authority meeting. Baxter Park is fortunate to have Field Heavy Vehicle & Equipment Tech Frank George monitoring our heavy equipment, vehicles, and snowmobiles to identify issues and incorporate preventive maintenance which helps to lower costs.

**Reservations:** As of June 27, camping reservations have been steady and have surpassed the 2023 utilization levels at Chimney Pond and Kidney Pond campgrounds. The overall utilization is on track to meet or exceed the 2023 volumes (there was a lot of rain during the 2023 season). It has been observed that there are many instances when campsites that were reserved and paid for online have not actually been occupied, nor canceled; Campgrounds showing only 1-2 available sites online have, in reality, many unoccupied sites. Some of this may be caused by visitors using camping reservations as DUPRs. While this results in less of an impact on the Park there is concern that other visitors may not have camping opportunities because of such instances. We will be doing a deeper dive into the no-show issue. Activity on non-BSP social media pages suggests that visitors may be either trading or making private sales with camping reservations and DUPRs. Regarding DUPRs, there is available capacity at all trailheads on weekdays in July and August; however, as of 6/27, there was limited weekend availability at all trailheads. In 2023 from 7/1 to 10/1 the DUPR no-show rate was 66%.

**Information and Education (I&E) and Natural Resources:** Park staff and a few volunteers have made over 2,000 observations including over 500 species of plants, invertebrates, fungi, mammals, birds, and herptiles using iNaturalist this season. Staff are working with ME IF&W and have deployed two stationary acoustic bat detectors in the Park, rotating locations every two weeks. Staff from other state agencies have begun seasonal water quality monitoring at South Branch Pond and set out spruce budworm traps throughout the Park. The ME Audubon Society's annual loon count is next week and Cassandra Knudsen has been working hard to enlist staff and volunteers for this survey.

**SFMA Update:** The Lynx Road is temporarily closed to vehicle traffic due to upcoming trucking for the ongoing harvest in the southern end of the SFMA.

**Maintenance:** Staff have been working on small engine equipment and fleet vehicles. Roofing panels were replaced on the Nesowadnehunk Ranger Cabin which had been blown off this past winter. Maintenance staff also spent multiple days working along the Park's Tote Road to remove blowdowns along the road corridor and push root systems down to decrease erosion. The trees were either hauled to locations in the Park for firewood (8-10 cords) or hauled out to where they can be milled into usable lumber for future Park projects. What couldn't be reached by the arm of the "cherry picker" may add to the fire risk over time.

Annual septic pumping resulted in an incident in which the septic truck's safety systems failed, the cap came off and the lever moved slightly leaving a small amount of liquid septic waste leaking down the middle of the road. The Roaring Brook Road was shut down and DEP was contacted and told of our plan to use a grader and backhoe to remove it.

Maintenance & Transportation Supervisor Keith Wehmeyer and Lands Manager Shane Miller met with Stream Restoration Specialist Alex Abbot, who has vast experience in stream surveys and crossing design. Keith and Shane trained in stream survey techniques and worked with Mr. Abbott to survey the area of Bear Brook (which has washed out several times in the past two years) as well as other water crossings. The goal is to improve the water passage capacity at these crossings and eliminate the barriers. Mr. Abbot will work with us in the coming years to upgrade those crossings.

**Daicey Pond Project:** The project is progressing well and in the coming weeks major work on Cabin 1 will be completed, the roof on Cabin 2 will be demolished and rebuilt, and work will begin on Cabin 5. Keith will enlist volunteers to help with this project in the coming weeks.

**Trails:** The annual Adopt-a-Trail volunteer event occurred on June 1 (National Trails Day). The trail crew attended SAR and Wildland Fire training, rebuilt the Grassy Pond boardwalk, began building the final portions of the OJI reroute, replaced string fencing on Katahdin, and welcomed the arrival of the Baxter Youth Conservation Corp (BYCC) and the Maine Conservation Corp. The BYCC is an important program that employs teens from the surrounding area, is funded and operated by Friends of Baxter, and is extremely helpful to the Park. Brennan Turner does a good job providing assignments within their realm of experience. The Trail crew also disassembled the old boardwalk that crosses the Grassy Pond outlet along the AT approximately 0.4 miles south of Katahdin Stream and began rebuilding it with additional reinforcement. The "Sentinel Mountain Trail" that connects Kidney and Daicey Pond Campgrounds has been renamed the "Kidney Pond Trail" to reduce confusion at decision points along the trail.

**Law Enforcement and Search and Rescue:** Laura Whitney has completed Phase 2 of the mandatory Maine Criminal Justice Academy requirements and is working on field training. She will qualify for firearms use with help from the Maine Forest Service Firearms Team. An

introductory Search and Rescue class was taught to new staff. There were two “walk-outs” at the same time on Abol and Doubletop Trails, and several smaller issues (i.e. flat tires, vehicle accidents, locked keys in trunk, broken front axle that shut down traffic on the Tote Road for over an hour).

**Other Business:** Carla Ritchie mentioned an interesting comment shared by one of Friends of Baxter’s members. He mentioned appreciating all the young staff members in the Park and asked what is done to educate them on the history of the Park. Their orientation packet has historical information and several books about the Park, and at spring training they engage in trivia games that contain historical questions. There is still room for further improvement. The longer-term staff have the institutional knowledge, and the longer the new staff stay, the more knowledge they gain. Josie Quintrell added that the various podcasts about Baxter Park conducted by Jensen Bissell and Bill Green for Friends of Baxter (whereby they interview people with a variety of types of knowledge about the Park) may be helpful to new Park staff as they provide a wonderful perspective of BSP history. It’s not only interesting, it is documenting history and aspects of the Park for the future. AG Frey suggested more interaction between longer-term and new staff - i.e. talking during downtime. Kevin Adam mentioned that rangers are paired in various Park projects such as lean-to construction, which helps with knowledge building.

**Executive Session: Attorney General Aaron Frey moved pursuant to Title 1 §405 (6) (c) and (e) of the Maine Revised Statutes to go into executive session to discuss with our attorney the status of the lease of the Katahdin Lake Wilderness Camps, the condition of those camps, and the future of those camps and the lease. Commissioner Camuso seconded the motion, and the motion passed 3-0.**

**Authority, staff, and counsel emerged from the Executive Session having discussed the deliberations mentioned in the motion to go into the executive session and did not speak about anything else, and no votes were taken.**

**Meeting Adjourned.**

Respectfully submitted,

Georgia Manzo  
Office Specialist