



Baxter State Park Authority Meeting
10 am, Friday, December 20, 2024, Burton Cross Building, Augusta, ME

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, Director of Administrative Services Lori Morrison, Natural Resources Director Nava Tabak, Chief Ranger Matt McGuire, Lands Manager Shane Miller, Office Specialist Georgia Manzo

BNY Wealth: BSP Endowment Fund Manager Michael Daley

BSP Advisory: Chair Carl Carlson, Brant Miller, Julianna Hansen, Herb Fithian

SFMA Advisory: Joe Wiley

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

Other Guests: Sam Harris, David MacDonald, Kelly Brennan

Chair Cormier called the meeting to order at 10:00 a.m. with a welcome and introduction.

Consideration of the October 4, 2024, BSPA meeting minutes: AG Aaron Frey moved to approve the minutes, and Commissioner Camuso seconded the motion. There was no discussion. The motion carried, 3-0.

BSP Portfolio Overview (Michael Daley): The Investment Committee met on December 4 to discuss the economic outlook and the Baxter portfolio (asset allocation and performance). Overall, it has been a very strong year for markets and the portfolio has performed well. This is not surprising as this portfolio is tilted toward risk assets which represent approximately 75% of the portfolio. Policy asset allocation ranges were updated last year and approved by the Authority. Per the IPS Equities mid-point long-term policy allocation is 60%, the Fixed Income midpoint is 25%, and the Special Opportunities midpoint is 15%. Regarding the latest Fugio private equity fund, the subscription documents are being updated to include custom indemnification language (as requests by Lauren Parker) and should be completed/signed by Patty Cormier in the coming weeks. Recently completed was an investment into an Ares private credit strategy. As discussed in the previous Committee meeting the Ares strategy is being funded from the existing floating rate high yield allocation.

BNY Wealth recently published its 10-year forward-looking capital market assumptions (completed on an annual basis). This is a way to project risks and returns across various asset classes. Projections looking forward continue to be optimistic. Equities are expected to perform well over the next decade, similar to the last decade, driven by strong profit margins (large corporations are doing well and the sea-change in artificial intelligence is impacting profits positively). We are managing this portfolio with a perpetual time horizon and do not expect it to

become conservative - there will be some fluctuations but over the long term we are in a good position to grow and maintain the real value of the portfolio.

Markets in 2024 have been driven primarily by the Magnificent Seven stocks. The BSP portfolio has been overweight in U. S. Equities (particularly large-cap), and underweight in non-U.S. equities (emerging markets and developed international stocks). The Fed recently cut interest rates but disappointed the market in terms of what was expected for rate cuts in 2025 (two rate cuts - fewer than the market was hoping for). This is due to the economy being strong which causes inflation to continue to be higher than that with which the Fed is comfortable. The last mile of inflation is the toughest - it started at 9% and is down to 3% and the Fed target is 2%.

Regarding the health of consumers, since the beginning of the pandemic, consumer net worth has increased by almost 50 trillion dollars - due to a combination of real estate prices increasing and markets surging since the pandemic. There's a lot of spending power that will drive profits for companies. The potential tariffs and potential changes in the immigration policy are risks and will be closely watched as they may lead to higher costs for consumers and higher inflation. Over the long term, what drives markets are earnings and interest rates, and we remain laser-focused on those.

As of the end of November, total assets in the portfolio eclipsed \$122M. As of last night's close, \$120M (December is off to a challenging start). This portfolio is positioned appropriately with its conservative approximate 3% spend rate and perpetual time horizon. The Baxter Trust continues to represent two-thirds of the total assets and the Investment Fund represents one-third of the assets. Regarding the consolidated pool (how the Investment Committee looks at the assets), the two accounts are not allocated exactly the same way; there are significantly higher levels of alternatives in the Investment Fund versus the Trust. On a consolidated basis, the YTD investment returns stand at 15%, and on a one-year basis, just under 20% (as of November month-end). The goal is to maintain the portfolio's real value, so over the long term, we want to earn a return that at the least offsets the spending (around 3% over the long term as well as inflation). With any return above 6.5% - we are enhancing the real value of this portfolio. It has been a good year with great absolute returns and the real value of the portfolio has been enhanced.

BSP/SFMA Advisory Member Recommendations: Kevin Adam announced the passing of Frank Clukey - a past BSP Advisory member for many years, and an active member of the community. Kevin also informed the Authority that Carla Ritchie is stepping down as Vice-Chair of the BSP Advisory due to other professional obligations but will remain active on the committee. Brant Miller was voted by the Advisory to replace her. Brant has been a Park volunteer for over 20 years and is currently serving his second 2-year term on the BSP Advisory. He has served on several non-profit boards and is essentially retired. **Kevin proposed to the Authority that Brant Miller be considered for the Vice-Chair position of the BSP Advisory - so moved by Commissioner Camuso, seconded by AG Frey, all were in favor and the motion passed (3-0). Chair Cormier thanked Brant for stepping up to this role. Director Adam also recommended Dr. Cameron Trubey who couldn't attend this meeting today, to be considered by the Authority to join the BSP Advisory Committee. Dr. Trubey is a long-time Park visitor (year-round hiker) and has attended meetings of the Advisory to better acquaint himself with the role of this committee. (Cameron is a primary care sports medicine**

physician at Downeast Orthopedics.) The motion was made by AG Frey to accept this recommendation, and it was seconded by Commissioner Camuso. All were in favor and the motion passed (3-0.)

Nava Tabak reminded the Authority that the SFMA Advisory Committee has three-year terms and no limit on the number of consecutive terms a committee member may serve. A goal for this committee has been to ensure diversity in expertise and overlap of incoming and outgoing members. **Two reappointments were proposed, the first being Joe Wiley, a retired IF&W wildlife biologist who is experienced working with foresters. Commissioner Camuso motioned to accept the proposal, seconded by AG Frey. All were in favor and motion carried (3-0). Joe added that he is privileged to be part of this committee, and Chair Cormier thanked him for his service. The second committee member proposed for reappointment is Philip (Chip) Ahrens who has been on the committee for over a decade, provides great legal perspective, and is willing to stay on a little longer. AG Frey motioned to accept the reappointment of Philip Ahrens, seconded by Commissioner Camuso, all were in favor and the motion carried (3-0).** The third person who would have been up for renewal this year is Rob Bryan, also a wildlife biologist. He has also been on the committee for many years. He stayed on in 2022 to help with the transition with SFMA staffing and has been a great help and has now decided to step off the committee. We are thankful for his expertise and service over the years. Another long-standing member, Aaron Weisskittle, would like to rotate off before his term ends. Aaron has become very busy administering two large forestry programs and it has become difficult for him to attend the Advisory meetings. We are grateful for his service as well.

SFMA Herbicide Policy: Commissioner Camuso was not at the last Authority meeting when the proposed policy was discussed in great detail, so Nava Tabak explained that this is a policy being proposed for use in the Scientific Forest Management Area (SFMA) to address a specific condition where there is failed forest regeneration. There is precedence for using pesticides generally in the Park (i.e. the last outbreak of the spruce budworm and spot treatments for early invasive plant introductions in the Park) but this would be a novel use as part of our tool kit for managing the forest in the SFMA. We looked at Percival Baxter's deeds and vision very closely and found that not only is it aligned with his vision of using the most modern and scientific forestry tools but that without using this tool at this time we would be actually be failing his goal of providing a sustainable timber production and demonstrating best practices.

Changes based on input from the last meeting are: 1) including the Austin Carey and Mount Chase forests in this policy. We don't foresee an immediate need on those lots since we haven't seen this condition there, but those lots have the same mission as in the SFMA. 2) clarification about how we would demarcate the boundaries of sensitive areas, which are not necessarily areas of no herbicide treatment but areas we would mark for the applicator's awareness; and 3) clarified that it would be one of our licensed foresters who would develop the herbicide applications and may consult with the person spraying if we were to contract out to an applicator (but it is all under the purview of a licensed forester).

Nava provided images showing the conditions this fall when it was visually easy to see one of the three or four species leading to this problem - in this case American beech in the understory or after a harvest that is growing very densely. Comparisons of where it is very dense to adjacent areas where there is a little bit more of a mix of spruce/fir regeneration were shown. Another image

showed areas of adult beech, and while this is a native species we want to maintain as part of the forest, it is diseased in our region and not merchantable. Another image was of the SFMA Advisory members examining an area with attempted mechanical control of this interfering vegetation, which is unlikely to succeed.

Chair Cormier asked if the policy mentioned the discharge permit requirement from the DEP. It's not mentioned specifically but we will be working with a licensed applicator who will ensure that all necessary permits are in place. **Commissioner Camuso motioned to accept the Herbicide Policy for the SFMA as revised, seconded by AG Frey, all were in favor, and with no further discussion, the motion passed (3-0).**

Reservations/Day Use Pass (DUPR) Subcommittee: The Authority reviewed clarifications to the Fee Adjustment proposal that was approved at the October Authority meeting. These clarifications were made at the request of AG Frey, and are as follows: **New language:** *The cost of a DUPR is intended to be a nominal fee to discourage visitors from making more reservations than they intend to use, which limits access to other visitors. Since this fee was not meant to reflect the value of the experience of climbing Katahdin, DUPR rates were not considered in the past when reviewing the economic indices used in this protocol. Still, in 2024, Park staff determined that due to economic changes over the years, the current price for a DUPR was no longer effectively serving its purpose as a deterrent for the over-purchasing of a reservation.* **Original language:** *The cost of a DUPR aims to be the minimum required to encourage actual use of the DUPR (i.e., a deterrent to buying unnecessary DUPRs). As a result, DUPR rates were not considered in the past when reviewing the indices used in this protocol. In 2024 it was determined that the minimum price had not acted as a deterrent as originally intended.*

The Reservations Subcommittee (five BSP Advisory members and three BSP staff), met regularly since October to review the Day Use Parking Reservation (DUPR) system. This revised draft document was reviewed at the October Advisory Meeting, and the Advisory's suggestions are included in this new draft document. The recommendations do not change the utilization parameters of the DUPR. The subcommittee addressed: 1) changing the name to avoid confusion (based on public comment). 2) reducing the no-show rate of 64% (over-purchasing and underutilization), and 3) allowing all to purchase DUPRS on 4/1 (prior to this non-residents had to wait until two weeks before their visit). In 2009, when the DUPR system was implemented, the goal was to allow more parking passes for Maine residents. The utilization reports indicate that this goal has been achieved: the current ratio is 70% Maine residents and 30% non-residents purchasing DUPRS. The subcommittee felt that opening it up to both residents and non-residents on 4/1 and keeping it at the 70-30% ratio would be a positive change, allowing non-residents to better plan their visits.

After vetting by staff and the Advisory, it was decided that 1) the new name would be Katahdin Trailhead Pass, 2) to reduce the no-show rate and avoid underutilization, dropping the maximum number of passes available for any individual to purchase from 3 to 2 per month. 3) Opening up the ability to obtain a Katahdin Trailhead pass on 4/1 for everyone, while limiting the percentage of passes sold to non-residents to 30% on any given day. Maine residents could purchase 100% of passes in a day. If this goes into effect on April 1 we will be monitoring the 70/30 ratio in real time. Kevin Adam explained that you don't always need a DUPR to climb Katahdin, such as in the middle of the week when there are only a few vehicles in the parking lot at Roaring Brook. It is more for those

busy weekends in peak summer months. Brant Miller added this may be unknown to some and it would be good to make it part of the communication plan. The communication plan will include postings on the Park's Facebook page, FAQs, and website postings.

AG Frey raised the concern that if the goal of this is to reduce the number of no-shows and increase the number of passes used, this could lead to an increase in the number of visitors and over-utilization of the resource. Part of this effort was to give people some confidence that if they show up they will have a better chance to summit. What does that mean for the trails, for the experience, if 100% utilization is reached? Responses included:

- we have set capacities at each trailhead, whether or not visitors wait in line, or have a DUPR;
- even with the first-come, first-served entries at the gate, we don't always fill the parking lots;
- we are very confident that these set capacities will not over-burden our natural resources, and this system has the added benefit of giving people more time to plan and be better prepared;
- we are testing this at 2 passes per month from 3 passes per month;
- it will be another conversation if we become worried that the set capacity limits (based on parking area space) are too impactful on resources;
- Historically, we have been full and there hasn't been a greater impact on the natural resources;
- There are staff on the trails educating hikers;
- if we have more people actually using the KTPs that they purchased in advance, fewer first-come first-served visitors will get in;
- we are trying to address satisfaction by opening parking reservations on 4/1 and hopefully reduce the number of complaints from people from farther away (Portland for instance) who will not be willing to risk coming if they aren't guaranteed access.

It would be helpful to the Authority to have information about impacts at maximum limits. Also, as we are monitoring comments (through the reservation line, or social media), that feedback would also be interesting and helpful. Currently, the Reservations staff receive daily complaints regarding limited availability to pre-purchase, so we're showing the public we're taking the first step to improve this. This ongoing effort to increase awareness and focus on improving the process is greatly appreciated by the Authority.

Overview of Park Operations: Kevin Adam shared the sad news of the recent passing of Tom Power, a long-time customer representative who worked at Togue Pond Gate and who had lost his battle with cancer. Tom was a great asset to the Park (and a mentor to other staff) and will be greatly missed.

Finance Update (Lori Morrison) Q1 FY25 - Revenue is \$2,157,134 representing a 41% positive variance over 2024. This includes the final Daicey Pond Disbursement from BNY Wealth - \$105,000.00. Also, 2023-24 state of Maine Trust/Harpswell Investments deposits were not recognized until Q1 FY25. We also had a 9% positive variance in Park Utilization in this period. Personnel Services expenses - \$1,416,365 representing a 5.5% positive variance (due to position

vacancies). All Other expenses are under budget by 3.8% at \$459,697. Capital expense is \$154,573, the majority being Daicey Pond Project expenses. Note: 30% of the capital allocation was utilized in Q1. The Daicey Pond Project is going very well, especially since the financial planning for this project was projected three years ago.

Human Resources (Lori Morrison): To recap the 2024 recruitment activity - 29 seasonal vacancies were filled with 4 internal transfers, 3 internal promotions, 20 external hires, and two vacancies at the end of the season.

Reservations (Lori Morrison): Going into 2025 the subcommittee will focus on camping check-in, the rolling reservation system and extensions, and the online reservation start time. Lori thanked the subcommittee members (advisors and staff) for sacrificing their evening hours for this effort.

Reservations Software Upgrade (Lori Morrison): This upgrade addressed many long-standing issues, and the rollout has gone very smoothly. Park Services Manager Bryan Buhler monitors this and works closely with our reservations software programmer. The system has been completely rewritten and revised due to outdated data language runtimes, frameworks, and server build packs and a new cache database has been added, reducing the load on the main database. We were concerned about the stability of the system and were running into caching limits daily. Chair Cormier asked if the systems are separated, thus reducing vulnerability. Lori responded that the caching issue was the biggest threat and we have a new server in place. S. J. Rollins is our server network administrator, There are redundancies in place so that the vulnerability the Reservations server was causing to the entire system has been made stable. Customers have been providing positive feedback. The optics are clean and there were not such significant changes that people are having difficulty finding what they are looking for.

Camping Utilization through 2023 and 2024 (Lori Morrison): The chart provided illustrates that campground reservations for 2024 were aligned closely with 2023 utilization. Very notable is that the closure of Daicey Pond resulted in more utilization in other campgrounds as compared to 2023, although it did have a significant impact on the overall annual total utilization in 2024.

Day Use Parking Utilization (Lori Morrison): We sold almost all available DUPRs - 8,189 of 8,432, representing 97% as of October 14. The no-show rate for 2024 was 64%, however, an unknown number of those passes ultimately provided access to visitors who were waiting in line. We will continue to work on better ways to glean the number of re-issues. Seventy-one percent (71%) of passes were sold to Maine residents, and 29% to non-residents.

Winter Lottery (Lori Morrison): This event on November 1 went very well and we received good feedback. Total winter reservations on opening day in 2024 (141) were lower than in 2023 (174), and much higher than in 2022 (83). Revenue was lower as well. Revenue for winter utilization in Daicey Pond in 2023 was just over \$13,000. This year's winter reservation revenue was approximately \$11,000 - less than in 2023.

Information & Education (I&E) (Nava Tabak): Staff have cultivated a partnership with the Maine Tourism Association, which staffs the Maine Visitor Information Centers along the highway. Our publications are now better stocked there, and though they train their staff about Baxter Park, we

provided their staff with training that also allowed time for Q&As and a virtual tour of the Park to help them assist potential Park visitors.

Staff are focused on finalizing educational products, old and new. The shoulder season is a busy time for our social media platform and website, which keep people informed about trail conditions and closings, holiday schedules, and weather updates. We wrapped up a successful mountain patrol season in terms of having better coverage on Katahdin Trails than last year. This was a great effort by people in various positions in the Park.

Natural Resources and Research (Nava Tabak): The iNaturalist project has exceeded staff expectations with nearly 4,000 species observations populated by 15 staff members and some volunteers. Research projects were outlined at the last Authority meeting and we are continuing to work with a few of those researchers. A research project led by John Hagan of Our Climate Common included the SFMA in their ground-truthing of a remote sensing model to identify late-successional forests in Maine. Lands Manager Shane Miller encouraged them to look at places where the model might have trouble ground-truthing. The way we harvest (multi-aged), may look like old growth but doesn't always have the late-successional old-growth characteristics.

Scientific Forest Management Area (Nava Tabak): There was no major weather disruption to the harvest in the fall, and we had a good season and were able to market some specialty products - hardwood hygrade and a few tonewood logs that went to Bourgeois Guitars in Lewiston.

The SFMA Advisory Fall on-site meeting was held on November 1 in the south end of the SFMA.

Maintenance (Matt McGuire): As the camping season came to a close there was a large focus on project work that included distributing over 1,000 cubic yards of gravel along the Tote Road towards Ledge Falls for road resurfacing. We also did a significant number of culvert replacements (larger open-bottomed). We found considerable rot on the deck of the 60' Trout Brook Crossing Bridge and replaced both the transverse timbers and the wear layer of the deck. This crossing is critical for connecting the north and south ends of the Park on the Tote Road near South Branch Pond.

Maintenance and Transportation Supervisor Keith Wehmeyer with Shane Miller and in consultation with Nava Tabak has initiated inspections of stream crossings, determining where we can improve fish passage and address erosion concerns. The first crossing assessed is at Bear Brook, and there are three crossings on the north end of the Park to be examined for which plans will be prepared by Stream Restoration Specialist Alex Abbott.

Daicey Pond Project (Matt McGuire): The Daicey Pond Crew is doing a great job. Doors are installed and plastic is on the windows. Roofs are installed on Cabins 1, 3, 4, 5, 6, and 9. In the first week of January, the Supervisor and Enforcement Rangers will begin to help the Daicey Pond Crew install woodstoves and finish roofing. The permachinking will begin once the woodstoves are in working order. The focus is to have Cabins 1 through 5 ready by springtime so that at least one side of Daicey Pond is ready for opening on May 15.

Trails (Matt McGuire): The Trail crew was working on a re-alignment of the first tenth mile of the OJI Trail when Hurricane Helene hit Asheville, North Carolina, Trail Supervisor Brennan Turner's hometown. He made an emergency trip home to help with the crisis there. The Trail Crew was redirected to clearing blowdowns and maintaining the trail corridor of SFMA trails (the southern half of the Frost Pond and Wadleigh Brook Trails). When Brennan returned the crew de-rigged for the season, and he and Trails Specialist Kris English and Trail Crew Leader Emily Long worked on the OJI project and cleared the winter hauling trail intended for use for the Katahdin Stream Falls bridge replacement project. There is an extensive hauling plan for the winter. Kris English turned to sign-making- there are currently 29 wood-routed sign replacements under construction.

Operations (Matt McGuire): Enforcement Rangers engaged in portable fire pump training and State-mandated annual law enforcement case law training, and along with Supervisor White, they re-established the viewshed at Mountain View, constructed a lean-to at Campsite 3 at Nesowadnehunk, and new tent platforms at the Birches. District Ranger Paul Farrington has been coordinating firewood deliveries to the campgrounds and topping off the East Branch Pit and Matagamon. Georgia Manzo and Bruce White organized the annual Volunteer Banquet. This event allowed us to acknowledge all of our volunteers who help out at the Park as well as the MASAR Teams and partner agencies.

Appalachian Trail (Matt McGuire): We closed the mountain on October 14, and with that, the AT hiking season came to a close. The Park recorded 2,335 registered hikers, compared to 2,383 in 2023. Supervisor Ranger Bruce White coordinated the season-end meeting with MATC and the Monson Visitor Center (Appalachian Trail Conservancy). This annual "lessons learned" collaborative meeting promotes communication and helps to lessen the incidents along the trail.

Search and Rescue (Matt McGuire): Eight search and rescue incidents occurred during this reporting period, just under 50 for the season. Rob Tice has been working on the 2025 MASAR Teams calendar and we will be doing a joint multi-team training in January with MASAR Teams and Park staff on basic winter mountaineering and technical rescue skills.

Executive Session I (Katahdin Lake Wilderness Camps): **Attorney General Aaron Frey moved pursuant to Title 1 Section 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 for the Katahdin Lake Wilderness Camps, the condition of those camps, and the future of those camps and the lease. Commissioner Camuso seconded the motion. All were in favor 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.

Executive Session II (Austin Cary Lot): **Attorney General Aaron Frey moved pursuant to Title 1 Section 405(6)(C) and (E) of the Maine Revised Statutes, to go into executive session to discuss with our attorney the Austin Carey Lot and the future of that lot. Commissioner Camuso seconded the motion. All were in favor 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 at 1 p.m.

Respectfully submitted,

Georgia Manzo
Office Specialist