

NATIONAL FOREST ADVISORY BOARD
BUSINESS PLAN TASK FORCE MEETING
MYSTIC RANGER DISTRICT
November 12, 2008

Attendees

NFAB Business Plan Task Force

Tom Blair
Steve Kozel
Greg Mumm
Becky Jo Rowe
Jim Scherrer

NFAB Business Plan Task Force Members Absent

Doug Hofer or Ryan Raynor

Forest Service Representatives

Dennis Jaeger, Deputy Forest Supervisor; Frank Carroll, Planning & Public Affairs Staff Officer; Tom Williams; Bob Thompson, Mystic District Ranger; Twila Morris, Recorder.

Others

Shirley Fredricks, Everett Hoyt, Bill Kohlbrand, Diane Burkhardt, Patty Brown, Colin Paterson,

Dennis

- Draft 5 Business Plan distributed. Will review the four page plan.

Tom

- Some paragraphs in regular print, some in gray background, are those changes that we've done?

Frank

- Changes to wording, some major revisions, reviewed plan by paragraph.

Tom

- Does the money still have to be used in the same format?
 - Frank: Yes, it is to be used to directly support our plan.

Frank

- Develop revenue stream outside appropriated dollars.

Dennis

- What can permit fees be used for, what can a vehicle with a license do?
 - Forest Service permits for a trail.
 - State highway vehicle license in SD.
 - Safety analysis must be done before a Forest Service permitted vehicle can be on a road.
 - Wyoming enrolls the trails into the program, so that both a permit and license make the vehicle legal.
 - The State Trails program in Wyoming does get some of the tax money.
 - Mixed use analysis would be done as part of the environmental analysis.
 - A child can not operate a licensed vehicle without a license on a road.

Jim

- Obligated by the Chief to close everything unless otherwise marked open.
- What can the Forest Service do that won't interfere with the State law.

- If we don't come up with a trail system, we'll be shutting out anyone under age 15 from operating an ATV in the Black Hills.
- Everyone in the room needs to understand the implications of failure. We owe the people an understanding of what the ramifications are.

Dennis

- We are required to designate a motorized travel system. If we designated our existing roads, that would require a licensed operator and vehicle.

Bob

- There is not a drop dead date on the direction to have something implemented. The current management scheme is the scheme until an affirmative decision is made by the Forest Supervisor of the Black Hills. Currently, a 10 year old may not be legal, on an open forest system road; they can ride cross country, as long as they are not on an open system road. The Forest can pre-empt State law, but it comes down to whether or not that is a good idea.

Tom

- Should we have a group of attorneys look at this?

Greg

- Part of the designation process, not the fee process.

Frank

- Continuing with the proposed plan review: Revenue stream, law enforcement

Tom

- Law enforcement across the Hills. Does a GF&P officer have the authority to enforce FS laws?

Steve

- Not in Wyoming

Dennis

- The FS has agreements with several Agencies in SD.

Bob

- The State would have to adopt the same requirements that the FS has. The Sheriffs office in general will not deal with natural resource damage.

Steve

- The State of Wyoming is reluctant to help us, because they are overloaded themselves.

Dennis

- County Sheriffs would assist with issues such as public conduct in campgrounds, etc.
- Forest Protection Officers would probably be used more to enforce this plan.
- The Forest Service will be doing an annual budget.

Greg

- We need to justify the dollar amounts in the plan.

Becci

- Commend the FS on making law enforcement a line item.

Frank

- Review of the Plan: Revenues for the designated OHV trail system would generally be spent on the system. Up to 20% of the revenue will go towards administrative costs.
- Data: Fees \$20/\$40/Commercial Use. Any user using the designated trail system must have a permit.

Tom

- Greg any idea of how many commercial dealers there are?
 - Only aware of two or three.

Becci

- Do not see a line item from trail decommissioning and reconstruction.
- Also need a bin item to discuss the extent of the trail system.

Dennis

- Those decisions are still down the road.

Jim

- Would the FS accept a range of fees from this group? Mileage may very well dictate the budget. Are we in a position to go back later, and decide upon an option, and at that time, bring the range into a specific number.

Frank

- We need to pick something, because we can't even put it in to affect until we do. The FS has never had a plan that has come from the public. After January 7th, the proposal will go to Washington, and then it will come back to the Board for a final decision on the recommendation.

Jim

- So are we in the position to submit a range for fees, then come back and adjust them?

Tom

- Consider collecting fees one year, and the second year, develop the budget based on collections. After the first year, you could adjust the fees then. We also need to collect an intense amount of data while we are selling the permits.

Dennis

- I would like to see us agree on some basics, such as, are we going to have a permit system, if we do have a permit system, what will we spend the money on? We need to have a specific fee to start with. If we go with a range of fees, we'll be back here in six months having this discussion again.

Tom

- Were the written comments the same as the comments we got at the meeting? Did the folks who wrote comments know what the fee proposals were?

Tom Willems

- They pretty much mirrored the verbal comments.

Jim

- I agree that we have to have a fee, and that the Forest Service has options they are studying, but I need to know what we are building – I can't build a budget without knowing what we are building.

Steve

- What are the numbers in the spreadsheet built on?

Tom Willems

- The proposed action.

Steve

- So there are some estimations about what the trail system will be – 700+ miles.

Jim

- There is a big difference between 300+ miles, and 700+ miles.

Greg

- But you've already made a public decision. In general the NFAB can agree on a fee system, without co-opting into a price without know what all is involved. The cost for maintenance per mile is greatly affected by the number of users, and the number of miles designated.

Becci

- At the end of the day, the Forest Service needs a balanced budget. With that in mind, and knowing the criteria we need to meet, you could put together alternative plans for the amount the public is willing to pay.

Frank

- The alternative will be a full range

Greg

- The process is the public comment period is till 1/3, and then on 1/7 the NFAB will make a decision which will go up to the Region and the WO. After their review, it's sent back to the Forest, to take back to the NFAB, to get final approval. Two roles, the first is the role of the NFAB, and secondly, the role of the RRAC. Under the law, does NFAB actually meet the criteria of a RRAC?

Frank

- After six months, the MVUM will be published. We took this through a formal process, and the NFAB was formally designated as the RRAC.

Colin

- The FS knows what the range of miles is don't they?

Steve

- We already have a model based on a 750 mile trail.

Jim

- If what we are asking a number for is 750 mile trail system, then we should start discussion on this basis. The first item is law enforcement. Law enforcement is basically non existent right now.

Tom

- Keep in mind our current law enforcement does not go away, so the \$200K is extra. The law enforcement person is the same person for all the laws; we can't just say one individual is for trail system enforcement.

Becci

- We are talking about a trail system; we have to talk about law enforcement for trail systems.

Bob

- The law enforcement needed to enforce state laws is County officers. I do not see the FS involving itself in the State rules. We have FPO's who write citations, they go out on evenings and weekends. There are also the standard law enforcement individuals who have the same qualifications as any other Federal Agent. We might also have reserve law enforcement officers, whose job would be specifically trails enforcement. And lastly, we have the volunteers, who are basically the eyes and ears.

Bill

- What is the total budget for law enforcement for the Black Hills?

Bob

- Formal gun carrying law enforcement - \$400,000 or so, not counting Special Agents.

Bill

- So \$200,000 sounds like quite a bit for just trail work.

Greg

- In the definitions – fee compliance and enforcement plans. Law enforcement includes a package plan. The LEO's are making their own law enforcement plan, so there is an agreement between the two. On the other hand, there are the FPO's who are under the direct budget for the Forest Service.

Frank

- This is \$200,000 of Forest Service money only for law enforcement.

Greg

- So the \$200,000 is strictly for law enforcement, and paid for by fees. The OHV community believes in enforcement. The point is the number – how did we arrive at \$200,000? How is this justified?

Frank

- We're going from a wide open scene, down to minimal trails.

Greg

- So you now know what and where, but how did you come up with \$200,000.

Dennis

- The \$200,000 is an estimate.

Jim

- How many FTE's does the \$200,000 cover?

Tom Willems

- Law enforcement, all total – not including the professionals, which is 504 personnel days for a six month operating season – divided by 261 days – in other words, two FTE's. One of the scenarios, the reserve LEO would write tickets, etc., and report to the Law Enforcement Captain.

Greg

- What was the basis for the decision for law enforcement?

Tom Willems

- We looked at other Forests, and worked with our Law Enforcement officers to determine what was needed.

Greg

- There are three or four different plans here, and they all say different things, but the number never changes.

Dennis

- If I had a hundred dollars to spend, how should it be spent, percentage wise? What do the users want from this fee? I should be able to justify.

Greg

- If you want an exact fee number, it's fair to ask where these numbers came from, and therefore recommend the fee.

Becci

- I agree that a percentage break down might be a more reliable way to break it out.

Greg

- The question will still be the same, how did you arrive at that percentage, or dollar amount? And how/why did the law enforcement get cut in half from one draft to another.

Dennis

- The numbers are based on our best guess at this time. There's a lot of what ifs between now and final. If we based it on percentages, the amount would be a percent at the end of the year.

Greg

- If you look at it on a percentage basis, there is a point when a family business changes to a small business, and when does it go from a small business to a large business?

Frank

- This is an annual plan, and we would go back and review it.

Tom

- The percent of maintenance is based on usage, and that is our biggest guess right now. How many people are going to pay for this sticker?

Jim

- We need to present this to the Board next week. For the sake of moving forward, could we accept the line items as is? If we are talking about 750 miles, and we need to get a consensus on a fee.

Dennis

- Bottom line is, we will be asking users to pay a fee. So what is a reasonable fee? Most of the users agree on a fee if they get the services. Most of the users thought \$40.00 was on the high side.

Tom

- I respect the public's comments, but we've been working on this for four years, and we still have questions. The public is speaking from their wallet. Having been a snowmobile rider, I paid \$20.00 for a two year sticker, and could only operate about 90 days a year. An ATV could be operated at least twice as long as a snowmobile.

Jim

- Show of hands from this committee who will make a recommendation to the NFAB.
 - All said yes.

Bob Thompson

- Before we try to agree on an amount, can we talk about the following:
- **Decision in bold print**
 - **Fees - YES**
 - Daily - NO
 - **Weekly - YES**
 - **Annual - YES**
 - Family Rate
 - Sliding scale – if the price is right, maybe a sliding scale is not needed.
 - 100% for one, 50% for second, 10% for third (Example)
 - Commercial Rate
 - Depends on specifics
 - Conceptually – yes
 - SUP, Concessionaire, Personal Use
- Fairness-Revenue/Affordability-Dependant on base fee
 - Other Approaches
 - Trailheads – In the annual review by the RRAC, to determine if we have trailheads that have the amenities necessary.
 - Agree that this is not something we can implement right now.
 - Individual vs. Machine?
 - **Machine - except for commercial.**
 - Difference for in State or out of State users?
 - **In State pays the same as out of State.**
- Fees
 - If the fee is different than the current \$40.00, the whole spreadsheet will need to be re-worked.
 - Based on the fact that we do not know what the use will be.
 - A lot of the costs will be one time up front costs, such as equipment, signage, etc.
 - We can't run deficit forever, eventually it will have to support itself.
 - For the record, Greg does not agree with this statement. No Forest Service program is fully funded.
 - First Year – Adaptive Approach
 - Deb Helmer – Dept. of Revenue, we have 60,000 registered ATVs in South Dakota, and approximately 15,000 un-registered. We sell approximately 16,000 ATVs in South Dakota per year.
 - Appropriated money not accounted for
 - Use rate could be 25,000
 - Cost per mile is high
 - Options: First is – we are ready to present, second is we have to educate.
 - Can we go to our groups and ask for more input?
 - Input with fresh set of eyes is a good idea.

Tom

- Proposal:
 1. Stay at the \$40.00 rate for a year / \$20.00 for a week, **or**
 2. \$20.00 week / \$25.00 for a year, with no sliding scale.
 3. \$25.00 - \$40.00 commercial sticker on each rig per year, and a \$15 or \$20 rate for each user.

We will annually review this, and in six months we'll re-adjust if need be.

At some point in time the RRAC and NFAB become two separate things.

Tom

- I believe you will increase the net income with a sliding scale, because more people will buy the permits.
- A weekly pass would probably be the best. When folks come in from out of town, they will be here at least three days. The Daily loses some of its appeal because of administrative costs.
- The snowmobile trail system does not have a commercial rate. The snowmobile business is based on having to buy new machines every year. On a 100 day season, you almost have to operate full time.
- The commercial vendor should pay the fees for each vehicle, and each individual should pay also.

Becci

- What is the goal here? We need to have a balance budget.
- We need to have a balanced budget.
- We are not ready to present this to the Board.

Greg

- A sliding scale would be dependent on the base fee to begin with.
- I think you should just drop it down to a reasonable fee across the board.
- For the OHV people who want a lower rate to begin with, if there is not enough revenue, they will have to be willing to pay more.
- This is revenue based, and the OHV community recognizes that.
- No-one in here is the commercial guy, so we can't give that advice.
- Whoever is making money off of the trails, should pay, and whoever is using the trail, should pay.
- ATV club who wants to hold an event. Work with the FS to determine an amount to be paid. This is not too far off of what a commercial guy is paying.
- As a non-profit organization, we make a guess about how much revenue we will get, and then we try to manage within that.
- We just need to determine a fee, not the budget side of it, etc.

Frank

- Many places have started out with a lower rate just as Greg describes. One mistake is to start to low and not have enough to launch.
- In order for us to charge at trail heads, they must have certain amenities.

Bob

- What mechanism would the Forest Service use to attach this requirement?
- Vendors selling commercial permits would almost operate under a concessionaire, like our Christmas tree sales.

Frank

- The person riding the rented machine would have to have a sticker themselves.
- There must be a sticker on the machine, because it easy to identify.

Jim

- How do we determine who is renting and who is not. If there is a system in place, then I agree with everything that has been said.
- Are we asking for the weekly or annual pass for the person or machine?
 - Answer is the machine.
- If we change the fee without changing the budget, quite simply, you will run into a deficit. I can't support the abstract comments about working within the budget. I need to see a document that reflects the new projected revenue.

Tom

- There aren't many commercial renters. We would have to publish the rules, such as having liability insurance.

Becci

- We can't pick and chose what pieces of the trail you'll do. Where is the money going to come from? At this rate, we are already in a deficit the first year.
- I can't support this if we have a deficit right from the start.

Tom

- People will know we don't have the full trail system up and running right away. Early on we'll have mapping and signage. We'll front load some of our revenue.

Motion made by Jim Scherrer:

- ✓ To take our worked through and agreed upon points to the entire NFAB board for the meeting Nov 19th, for presentation and education to the board, and in additional then, to obtain input back from the entire board on the proposed business plan. The intention is to process the input from the board and formulate a completed "Proposed Business Plan" to be presented to the NFAB in February 2009.
- Motion second by Becci Rowe
- After discussion, Greg Mumm called the question.
- Motion stands to end the discussion

Tom

- The Working Group should understand that if we get substantial feedback from the Board, we will have to have a meeting in December to discuss.

Frank

- Why would we have to meet in December? We have time.

Diane Burkhardt

- If this isn't going to be in place till 2010, why do we have to come up with a price before the EIS, etc. is out – you have over a year?

Frank

- We have till February or March.

Jim

- Twila will send out the decision bullets, if you disagree with anything let Twila know, a no response will indicate agreement.

End