

FINANCE MANAGEMENT PLAN



Overview

Base Allocation and Expenditures

The Kickapoo Valley Reserve is appropriated base funding support through the State of Wisconsin Conservation Fund – Forestry Account. The Conservation Fund is a segregated fund appropriated by the Governor and legislature in the biennial budget cycle, is primarily administered by the Wisconsin Department of Natural Resources (DNR), and generated through recreation fees, licenses, and forestry taxes. The Forestry Account appropriation is generated through the “mill tax” paid by the property owners in Wisconsin. The Reserve budget is administered through the Wisconsin Department of Tourism although it is clearly identified in the State budget as its own appropriation. Base allocation dollars fund permanent staff salary, a portion of the limited term employee (LTE) salaries, Kickapoo Reserve Management Board (KRMB) per diems, fringe benefits, supplies and services, and aids in lieu of taxes to local municipalities. (Sample Annual Appropriation, Attachment 5)

Gaming revenue is also received via State appropriation specifically to support enforcement presence on the Reserve. The Reserve employs part-time police officers to patrol the Reserve and enforce the administrative rules.

Although the KRMB is committed to generating revenue for specific projects, programs, and services, it will be necessary to continue to seek funding support through the State of Wisconsin for years to come. Funding for continuing expenses such as Visitor Center operations and maintenance, equipment, supplies, aids in lieu of taxes, and staff salaries will be requested through the State Budget process. The KRMB is committed to sound fiscal management, identifying cost savings, and careful monitoring of expenses as the taxpayers expect. An indication of successful financial management for the Reserve will be if in the year 2015 the KRMB shows a reasonable percentage increase (i.e., annual cost of living or other economic measures) in base allocation from the State of Wisconsin and a definite increase in revenues.

“We make sure we can pay the bills”. Gail Frie, Finance Committee Chair

Program Revenue Sources

Visitor Use Fees: Hikers, campers, bikers, horseback riders, birdwatchers, and other recreationalists are required to purchase a visitor's permit. Canoes, kayaks, and other river users using the river exclusively are exempt from charges as the State Constitution dictates that the waters of the State of Wisconsin shall forever remain free. However, the Reserve requires river users to purchase a vehicle permit for parking at boat landings/river access sites and a camping fee for river sites. Similarly, the state-sanctioned snowmobile trail that runs through the Reserve is exempt from fees but subject to the parking access fees for loading and unloading on the Reserve. Fishermen and hunters are also exempt from the day use fee in recognition of the portion of license costs that supports the State Conservation Fund. (See ch. KB1, Wis. Admin. Code). The Reserve will consider charging outfitters and service businesses a seasonal fee if maintenance related to their activities and operations on the property becomes an issue. Anticipated businesses that could be charged the fee include, but are not limited to, canoe and bike shuttle, horseback, horse-drawn wagon, and camping guide services.

Self-registration devices, or iron rangers, are located at frequently used areas; or visitors may come into the Visitor Center to obtain a permit. The system is commonly referred to as the "honor system".

The KRMB sets fees annually for day use, annual passes, camping, the Visitor Center, and special events. The yearly setting of fees allows the KRMB to adjust to changes in numbers of visitors and any specific issues that warrant an increase or decrease in fees. When establishing the fees, the KRMB will consider comparable services in the area and the quality of the experience the Reserve offers. In fairness to those visitors who pay the user fees, the KRMB has established a fiscal penalty mechanism through administrative rule KB1 for those visitors who do not pay.

Regular maintenance that fee-generated revenue supports includes, but is not limited to, trail and campsite mowing, litter control and garbage disposal, signage, visitor information guides and maps, erosion control on trails, materials for bridges and tributary crossings, maintaining stable surfaces on Old 131 and Star Valley Road, portable toilets and river access ramps, seeding and tree planting where appropriate, supplies, equipment, and facility costs.

Programs and Events: Revenue from education programs and special events has evolved into a significant funding source for the Reserve. The Education Program now hosts classes for all ages year round. Funding generated through tuition and fees goes directly to support a permanent salary position, instructor/speaker fees, and supplies and equipment. The Dam Challenge Triathlon event has become a major fundraiser for the Education Program, and the annual Winter Festival receives enough sponsorship support to cover costs and allow for the auction to be an important fundraiser for the

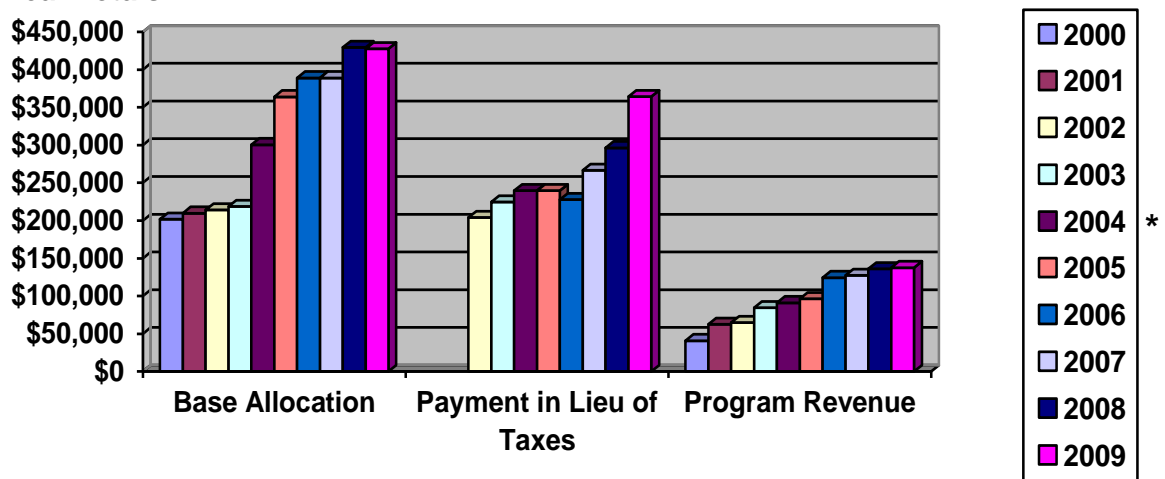


Education Program. Likewise, the Horsepower Group hosts an annual Fall Trail Ride to raise funds for trail maintenance; and the Friends of KVR host a number of events throughout the year to support the Reserve.

Contracts and Leases: Section 41.41, Wisconsin State Statutes, allows the KRMB to enter into contract and lease agreements for the Reserve. To date, timber harvest contracts and agriculture leases have been the most significant sources of Program Revenue. All agreements are done through the public notification system with bid specifications, bid openings, and written agreements drafted with the highest bidder. It is the policy of the KRMB in accordance with State law and the Memorandum of Understanding (MOU – between the State and Ho-Chunk Nation – Attachment 5) that the contracts and leases require the protection of the resources be a higher priority than fiscal gain. Timber sales are done in accordance with the Forest Management Plan. Agriculture leases require a conservation plan for each field per landowner to protect the water and soil resources.

Grants, Donations and Bequests: Grant funding has allowed the KRMB and Kickapoo Valley Reserve to accomplish significant projects and programs in the last decade. Notable achievements are the Stewardship funding for the Visitor Center; Wood in Transportation funds for the three timber bridges on Old 131; a variety of Kickapoo Reforestation (Nuzum) Grants for education programming and research projects. An annual donation of \$10,000.00 from Organic Valley is significant base funding for the education program. Sponsorships are another form of donation that allows the Reserve to host events and programming. These revenues are usually identified on a project by project basis. Committee members and the general public assist in identifying and securing these types of revenues.

Fiscal Year Totals



(*Visitor Center opens)

Finance Mission

The Kickapoo Reserve Management Board will strive to operate a fully funded project through grants; donations; bequests; state and federal appropriations; and fee-based recreation, activities, and programs that are consistent with the overriding commitment to preserve the Kickapoo Valley Reserve’s natural features.

Policies

- All monies received by the KRMB from admissions, fees, leases, concessions, sales, grants, and other similar receipts will be used for the operation of the Kickapoo Valley Reserve (Reserve).

- Protection of the natural and cultural resources will not be overshadowed by potential fiscal gain.
- Appropriation of revenues generated from user fees will go to the maintenance and improvement of the Reserve. The KRMB will not earmark funds taken in by specific user groups to be used to improve specific sites for those user groups. It is recognized that the Reserve is managed as a whole.

Goals and Objectives:

- Offer educational, recreational, entertaining, and life-long learning opportunities that can be beneficial in generating revenue for the Reserve while instilling stewardship in students.
- Promote education opportunities to foster ownership of the Reserve through visitors recognizing the fees they are asked to pay directly benefit the Reserve.
- Promote to users/visitors the importance of consumptive (e.g., horse riders, bike riders, hikers) and non-consumptive users (e.g., photographers, bird watchers) contributing to the financial health of the Reserve.
- Identify methods of fee collection that minimize administrative costs (i.e., self-registration stations therefore resulting in more dollars available to improve the Reserve). Identify opportunities for volunteers to provide labor and/or services to keep maintenance costs down.
- Help the surrounding communities identify business opportunities that could benefit from the visitors to the Reserve. Utilize local businesses whenever possible for supplies, labor, and services.
- The KRMB will not develop aspects of the Reserve that are more appropriately done by the private sector. For example, limiting the number and type of campsites on the Reserve will ensure that private campgrounds, motels, bed and breakfasts, municipal and state parks continue to serve the overnight clientele.
- Record and track sources of revenue generated through fees, grants, government appropriations, programs, etc.

Action Items for 2010-2015:

1. Re-surface Old 131 from south end of property to Rockton.
2. Complete Visitor Center loop that allows handicap access.
3. Continue sustainable recreation trail construction, repair, and maintenance. Specifics identified in Land Management Plan.
4. Administer an Economic Impact Survey to gather information on the general amount visitors to the Reserve spend in the area.
5. Perform a select hardwood harvest in accordance with the Forest Management Plan.
6. Sealcoat Visitor Center parking lot.
7. Upgrade exhibits.
8. Have an independent energy audit performed on the Visitor Center to ensure meeting energy conservation wherever possible.
9. Review of office, meeting, and storage space. After the lease with Town of Stark expires, research converting Maintenance Building to all storage and utilizing more space in Visitor Center garage for additional classroom space.
10. Paint Bridge 13 to protect historic pony truss bridge.

Review of 2005-1010 Finance Management Plan Evaluation Methods	
Evaluation markers proposed in 2005	Proof of Accomplishment
Annual fiscal data reflects an increase in revenues, donations, and bequests.	See Chart on page 3.
Four full-time, permanent positions are created and funded by the year 2010.	With the addition of the Education Coordinator permanent position, four permanent full-time positions exist within the KVR.
Municipalities receive Aids in Lieu of Taxes as indicated.	Annual system of Department of Revenue notification of equalized value to the Reserve, which forwards to Vernon County; Vernon County provides municipality mill rates; KVR/Department of Tourism issues checks to Towns of Stark, Whitestown, and Forest in January.
The KRMB is able to adequately fund maintenance, equipment, supplies and services for the Kickapoo Valley Reserve.	Year end balances show that all needs are funded although staff watches for savings wherever possible.
Tangible improvements to the Visitor Center and building grounds, trail system, forestry resources, and overall administrative requirements.	Notable improvements to grounds with the addition of the Community Garden, prairie plot and parking lot bed at Visitor Center; major re-work of Hay Valley to Dutch Hollow Trail following 2008 flood; pine thinning continues; addition of archeological and new DVD exhibit in Visitor Center; investment in education supplies.
Attendance at special events and annual visitor counts increase.	Winter Festival participants increased from 200-500 people; determined Dam Challenge registration cap needed to be imposed at 500 racers; annual Visitor Center count increased from 10,000 to nearly 15,000 in five year period.
Indicators through specific surveys or annual State of Wisconsin Department of Tourism reports from private tourism-related businesses show economic improvements each year allowing the KRMB to gauge the ripple effect the Reserve has on the area economy.	See 2010-2015 goals and objectives.