



Baxter State Park Authority Meeting

10:00 am, Friday, March 7, 2025, Burton Cross Building, Augusta, ME

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

Attendees:

Baxter State Park Authority: Chair and MFS Director Patty Cormier, Attorney General Aaron Frey

Assistant Attorney General: Lauren Parker

BSP Staff: Director Kevin Adam, Director of Administrative Services Lori Morrison, Chief Ranger Matt McGuire, Office Specialist Georgia Manzo

BNY Wealth: BSP Endowment Fund Manager Michael Daley

BSP Advisory: Chair Carl Carlson, Vice-Chair Brant Miller, Herb Fithian, Carla Ritchie, Cameron Trubey

Baxter Park Wilderness Fund Trust: Trustee John Loyd

Friends of Baxter State Park: Executive Director Aaron Megquier, President Josie Quintrell, Jensen Bissell, Jerry Bley

Other Guests: David MacDonald

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

Consideration of the December 20, 2024, BSPA meeting minutes: AG Aaron Frey moved to approve the minutes, and Chair Patty Cormier seconded the motion. There was no discussion. The motion carried, 2-0.

BSP Portfolio Overview (Michael Daley): The Investment Committee met on 2/25 and discussed the changing environment and did a complete portfolio review, including asset allocation and performance. BNY Wealth's private investments team called in during the meeting for a thorough review of the private investments portion (13%) of the portfolio. At the end of 2024, assets in the portfolio totaled \$ 119 M. As of today, the value hasn't changed, even with the tariff announcements and other volatility. Maintaining perspective and focusing on the long term in a perpetual pool of assets, such as Baxter State Park's portfolio, is key.

The stewardship index was also reviewed during the Investment Committee meeting and is a "scorecard" to track the performance of the combined pool of assets managed, and ensures we are adding or at least maintaining real value of the assets (the portfolio is earning a return over the long term that can at least match the combination of spending, inflation, and distributions). The 24-year average of +1.1% to +1.2% represents that over the long term, we continue to track a measure that's slightly enhancing portfolio value. In calendar year 2024, the portfolio returned 12.3%, and inflation was approximately 3%. The increase in market value of the portfolio from year-end 2023 to year-end 2024 was \$9M, and there was \$4M in spending for a total investment return of \$13M in 2024. This year has been relatively flat. February was a down month, and March has been particularly challenging.

Year-to-date, stock markets on a global equity basis are relatively flat, but unlike previous years, international-developed and emerging market equities, coming off a low base and having underperformed for so long, are currently outperforming U. S. equities. This has happened primarily in the last month with concerns about tariffs and a slowdown in consumer spending, which is approximately 70% of the economy and because of the tariff's there's an increased desire from international governments to increase spending, (i.e. Germany is performing very well, mostly due to government spending primarily toward defense industries). The BSP portfolio is still underweight in international markets, and we still feel the U. S. is a better place to be. All else being equal, these international economies will be hurt more by these tariffs than the U.S., given that we have a trade deficit with all of these economies. There are other country-specific factors influencing the markets aside from the tariffs. For instance, China is a large player in the global economy with about 40% in the emerging markets universe, and has seen an influx of stimulus spending to try to generate growth in its economy, which has been struggling for some time. In 2017, China represented about 20% of our imports, and now represents only 13%. We expect volatility to continue within equities and also with interest rates. The market is now predicting the Fed is going to cut rates three times this year. The Investment Committee continues to be very comfortable with the current asset allocation positioning of approximately 62% in public equity markets, about 25% in fixed income, and 13% in private investments (equity and credit).

Overview of Park Operations:

Financials: Lori Morrison provided a finance review of Fiscal Year 2025 Q2, October 2024 - December 2024. Revenue was at \$1,245,034, representing a 7% negative variance due to the timing of the December disbursement from the Trust that was posted in January. Park Services revenue exceeded the budget. Personnel expenses in FY25 YTD were \$1,273,062 over budget by 6.3% due to contract ratifications in 2024, which included wage increases and a one-time prorated payment as a result of a resolution with the state of Maine. All Other expenses - \$333,914 represented a positive variance of 11% due to the timing of the expenses. Capital expenses of \$173,272 are at 52% of allocation for the fiscal year, and the majority is for the Daicey Pond project, which is going very well and is at 69% of expenditures to budget and on track for project completion by the end of May.

Baxter State Park, represented by Lori Morrison, appeared before the Joint Standing Committee at a public hearing on the FY 26-27 budget, at which they voted "ought to approve".

The Authority approved a fee increase at the end of last year, which took effect on January 15, 2025. The communication plan was implemented, and Customer Representative staff received no complaints or negative feedback regarding the fee changes.

Human Resources: Seasonal and intern recruitment, along with a focus on two full-time positions, including the Supervisory Carpenter position, has been the top priority. With a substantial candidate

pool and many qualified applicants, positions are filling quickly. We've expanded our recruitment efforts to include more print and online publications. The Organization Chart has been updated to illustrate the Park's internal structure and hierarchy clearly, and highlights the relationship among team members.

Reservations taken January 15 to February 20 (for the period of May 15 to June 20), were up 37% from 2024; however, with the Daicey Pond closure, a better comparison is between 2025 and 2023, which reflects a 30% increase in camping reservations, more in line with pre-COVID numbers.

Information and Education: Kevin Adam reported that Nava Tabak is (as we speak) conducting the Park's Research Committee annual meeting at the Deering Building, reviewing five applications for new research and monitoring projects, and receiving updates on ongoing research work. Cassandra Knudsen has been providing public communications on several projects, including updating the Park's website with information about the updated fees, the Katahdin Trailhead Pass, and progress on the Daicey Pond Project.

Scientific Forest Management Area (SFMA): Acadian Timber, a Canadian company managed in Maine by Katahdin Forest Management (KFM), acquired the portion of A. A. Brochu that had been assigned the harvesting (SFMA) and road maintenance contracts (Parkwide). New contracts will be developed for June 2025 (when the current contracts expire).

Maintenance: Matt McGuire explained that Keith Wehmeyer worked with a contractor (J.H. McPartland) to review and overhaul the heat distribution system at Park Headquarters. This work was necessary due to deferred maintenance as well as multiple renovations and additions to the building over the years that did not integrate the heating zones. The result is a more dependable heating system and a more comfortable and efficient building.

Equipment and Vehicle Technician Frank George has been overhauling Baxter's substantial fleet of snowmobiles with assistance from Park Maintenance Coordinator Matt Martin. Matt and Frank have also been keeping the headquarters parking lot clear of snow during and following multiple storms. Matt is transitioning to Daicey Pond and the reestablishment of the propane connections there following the restoration.

Recently retired Supervisory Carpenter David Fogg played a very significant role in the Daicey Pond Project until his departure, including mentoring and coaching the younger rangers and conservation aides. We've done one round of interviews with six applicants for that position and have selected two with whom we will conduct second interviews on Tuesday.

At Daicey Pond, Cabins 1-6 and 9 are completed, roofs are being constructed on Cabins 7 & 8, and we are on target to open all cabins in May. Windows are on schedule to be delivered on Wednesday of next week. As we lose the snow pack and head into mud season, we plan to use two UTVs to access the site, and the crew members have started staying in 2-3 nights/week for efficiency.

Trails: Trails Supervisor Brennan Turner and Trail Specialist Kristen English have been working on hauling trail material for the coming season. Materials for the Sandy Stream bog bridging and boardwalk are in place, and they are switching over to Elbow Pond to get materials there, taking advantage of an anticipated cold snap to access and stage that worksite, which crosses a body of water. A new bridge system is going in on the OJI Trail that the Baxter Youth Conservation Corp will be involved with, and materials are being prepared for that work location. We pulled back on plans to replace the Katahdin Stream Falls bridge. There's currently a temporary bridge there, and the logistics for getting 32' stringers in there are quite complicated (risk to personnel and equipment), and it will be reevaluated next season. Kris has been working on trail signs (29 to date), and the new summit sign is currently being worked on.

Brennan assisted Nava Tabak and District Ranger Rob Tice in reviewing applications, conducting interviews, and selecting candidates for the summit and trails internship position. During the season, summit patrol duty requires Rangers to take rotating shifts to observe public use on the mountain, answer questions, and assist with search and rescue incidents. We're hoping to dedicate this summit steward to at least three days/week on the mountain, and this intern will stay at Chimney Pond a few nights/week.

Field Operations and Law Enforcement: Winter hauling has been the focus, with only 2-3 weeks remaining for that opportunity.

Chief Ranger McGuire and District Ranger Rob Tice have been working with Col. Robbie Gross and Lt. Ben Goodwin of the Maine Forest Service to receive (on loan) a Type 4 engine (fire truck), a BB4 Pump, and several wildland fire apparatus to supplement the Park's initial attack wildland fire equipment.

There were two search and rescue incidents in January, and there have been a few more since this report was written. Primarily, winter hikers are exceeding their ability and are unprepared for the Park's challenges. We've been working on better messaging regarding skis and snowshoes - it shouldn't be one or the other. Visitors with illnesses and medical issues have benefited from there being a winter ranger at Abol who was able to assess their issues and bring them to their vehicle or a waiting ambulance. MASAR teams were on standby at Chimney Pond in February and early March and helped with our busy Presidents' Day weekend. We're at the peak of ski season in the Basin. BSP hosted a three-day joint agency training session in January that involved MASAR teams, the National Park Service, and the Maine Warden Service and focused on introductory winter mountaineering skills, including low-angle technical rescue training. Staff training is also planned for our Enforcement and Winter Rangers on March 21, which will focus on mid to high-angle technical training.

Harvesting Operation on BSP Boundary Line: On December 10, Acadian Timber's contractor, A&A Brochu, was harvesting wood along the Thistle Pond (western) boundary line, and their harvester operator inadvertently cut some trees over the line on Baxter Park property. Their forester had set two lines - the actual line and the buffer line - and the harvester operator confused the lines. (Their

operators do have GIS/GPS in the harvesting equipment.) Discussions with Acadian Timber and Brochu representatives were initiated, and Matt McGuire, Rob Tice, Shane Miller, and Kevin Adam visited the site. Six hardwood trees of sawlog quality and one spruce tree were cut, and the harvester went approximately 260' into the Park. The trees have been delivered to one of our contractors' staging areas, and the sawlogs will be kept for special projects for the Park. They are cutting near our boundary line in the next several years, and we will keep communications open with Acadian Timber's president, John Steward, and Kevin Adam talked with him about some cost-sharing on boundary line maintenance in that area. [Chief McGuire and District Ranger Rob Tice are looking at re-establishing the goal of three miles per ranger per year on boundary line maintenance and identified three areas of priority including the Thistle Pond area, the area around Nesowadnehunk near the old western entrance, and the Camp Phoenix area - all where there are active abutters. Some of the designated boundary trees are gone, and there is some young coniferous growth, so there will be some clearing and marking.]

Ambulance Coverage - North End of the Park: Ambulance service in rural Maine is in flux, and the issue is funding. A few years ago, the town of Patten reached out to Piscataquis County officials about ambulance coverage for several townships in that county, including Baxter Park. Most towns or counties have contracts with an ambulance service. Mike Williams, county administrator for Piscataquis County, has been trying to set up an agreement with the town of Patten, and negotiations have been difficult. The town of Patten wants payment ahead of services because it wants to know that ambulance costs are covered. Piscataquis County wants to pay on a call basis because the number of calls is rare in that area, and with funding issues in these rural towns, the ambulance service in Patten may no longer exist at some point. When a 911 call is sent from the Park, communication with dispatch will include asking where the ambulance is coming from, and the seriousness of the issue will need to be conveyed. If the MFS helicopter has a paramedic on board, and the ambulance meeting them doesn't have the same level of care, they cannot release the patient to the ambulance. The Patten ambulance to Matagamon gate is a minimum of 45 minutes.

Katahdin Lake Wilderness Camps: Lauren Parker stated that a signed document from Charles Fitzgerald had been anticipated today, whereby he would gift to the Park a certain number of structures and personal property that he owns on Park land, and that the Authority would vote on this in the normal course of accepting gifts. We recently learned from Charles (Wednesday evening) that it would not happen today, and we understood that Charles views this as a package deal - he donates the buildings, and in return, the Park gives him the lease. In processing that communication, it gives us pause because the Authority cannot accept encumbered gifts - there can be no quid pro quo. It is a long-standing tenet of the Trust, a condition of the Governor's executive order that allows the Authority to accept gifts over a certain value, and it is spelled out expressly in the Authority's donation policy. It is important for the Authority and for the Assistant Attorney General to understand Mr. Fitzgerald's intentions.

David MacDonald, who is Charles Fitzgerald's representative, explained that sequencing is important and that quid pro quo was not intended to be the directive. The camps are a unique property, with layers of property interests; there's history and emotion, and the materials in the packet reflect a fairly

detailed proposal. Charles and his attorney decided that before signing the donation deed, he would like to understand if there is a path forward for the structures he is reserving. He was told by Assistant AG Lauren Parker and Director Adam that the Authority has not looked at the lease yet and cannot speak for them. David added that now, at this meeting, the documents have been aired publicly and reviewed by the Authority, who can then provide some information to Charles, i.e., is the lease on track, is it a non-starter, are there parts that need editing. Otherwise, Charles has no idea if he has any potential to use the structures he is reserving there. David had proposed to Charles to sign the donation first as a goodwill gesture and to get the momentum going (something Charles had previously proposed), which would allow the Park to access their buildings before too much time had passed. Regarding the lease agreement, it is hoped that in this public meeting, the Authority will take comments and accept feedback (and discuss it in an executive session if necessary). These are two halves of the same property. Completely uncoupling them is not something Charles wants to do, nor does his attorney feel it is in his best interest.

Chair Cormier commented that there have been multiple executive sessions about this, and the Authority has been kept informed of negotiations and progress, clear lines were established in good faith, and it was expected that the donation would happen today. David responded that Charles would like to sign the documents together. Both documents were finalized the first of this week, and his initial suggestion to uncouple them was to “just get the easy part done first”. David added that the two parts are proceeding on parallel tracks. Assistant AG Parker added that one of the major guardrails was that there could never be a quid pro quo, and yes, parallel tracks as it relates to efficiency of resources, and it being one piece of property that Baxter owns and one set of buildings that Charles owns. David reiterated that he doesn’t think Charles is revisiting the overall substance of the proposed agreement - he is revisiting the sequencing and the commitment without any feedback from the other party on the other half of the arrangement, adding that Charles knows that the Authority holds most of the control in the situation, and has some requests, ideas, and goals for his reserved structures, and would like some feedback on whether that is going to meet with approval or not. It’s not bad faith - it’s the way he processes things, and he wants to do what’s best for the Park. If the Authority decides the donation must be done first, he will relay that to Charles, but feels it is not unreasonable to ask for feedback on the second part of what is two halves to the whole property. David added that if he can come away from this meeting with any feedback from the public or the Authority regarding the lease being on track, he suspects he can come back in May and both documents will be ready to finalize.

AG Frey said to bring back to Charles that executive session proceedings have empowered Director Kevin Adam and Assistant Attorney General Lauren Parker with the thinking of the Authority as to what it desires, so if there has ever been a question as to what the Authority wants or is authorizing it would have come up with Lauren and Kevin because that is the purpose of the executive sessions. AG Frey added that it is discouraging to learn that perhaps there was a misunderstanding about how much knowledge our emissaries had to negotiate this agreement.

AG Frey added that enough conversation has taken place about the donation and the lease order that it sounds like a quid pro quo, regardless of which way we go. We don’t want to reciprocate by

saying we want to do the donation first before we do the lease, because we would then be doing what we should not be doing. What do we take away from this? The camps are in an awful state, trash has been allowed to collect, and there has been no use of these properties. There is no active lease. What is the end game intended to be?

David responded that his understanding is that in previous executive sessions, the Authority had not seen a lease document or discussed it in detail. If the AG is saying the staff is authorized to bring this to near-final form, it gives me a lot of confidence. David added that he may have been overly conservative in saying to Charles that we don't know the trajectory we are on with the lease. AG Frey added that in executive session, we've provided enough guidance and have talked a lot about what we'd like to see come out of this, and we've demonstrated an appreciation for the support for the Park that Charles has and the goals described. There's a motivation here that is altruistic, and it is expected that the lease is in line with what we have discussed in executive session as to what our tolerance is. What we haven't talked about is one part going in front of the other because it creates questions about whether we're operating consistently within our guardrails around quid pro quo. Chair Cormier asked if there were any questions from those present. This is the first public opportunity to discuss this. David expressed his appreciation for that saying, "Putting materials out there is very important to me and to Charles to get feedback, and I underestimated how much getting feedback without a second document might open up the quid pro quo question."

Friends of Baxter Executive Director Aaron Megquier added that FOB strongly supports the substance in the lease and the proposed donation documents and is grateful for the time, skill, and hard work from all the people around the table to try to move this issue forward, and has been closely tracking this for over six years and doing everything we can to move this toward a positive resolution. As always, Friends is ready to help, including what the lease speaks to about future use of the donated property, and the education programming mentioned in the lease. Carla Ritchie added that the donation - turning the cabins back over to the Park - is important, and a five-year lease for Charles to experiment with using that property, especially if it's the way he intended 20 years ago, is worth it in the long run.

Carla asked how this is different from when the Park acquired the land and allowed Charles to have the lease 20 years ago. Lauren responded that Charles's presence at Katahdin Lake through the ownership of the buildings he bought pre-dates the Park's acquisition of the land. Charles had a legal relationship with the prior owner of the land. There were conversations in the legislature and elsewhere that Katahdin Lake was just a part of a larger land transaction that had to go to the legislature for two-thirds approval. There was conversation in the legislature about conditioning this transaction to guarantee that Charles would get a 25-year lease and the Authority including Attorney General Rowe said absolutely not, we cannot accept any parcels of land that come with conditions so it fell into the usual transactions whereby Baxter acquired parcels of land that sometimes came with pre-existing leases, sometimes they were renegotiated, and sometimes they ended. There have been conversations where Governor Baxter mused that leases should be only one year, and it's hard to find why/where it was decided that the lease that was ultimately issued to Charles was one year instead of 25 years because there was a discussion at one of the Authority meetings after the

Authority acquired the Katahdin Lake parcel that it should be a 25-year lease. Former Park Director Jensen Bissell stated that “Charles insisted on it,” adding that he tried, asking Charles (every year), “Wouldn’t it make sense to have a longer lease?”, to which Charles replied, No.

David thanked the Authority for being the guiding body and that this session was helpful and allows him to discuss with Charles and his attorney the way forward, and asked that the Authority not throw out the overall transaction structure and to continue with their patience, and “we will have it sewn up in a way that works for you by the May meeting.” AG Frey thanked David and said that both Kevin and Lauren have reported that there has been an earnestness in working through this. David added that there’s a lot of shared interest, and it will continue to serve both parties well to keep the lines of communication open.

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 the use of real property and the acquisition of personal property at Katahdin Lake, and the legal rights and duties of the Authority as to the leasing status at Katahdin Lake. Chair Cormier 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