

ARIZONA STATE PARKS BOARD
400 PATAGONIA LAKE ROAD, PATAGONIA, AZ
JULY 20, 2005
MINUTES

Board Members Present:

Elizabeth Stewart, Chairman
William Porter
Janice Chilton
John Hays

Board Members Absent:

William Cordasco
William Scalzo
Mark Winkleman

Staff Present:

Kenneth E. Travous, Executive Director
Jay Ream, Assistant Director, Parks
Jay Ziemann, Assistant Director, External Affairs and Partnerships
Mark Siegwarth, Assistant Director, Administration
Cristie Statler, Executive Consultant
Debi Busser, Executive Secretary

Attorney General's Office:

Joy Hernbrode, Assistant Attorney General

A. CALL TO ORDER – ROLL CALL

Chairman Stewart called the meeting to order at 12:31 p.m. Roll Call indicated that a quorum was present.

B. INTRODUCTION OF BOARD MEMBERS AND AGENCY STAFF

The Parks Board and staff introduced themselves.

C. WELCOMING REMARKS

Mr. Dave Pawlik, Park Manager, welcomed the Parks Board to Patagonia Lake State Park. He noted that Mr. Steve Haas, Unit Manager of Sonoita Creek State Natural Area, was not present. He noted that later in the day the Parks Board would be going to San Rafael Ranch. Arrangements were made to transport anyone who preferred to leave their cars at Patagonia Lake State Park.

Mr. Pawlik reported on Sonoita Creek. He stated that the first parcel, consisting of 4,914 acres, was purchased in 1994. Three 40-acre parcels were purchased in 2001 (Lots 62, 63, and 65), which are on the southern boundary of Sonoita Creek. In 2003 the Board purchased 260 acres of Sonoita Creek from Fresno Canyon west to the Santa Cruz River and Rio Rico. This area was purchased from Rio Rico Properties. Coal Mine Springs was purchased in 2004. He noted that there were photographs and a map displayed around the room showing its size and location. He stated that it is 2,600 acres and is known as the Coal Mine Spring Property. It was purchased by the Game and Fish Commission, the Trust for Public Land, the U.S. Fish and Wildlife Service, and Arizona State Parks (ASP). This new property will be managed as part of the Sonoita Creek State Natural Area. Phase II is 1,200 acres and is currently under negotiation.

Mr. Porter asked where Phase II is located.

Mr. Pawlik referred to a map displayed on the wall. He pointed out the Coal Mine Spring area.

Mr. Travous stated that Phase II is west of Coal Mine Spring.

Mr. Pawlik added that in 2004 a 1.2 acre trail right-of-way was purchased from Arizona State Land

Department. The trail will connect Patagonia Lake State Park with Sonoita Creek. Many of these trails are already in. They go to the confluence and one goes into the uplands. He believes that more trails are included in Phase II. He estimated that there are 12 miles of trails completed at this time. He noted that he would be happy to pass any questions the Board may have to Mr. Haas.

Mr. Pawlik reported that upcoming renovations at Patagonia Lake State Park include construction (hopefully this winter) on electrifying all of the non-electric campsites (72 sites). There will be a total of 109 electrified sites, which should be a huge boost for revenue at the park. They have a large snowbird population that comes in that the park cannot meet their needs for electrical demand. at this time

Mr. Pawlik reported that two new restrooms are scheduled to be brought in to replace the outdated existing restrooms.

Mr. Pawlik reported that the park is still seeing more than 200,000 visitors per year. It varies from 205,000 to 210,000 to 215,000 sometimes. Their busy season kicks off around Easter and goes straight through to the first or second week in November. There is a good potential to increase revenue all year round with the snowbirds backing up the slow time.

Chairman Stewart asked if the winter visitors use the park differently from those who come in the summer.

Mr. Pawlik responded that it is quite different. While work continues on Sonoita Creek, it is not so much interpretative oriented. When the snowbirds come there is high demand on birding and interpretive programs. There is a much stronger demand for electric camp sites at that time.

Mr. Pawlik reported that revenue is static; they may have made a little less than last year – a little more than \$500,000. Revenue is pretty constant. They have had a bad season so far because it's been so hot, the monsoons are late, and because of the fire people thought the park was closed down. The past two weekends have not been full. However, the park is still holding it own.

Mr. Pawlik noted that some Board members saw some cattle near the entrance to the park. He stated that the park is not in the habit of selling grazing rights. The reason the cattle are on the park is that the lake level is so low the cattle can actually walk around the fence. Park staff have tried to extend the fence out, but the cattle have discovered there is food on the park. Because of the drought condition, they just trample the fence. The rancher who holds the sublease (special use permit) has been very cooperative.

Mr. Porter asked if there have been any problems with the cattle showing aggression toward any visitors.

Mr. Pawlik responded that a visitor told him of a problem on the spillway where one of the cattle got aggressive. He doesn't believe it is typical of the Charleottes; he believes there was another cow there. He's been around these Charleottes for about 15 years and has never seen them get aggressive.

Mr. Porter asked if any substantial damage is being done by the cattle (i.e., destroying bird sanctuaries, etc.).

Mr. Pawlik responded negatively. He noted that usually, when they come in during a drought period, as soon as the rains come they are content to be on the ranch. Park staff are picking up after them and are trying to herd them out. If anything, perhaps they will reduce the fire potential.

Mr. Pawlik noted that staff would provide a tour of the park to the Board after the meeting adjourns. He added that the park is surrounded by State Trust Land, which provides a huge buffer.

Chairman Stewart thanked Mr. Pawlik for arranging for the Board to meet at this facility. She noted that Ms. Lee Eseman, Park Manager of San Rafael Ranch, was also present at this meeting.

D. BUDGET PRESENTATION

Mr. Siegwarth gave a PowerPoint presentation on the budget. He noted that there is a lot of material to cover and that he planned to keep his presentation short.

1. Overview

Mr. Siegwarth reminded the Board that many years ago the agency had a "Blueprint for Success" looking for funding sources, one mission, and many plans. This was staff's attempt to bring its planning processes into sync in July during a two-day meeting. The next year we had a budget crisis

and all plans went out the window. In the following year there were no real changes in the budget; however there was support from the Governor (she vetoed the raid on the Heritage Fund). Staff were trying to figure out ways to make things happen. Last year, he was hoping to have good things to say, but when it came right down to it, we weren't quite there yet but progress was being made. This year, after considering a number of themes, he settled on, "Reaching New Heights". It sends a very positive message. The Board has a new Vision; it has a new Foundation and friends groups; it is forging new partnerships; it is looking at new parks and opening parks; it is looking at new technologies and how to work the business better; there are a lot of new challenges and opportunities coming up this year; and there is a new resolve.

2. FY 2006 and FY 2007 Strategic Plan

Mr. Siegwarth then presented the FY 2006 and FY 2007 Strategic Plan (page 1 of the Board Packet) that will be submitted to the Governor.

Mr. Porter noted that the Board is aware that staff have to present something to the Governor that, quite frankly, probably doesn't help the organization internally.

Mr. Siegwarth noted that the Vision and Mission are the same as previously presented. Staff did revise the Guiding Principles and Values. In #1, staff word-smithed it to say, "... and strive to enhance these resources ..."

Chairman Stewart stated that she was still wondering why the word, "enhance" is used as opposed to "protecting and preserving" the natural and cultural resources. We may be "enhancing" the recreational aspect, but, generally speaking, we don't want to be enhancing the natural or cultural resources.

Mr. Siegwarth responded that there is the mitigation issue where areas are brought back to a better natural state than they were previously in.

Mr. Porter noted that he wasn't sure anyone would even read this document.

Chairman Stewart stated that if the Board is really serious about this new Vision and is trying to put itself out as a leader in conservation then what is really missing is protecting, preserving, and conserving.

Mr. Porter noted that "enhance" can mean "preserve". If a property is threatened and we preserve it for future generations, isn't it then being "enhanced"?

Chairman Stewart responded that the dictionary would probably define "enhancing" as adding to or to supplement. Rather than "enhancing", it would be bringing the property back to its original, historic state. This is a big issue in historic preservation.

Mr. Porter suggested, "... strive to preserve and enhance ...". He stated that he is not terribly bothered by the language. If the language needs to be changed, he suggested either, "... strive to protect and enhance ..." or "preserve and enhance".

The consensus of the Board was to use the verbiage, "... strive to preserve and enhance ..."

Mr. Siegwarth stated that the strategic issues are unchanged from the last Board meeting. Each program has a couple of goals.

3. Vision and Design

Mr. Siegwarth reported that the Vision and Design (page 12 of the Board packet) has changed since the last Board meeting. He noted that Mr. Cordasco requested an economic piece be added. Some of the sections needed to be "fleshed out" a bit more with more specific tasks. Staff tried to take all the comments from the Board at their May meeting and flesh out the Technology, Training, Efficiency Savings, and Partnerships goals.

Chairman Stewart noted that the Board talked about broadening the training function.

Mr. Siegwarth responded that there are a lot of things going on in state government right now. Part of it is the Governor's Office and DOA (Department of Administration) and AZGU (Arizona Government University). The agency is entering into a partnership with AZGU. There are things he wants his staff to know; there are things that the people who work for him want to know that he is not aware of. The first step is to determine what he feels his staff is lacking and what training is being offered as well as getting their feedback as to what they feel they need. A survey will be done to line

out what skills staff want to have and meet with AZGU to design an educational program. It would be difficult to be more specific at this time. He has talked with RAM (Research and Marketing). A meeting was held with AZGU regarding what kind of training Mr. St. Hilaire can offer and what training they will take over from him to free him up for other things.

Mr. Porter noted that this is the first time he's run across the term "Arizona Government University". His first reaction was that this was a misprint. He asked for more information on AZGU.

Mr. Siegwarth responded that it has always been around in one form or another. One of the Governor's efficiency issues was that each agency had a training position doing the same training. It was an attempt to bring all training into one place and standardize it. For example, Supervisors need a certain core of leadership training (sexual harassment, how to manage, etc.). It developed into a much larger training vehicle. An issue the agency has is that the majority of our staff are in the hinterlands. This program is pretty much focused on Phoenix, with some allowances made for Tucson and Flagstaff. They are trying to bring training under one roof, unless it's very specific to an agency. It makes a lot of sense and will free up Mr. St. Hilaire's time. By the same token, the agency has to go to AZGU first to see if they are going to offer needed training prior to going outside for that training.

Mr. Travous added that what was offered as a service before is now under the Governor's Executive Order that they will take over this training. It was put in place by the big agencies. He met with the Director of AZGU last week to let her know the issues ASP has and that what works for the big agencies does not necessarily work for the small agencies. That relationship is being worked on.

Chairman Stewart asked if they are trying to get the agencies to absorb more of the costs.

Mr. Travous responded that the agency was giving them a flat fee, which he resisted for two years. This year they are going to a smaller cost per-person (\$10.50 per hour of training).

Mr. Porter asked if they understand that if they keep on this course they might get agencies to actually work with each other and form relationships with each other.

Mr. Travous responded that he believes that when one agency has the authority to provide all of the training, it is key to keep those trainers vibrant. His experience is that the trainers know people have to come to mandatory training and some have not been very good at staying on top of that training.

Mr. Porter stated that he believed the agency should make it their business to become as involved in that program as possible and ultimately, perhaps, start impacting the nature of that training – which is exactly what an entity such as the best conservation entity in the country would do. It seems to him that the more the agency is involved in that the more it can impact the nature of training while meeting some of its own desired ends in that process. There are potentials staff should look at.

Chairman Stewart noted that when she was with the state it was called something else. She went to several training classes and found it to be a way to meet people one might want to hire.

Mr. Siegwarth discussed Issue 2, which deals mostly with communication and has detailed goals following the issue statement. He noted Goal 2:5 is to pursue PAMS program for all parks. Goal 2:4 is to pursue establishment of conservation programs/project. This particular goal was word-smithed from the last Board meeting.

Mr. Porter asked whether the Board really needed to give a formal approval to this Vision and Design today. He understands that Board has to approve the basic Strategic Plan.

Mr. Siegwarth responded that the Vision and Design Plan is an internal document and does not necessarily need formal ratification.

Mr. Porter asked if the Vision and Design Plan is actually submitted to anyone outside the agency.

Mr. Travous responded that this is staff's attempt to separate the material that must be submitted to the Governor's Office to fit their format from what staff are trying to do internally.

Mr. Porter stated that he browsed through the Strategic Plan. The Vision and Design is the document that got his attention. The Vision and Design is the document that is meaningful to the Board; the Strategic Plan is the technical document that must be submitted.

Mr. Siegwarth returned to the previous slide of the presentation dealing with Goal 1:1, Technology. He noted that the first Objective is the implementation of the KCSP (Kartchner Caverns State Park) Internet reservation system. Staff are already doing that work. Goal 1:2, Training, is a need.

Regarding Goal 1:3, Efficiency Savings, just yesterday the Governor released information on how to do it. Regarding Goal 1:4, Partnerships, he noted that everyone who was at the Coal Mine Spring dedication was thinking about how important partnerships are and that this type of thing cannot be done without partnerships.

Mr. Siegwarth stated that staff are moving down a road. He believes that it is important for the Board to show support for these directions rather than move it off into a cloud. By waiting until the next Board meeting (September), it becomes another two months of cloudiness.

Mr. Porter stated that he regards this document as a continuing work in progress. The bottom line is that almost everything that has just been touched on are things that the Board has already approved or expressed strong approval on. He believes that staff can certainly make clear to everyone that these are things we've just talked about. He was interested in knowing if the Board has to take action at this meeting partly because there are only four of the seven Board members present today. He would like to have input from Mr. Cordasco and Mr. Scalzo particularly on some of these things. They both are very savvy, good thinkers when it comes to this kind of thing. Mr. Cordasco has made some very valuable comments. Unless there is some urgency, he would prefer to adopt something this important at a meeting where all the Board members were present.

Chairman Stewart suggested that the Board discuss this issue today and see where things are at the end of the meeting. Clearly, there is no legal requirement that the Board do anything on this issue today.

Mr. Siegwarth stated that he read the Minutes of the last Board meeting four or five times. This document represents staff's efforts to incorporate the Board's discussion. Conservation, programs, and projects are important things. The agency should pursue those kinds of things. The strategy for marketing and public information, the grant programs, and incorporating the Vision are all things that were apparent from the Minutes to be important to the Board.

Mr. Siegwarth added that the Vision and Design is a plan so that next year the Board can look back and see some successes. The Board and staff only get this chance to sit down for two days to make sure we are all on the same page once a year.

Mr. Porter stated that he was very pleased with this document. He believes this document is a strong, good faith effort to move exactly in the directions we ought to be moving. His earlier comments were not meant as criticism. He believes that it is so important that he wants to make sure that everyone in this room is on exactly the same page. He would prefer that the Board give tentative approval with a final vote to be taken in September when the full Board is present.

Chairman Stewart stated she wanted clarification on several items before moving forward on the Agenda.

Mr. Travous referred to the Vision and Design (pages 12-14 of the Board packet) and explained that new Objectives have been added to the previous draft, timelines have been added, and staff tried to include things that were measurable. This is, in his recollection, the closest thing Executive Staff have ever had to a work plan. Staff try to keep the day-to-day things going. The things that staff will try to incorporate over the next year are on these three pages. This is a work plan for Executive Staff for the next Fiscal Year.

Chairman Stewart responded that that ties in with Mr. Porter's comment that today or tomorrow is not the best time to adopt it. The Board recognize that a lot of work has gone into this document and that it will be the focus for the next year. She believes that the Board has to be sure that they understand it and that this is what they want. Six months from now the Board does not want to come back and say that wasn't what they intended. It is important that there is a meeting of the minds and that everyone is thinking along the same lines. She doesn't believe that is necessarily any kind of criticism. The Board recognizes the importance of this document and shouldn't lightly adopt it if further input is necessary.

Chairman Stewart stated that she was pleased to see the Objective on the efficiency savings to develop and implement a monitoring plan for utility expenditures. She believes that is important. Those costs are only going to skyrocket with the price of oil going up. It will have a major impact on the agency. It is having an impact on retail goods because of the increased trucking costs. She asked if the agency has the ability to find out how much the electricity at the campgrounds is costing to ensure that enough is being charged for the electric sites.

Mr. Siegwarth responded that there are some issues with metering at the various parks and having a systematic way to actually get that information and track it. There are dollars that are hard to know and there are the actual kilowatts. This is something that needs to be worked on.

Chairman Stewart noted that if one knows the kilowatts one can work with the electric company to find out what the average cost is or figure out that seasonal cost.

Mr. Ream noted that that information is available. Staff used that information when they set the fees.

Chairman Stewart stated that that is something that needs to be checked periodically to see whether the appropriate amount is being charged based on costs. We should know what our costs were before electrification and what they are now and whether the fees we're charging are covering those electric costs.

Mr. Hays asked what part of this could increase income from revenues. He noted that he didn't believe the Board could look for much legislative help in the immediate future. He noted that Mr. Pawlik stated earlier that electrifying the campsites would generate much more revenue. He agreed with the Chairman that it is very important to keep track of the cost of providing that service and adjust fees upward if necessary.

Chairman Stewart noted that the assumption is being made not only that visitors will come but that the fees are sufficient to cover the extra cost. One of the things in the new Vision that we must keep sight of and that is critical for the Board is to base decisions on scientific and factual information. The Board will want a periodic assessment to find out whether these assumptions are correct and whether other factors have changed (cost of oil, etc.) that would require taking a second look.

Mr. Hays asked whether it would be possible that the increased cost of oil and travel might put heavier usage on state parks by accommodating the increase in growth and usage with sufficient hookups and money-making devices to assist the agency. He wondered whether the Board should be talking about families and the economic attraction to all the state parks and put in more campsites. He suggested the parks system would get a lot more local visitors who cannot afford to travel.

Chairman Stewart noted that at some point we will need to look at some of the parks that are very small in terms of the land we own. If the point is reached where everything is paved as campgrounds, then the reason people decided to come there in the first place no longer exists. A constant balancing is needed.

Mr. Hays suggested the agency should consider more recreational campgrounds.

Chairman Stewart responded that she believes that is the case. We are still in that mode of electrifying the campgrounds. Her point is that we need to do a reality check to find out how it is working out and whether the assumptions were correct. Those decisions were made at a time when the price of oil was a lot lower than it is now.

Mr. Porter noted that he visited Lake Havasu State Park recently. He is appalled. That park is becoming dangerous. It is so over-used and is attracting crowds. It is so cramped and crowded that it looks like the boaters have a very long wait to get into the water or take the boat out of the water. He believes there is a real crisis developing at that park. He asked whether he was overstating the situation.

Mr. Travous responded he was not. He added that the boats are getting bigger. A boat that would have taken up one of the four lanes is now taking up two of the four lanes. The park is filling up every Saturday morning by 9:00 a.m. Everyone then wants to come off the lake at the same time (5:00 p.m.). They have people waiting in the standing area for people to pull their boats out. Staff are literally traffic cops. He asked the park staff to send pictures and will have them for the September Board meeting.

Mr. Porter noted that he is not a boater, and for him to stand there and be appalled about what he saw makes him think there is a need to assess the usage in the parks, whether enough is being charged, whether there is a need to do more things (expansions, economies, controls, etc.). That park, in particular, which is either the biggest or second biggest money maker, is rapidly approaching a crisis situation.

Mr. Hays asked if the problem is the ability launch and take boats out or if the lake is over crowded.

Mr. Travous responded that there is plenty of room on the lake. It's the facility. He noted that he has a message from the Lake Havasu City Manager who wants to talk about a south boat launch ramp.

Traffic is backing up into the city. If one looks at the national standard for water use on types of boating, the capacity for onshore to get on the lake is still tremendous. He noted that there is nothing happening on the west side of the lake. It is all coming to the eastern side where all the amenities and facilities are. He added that there hasn't been any SLIF money for development for three years. The agency is behind. It is starting to register with the people of Lake Havasu. He and Mr. Porter have discussed talking with the people of Lake Havasu and getting it on the table. People are even pulling up over the curbs now because the boats are getting so big that they are going over the curbs when making turns.

Chairman Stewart noted that one of the things the fees consultant discussed, in terms of setting fees, was the demand. She suggested instituting a surcharge on the boats and using that money to apply towards building a ramp. If the park is overcrowded, then perhaps fewer people should be admitted at a higher fee.

Mr. Porter responded that he isn't sure it's really a matter of there not being enough people. He believes that park could accommodate even more people. The problem is that the existing facilities are becoming so overtaxed that he believes they are becoming dangerous. The lake area is not the problem. He believes that it is just not an efficient movement because we don't have the facilities to handle all of what is coming in. He believes that we will either have to control it in some fashion for safety and make it a meaningful, pleasant experience (rather than a nightmare) or we will have to add more facilities.

Mr. Porter requested that this issue be included on the Agenda for the November Board meeting.

Mr. Ream responded to the comment about charging a surcharge. He noted that SLIF already is a surcharge for boating; it is a tax. The fact that the Board is not using it for that type of benefit for boating development is the biggest problem. We need to get that funding back.

Chairman Stewart noted that perhaps the people of Lake Havasu need to be organized to get that funding back.

Mr. Porter noted that it is a major problem. He suspects that there are other parks where we may not be awakened yet to problems that are developing as well. He believes there needs to be a broad-based look at a lot of those issues regarding electrification and finding out what the needs are that maybe we are not aware of.

Mr. Hays asked if staff have received complaints from the private sector when more campsites are developed and electrified.

Mr. Travous responded negatively. He noted that the developer who did a lot of the development called and said he would build it (it would enhance his property), but the agency would have to pay him back. Government cannot do that. Staff are working with the staff at the Governor's northern office regarding this issue.

Mr. Hays asked if the people in Cottonwood complain that they are losing business to the campsites at Dead Horse Ranch State Park.

Mr. Ziemann responded that that has occurred in the past. There have not been any complaints for a number of years. They used to have a lobbyist who came into the office with a tape recorder to meet with staff. A couple of bills were introduced in the legislature eight or so years ago dealing with this. There have not been any complaints recently.

Chairman Stewart stated that another thing to keep in mind is balance. As a person who actually uses a lot of the state parks and other public lands, she runs into a lot of people who don't want to camp between two of the big bus-type RVs. It is important to maintain areas where people can just tent camp and car camp. She's not sure if we come out ahead in the long run by discouraging certain elements from coming to the parks. She also believes that it gets to the demographics of the state. A lot of the campsites went up considerably in price because they all got electrified. If someone gets an electrified campsite they have to pay the higher rate whether they use the electricity or not.

Chairman Stewart noted that there is not always a choice at all of the parks as to whether campers get an electrified site. Some of the park managers have told her that if someone camps in an electrified site and that's all that's available, the camper pays the higher fee because they can't tell whether or not the electricity was used. It is disconcerting to her because it's no longer worth it to her to pay \$20+ to set up her tent.

Mr. Travous responded that staff would try to get more scientific information on that issue. There have been a lot of things in the news lately about what the trends are in camping.

Chairman Stewart stated that she has noticed that a lot of Hispanic people camp in California, New Mexico, and Colorado at the state parks she's stayed at. Yet, we don't have as many here. She also noticed that when she's gone to national parks that they generally have 2/3 of their areas not electrified and 1/3 electrified. It's because of the fact that a lot of people don't want to be forced to pay the higher fees. In a lot of our parks everything is electrified.

Mr. Porter noted that that is something that flashed through his mind while reviewing the Vision and Design. We might want to consider something dealing with the issue of progressing with demographic studies in an effort to try to broaden our appeal to minority populations. He sat on the Arizona Town Hall in Prescott for three days in June on the subject of Arizona and global economy. As expected, about 90% was fashioned around the issue of the future and our relationship with Mexico. The border issues are big issues. They are, however, a drop in the bucket. The big picture, looking ahead, is radically changing. He talked with the Executive Director a week or so ago about an article in *The Republic* about National Parks Service taking a hard look at the same issue the Board has just been talking about. The point is that the National Parks Service are looking at that same issue, recognizing that in the future they have got to start attracting more of the minorities because before too long they will be in the majority and the parks will suffer if we haven't made the adjustment and figured out how to make them more appealing and how to accommodate their needs and desires. He would like to see the Board seriously consider putting something somewhere in this Vision and Design that recognizes this is also a goal that has to be dealt with seriously. He raised this issue several years ago and we have not progressed much further.

Chairman Stewart noted that a related issue is trying to attract new populations. The climbing park is exciting because it attracts a population we don't have. She believes we have catered the parks to the RV audience. She believes we are missing out on a lot of other people. She's been reading that sales of RVs are down.

Mr. Travous requested a copy of that information. He noted that he has been reading that camping is going down. It may be both. He has been reading that tent camping is going down as the Baby Boomers age. They are more into comfort.

Chairman Stewart noted that the article was on sales of RVs; it wasn't in reference to camping. She believes we need to look at whether we are discouraging certain audiences. There are a lot of things the Board discussed, such as Watchable Wildlife, that can bring in new visitors and increase revenues without necessarily having capital costs. She doesn't know that we always have to build something in order to have more revenue. We can offer additional services, some value-added things, in terms of the experience we provide. She believes there are other things to look at.

Ms. Chilton noted that she used to work in the restaurant at the casino. They see people coming through there who are going camping. She has seen a large number of Hispanics go through to camp. She noted that Native Americans would not camp. They didn't have electricity right away; they had outhouses for a long time. Camping is not really their idea of going on a vacation.

Chairman Stewart noted that not a lot of Hispanic people camp at our state parks. Is it because of how the agency structured the pricing or that the campgrounds are not designed to meet their needs. It may be that we need more of the larger campsites for groups.

Ms. Chilton noted that when they come to the restaurant sometimes they have to put two large tables together for one party.

Chairman Stewart noted that in order for them to fit they would have to take several campsites.

Mr. Ream noted that the campgrounds are designed so that staff can node many group areas off.

Chairman Stewart agreed that we do have many group campsites.

Mr. Porter asked if there is a methodology in place to get significant input from, for example, the Hispanic community, such as an advisory group.

Mr. Travous responded that there is no monolithic Hispanic community.

Mr. Porter noted that there is no Hispanic representation on the Board or Executive Staff. He noted that Ms. Chilton just gave interesting input relating to the Native Americans. The bottom line is that perhaps we are not the best people to try to say what we ought to be doing to make the parks more

appealing to the Hispanic community.

Chairman Stewart suggested the Board may need another advisory committee.

Mr. Travous responded that when the last statewide survey was done the Hispanic groups were segregated out. He will have to look at that information. Staff asked ASU to do that for them. He cannot remember what the findings were. His recollection is that it was more of a marketing issue than a design issue.

Mr. Porter noted that perhaps the Board does need some kind of advisory committee to help them look at this issue. It is really important. He believes that the State Parks Board four or five years from now may be dealing with this issue as more of a crisis. The demographics will catch up and hurt the Board.

Chairman Stewart suggested that the Board can't really rely on surveys done in the past because if one reads the literature on the census survey some minority groups responded in much lower numbers. A lot of our surveys are done so that we may not capture a true representation of all the populations.

Mr. Porter stated that what is really needed is an intelligent focus group of people from different aspects within the Hispanic community. Staff are right. There is a tremendous variety within that community.

Chairman Stewart noted there was an interesting presentation at the Conservation Summit a few years ago. Ms. Debbie Lopez talked about this very issue and how there is not a single Hispanic community. A lot of assumptions that they made about voters turned out to be wrong. The traditional methods of trying to reach people don't reach the Hispanic community. She believes that either forming an advisory committee or a focus group to brainstorm ideas and make a presentation to the Board at a future meeting would be helpful.

Chairman Stewart stated that, relating to Efficiency Savings, she believes some of the parks could be more efficiently run by having them open fewer hours. When the Board was at Riordan Mansion State Historic Park she saw that their hours were 10:00 a.m. to 5:00 p.m. She thought that made sense. Most people won't go to a historic park at 8:00 a.m. She noticed that the Board has only received anecdotal information that includes comments from the park managers. It seemed that they were under the understanding that the Board wanted the parks open more hours. The point was really to be more efficient and find out when visitors are actually coming to the parks and then design the park's hours around when visitors are at the parks. The park employees would then be free to do other things like going out into the community and doing things that might bring more people into the parks. She had mentioned perhaps keeping the parks open one night a week. She certainly would not want to suggest that the parks extend their hours on a regular basis. She believes that would be inefficient. There are two ways to come out better. You either save money or you bring in more revenue. She believes staff need to look at both. If the Board can get some factual information on when people visit the various parks (time of day, time of year) and then come up with a recommendation based on that, then the agency can run much more leanly and be in a position to provide more services and have more staff available during peak times and have the opportunity for extra time for special programs occasionally that would bring in people who would not otherwise come.

Mr. Porter stated that when he read that information he found it interesting, and not at all unanticipated, the resistance of the park personnel to any kind of suggestion of tampering with the hours. It's pretty clear, reading between the lines, they just don't like the idea of tampering with the status quo. That will present a challenge. He hadn't thought it would be as pronounced as it seems to be. It appears there is a lot of resistance. He believes that is useful to know. He agrees that we should continue to pursue looking at it; we now know that there will have to be an education process with the parks staffs themselves in order to get them to sign on to this concept. He felt it was an interesting bit of information.

Mr. Ream noted that the parks have been running 8:00-5:00 for so long that it is hard to get the message out. We work a 40 hour week; get there in the morning; work from 8:00-5:00; and that's the way we run parks. That's been hard to break. Changes have been tried. They are anecdotal; they're not factual changes. They are things the park managers have done. He went to the park managers first on this issue because no one knows better than they do. He didn't know what has been tried at the individual parks. He had some of the same ideas. There are some things that can be done. Even

though there's almost two months between this meeting and the last, it's not really a long time to do a survey. This would have to be something that would have to be fairly extensive. We could use a park as a pilot.

Chairman Stewart stated that the Board was not necessarily expecting staff to come back with results; she was hoping this is not the end.

Mr. Ream responded that it is not the end. He referred to a retreat in a number of his reports. That retreat was supposed to be July 13. He wants to do it after the Executive Staff retreat on the Vision and Design Plan. Assignments will come out of Vision and Design. If this is included as part of efficiency, it will be picked up on Vision and Design.

Chairman Stewart noted that the issue of whether park rangers should be fulfilling all functions at all parks has been discussed. It may make sense at some parks to hire a service to perform janitorial work. At some parks it may make sense to hire someone to collect entry fees on weekends. Park Rangers do odd things. Perhaps it's time to look at some of those issues again.

Mr. Ream noted that he and the Executive Director visited Tombstone this morning when it opened. The Park Manager was cleaning the rest rooms. They have done it all. When the rangers take care of it all they know everything that's out there and what needs to be done. We do lose some control when we start contracting work out.

Chairman Stewart suggested that, rather than contracting, we may hire some people at some parks during certain seasons where their sole job is to do some of these things.

Mr. Ream responded that we may be able to do that with the class maintenance when that is done.

Chairman Stewart noted that at some of the river parks there are people cleaning toilets all day. Perhaps we hire some janitorial staff that are park employees.

Mr. Travous noted that those are seasonal employees, and the agency does that but we need bigger budgets to pay them.

Chairman Stewart stated that when she was at the Attorney General's office they were always having freezes. It seemed that she always got caught with a couple of open attorney positions. In a staff discussion it was noted that they really wanted some people at a lower level to help them. She gave up her two attorney positions and got two legal assistant positions. It improved the morale of the attorneys, the turnover rate among the attorneys was lowered, and it cost half as much money.

Mr. Ream noted a Class Maintenance Review is being conducted with the ranger and manager's class. There is a big gap between a seasonal (Ranger I) and a Ranger II. It is almost a \$14,000 per year gap between those two grades. There is a need for a position between those two categories to make it easier to use seasonals as seasonals and easier to use Ranger IIs as professionals. Something is needed between those grades. The review may answer the efficiency on staffing. Staff will work on the efficiency on operations.

Chairman Stewart referred to page 13, Objective 1:4B. She asked what agreement and what modification are being referred to.

Mr. Travous responded that SHPO has its own statutory authorities. They are under the aegis of ASP. We find ourselves trying to give them the ability to do what they do statewide and at the same time not treat this agency special because it sends the wrong message. SHPO has come up with programmatic agreements that state they will review certain things by certain dates. ASP has one of those programmatic agreements, but it is not working. People, both on the Parks side and the SHPO side, say that things are not getting done. He is tiring of the Board asking staff why things are not getting done. The two groups need to get together and figure it out so issues don't continue to come up where ASP submits a plan that is at 30% (which is what SHPO wants) and then SHPO comes back and say they don't like it.

Chairman Stewart asked if there weren't discussions about involving SHPO at the front end.

Mr. Travous responded that that goes against the programmatic agreement. If they were to get involved at the front end of our projects, then they would have to be involved with everyone at the front end across the state thereby providing historic preservation design for everyone. They can't do that for everyone. He has resisted their treating the agency special to give them the understanding that they have their own statutes to follow and their own way of getting it done. He will be going back to them with the message that this programmatic agreement is not working. It has taken too

long to get the porch done on the San Rafael Ranch. The guard tower at Yuma Territorial Prison was fought over for months.

Chairman Stewart noted that it would seem that they would be less likely to have disagreement if staff knew at the front end what SHPO's expectations were. Then staff would have the opportunity to work out any problems.

Mr. Travous responded that ASP has an historic preservation person with on staff. We do know the Secretary of Interior's guidelines and we do apply them. That suggests that there is a black-and-white system when there isn't.

Chairman Stewart noted that it is obviously not something that can be done by computer. It takes human beings. However, it seems like the way it's set up is programmed for problems. If someone comes in midway through something, people won't be receptive to hearing what they have to say.

Mr. Travous responded that that is exactly what they are asking for. The standard is that staff send them something; but they won't will review it until it is 30% complete.

Chairman Stewart stated that it appeared to her that there are sufficient differences between the agency's relationship with SHPO and other people's relationship that would justify that modification.

Mr. Travous stated that he has resisted coming down on them like an ogre. He is trying to work this out between the staffs to make them work better together to get it done without being dictatorial on either side. Regardless of what side is taken, one is either skirting historic preservation problems or is skirting the needs of public use.

Chairman Stewart noted that SHPO recently began reviewing the historic preservation grants at an earlier point and that seems to be working better.

Mr. Travous noted that that is very different from actually changing historic fabric and going out and doing things. Even with a 30-day review it may be that at the end of the 30 days it's no good. That doesn't mean it's solved in 30 days; it means they have 30 days to come back with things they don't like.

Chairman Stewart stated that SHPO should at least provide consultation. There was a discussion about having a meeting with the Natural Resources people and the Development people. There should be something like a pre-development meeting to let people know about what is coming up so everyone has an opportunity before things get going.

Mr. Porter noted that this issue cannot be resolved today. The bottom line is that there needs to be some changes. It sounds like the Executive Director is working on getting them done. He would underscore that, as a Board, we either have the ability to establish the proper relationship or we don't.

The meeting recessed at 1:57 p.m.

The meeting reconvened at 2:05 p.m.

Chairman Stewart referred to Objective 1:4C (page 13 of the Board packet). She asked for an explanation of the Ambassador Program.

Mr. Travous responded that it is an attempt to get all of the volunteer-type groups working together, including the Foundation, volunteers in the parks, Site Stewards Program, etc., and communicating with each other. The agency uses volunteers for a variety of things. He has called this attempt the Ambassador Program.

Chairman Stewart referred to Objective 1:4F (page 13 of the Board packet). She asked if the programmatic agreement on Verde River Greenway with The Nature Conservancy (TNC) is to purchase the land.

Mr. Travous responded that eventually it could be a purchase. ASP has described its interest with TNC and SRP as trying to put something together. A meeting was scheduled for next week but has been postponed to August. It is an attempt to get synergy among the three entities on their work on the Verde River.

Chairman Stewart asked if the language could be changed to make it clearer. She is not sure if someone reading this objective would have any concept of what is being done.

Mr. Porter noted that this is an internal document.

Chairman Stewart stated that there are a lot of internal people who haven't been at these meetings. She thinks it would be helpful for new Board members to be able to read this without having someone having to explain everything.

Mr. Travous responded that he can do some narratives.

Chairman Stewart stated that she believed it needs a little more meat.

Mr. Porter stated that it is key to state that a decision was made by the Board to pursue acquiring from Beasley Flats to the Bridgeport Bridge. To him, "programmatic agreement" means managing or partnering with these other entities to deal with the whole broad picture of the Verde River Greenway.

Chairman Stewart stated that she didn't really have a problem with doing any of these things, but she would like to know what it is that 's being done.

Mr. Porter asked for preferred language.

Chairman Stewart asked if we're talking about coordination of programs or purchasing the land or both.

Mr. Travous responded that it could be both. He just doesn't know because nothing has been done yet. He knows that the parties need to get together formally and begin working on something.

Chairman Stewart noted that it says to develop a programmatic agreement. She envisions that to be something in writing. What will this include?

Mr. Travous responded that a programmatic agreement is a tool that includes things that are measurable and have a date. A programmatic agreement is a tool so that by the end of the fiscal year the Board will have an agreement brought to them that says what the parties believe they can do together.

Mr. Porter stated his comfort with that objective as written.

Chairman Stewart referred to Objective 2:2B. She noted that the Board has discussed evaluating the grant priorities. It is important to look at whether or not they achieve some of the things the Board has discussed as part of the new Vision. If the Board wants to be recognized as the leader in conservation, she believes more emphasis needs to be placed on conservation. She recently re-read the LRSP grant criteria. It occurred to her that modifications were made a year or two ago for open space conservation. She looked at the percentages that are required in order to get full points or partial points. There are fairly high levels required on the open space. When looking at development, they are very small - 5% or so. If the Board is really encouraging conservation, she suggested raising the bar. This is something she hopes that staff will look at.

Chairman Stewart referred to Goal 2:4 (page 14 of the Board packet). She asked for clarification on Objective 2:4A. She noted that the Board voted on the Verde River.

Mr. Ream responded that Objectives 2:4A and 2:4B mention the Santa Cruz River. The only thing involved on the Santa Cruz River is that staff would be willing to act as an enabler to other parties but not directly purchase any conservation easements. He wanted reassurance that that is still the desire of the Board.

Mr. Travous added that the only thing he is doing is bringing people together.

Chairman Stewart stated that she didn't understand what staff mean by "protection of Santa Cruz and Verde River projects". We don't normally protect the project. She believes we need to break all three of these down. They are really three separate things. She would like to see each one as a separate item. The one on Santa Cruz needs to be spelled out that we would help facilitate partnerships and enable others to protect. On the Verde River, it would be to continue to acquire properties consistent with the Board motion.

The meeting was recessed due to the intensity of a hail storm making it difficult to hear the proceedings at 2:15 p.m.

The meeting reconvened at 2:24 p.m.

Chairman Stewart noted that on Objective 2:4A, it would be helpful to break it down in to three things: 1) pursue partnerships to assist other entities in protecting the Santa Cruz River properties; 2) continue acquiring properties along the Verde River consistent with the Board's expansion of the

project area; and 3) initiate invasive species program by December 2005. She doesn't know whether that date was to apply to the other two objectives but assumes it does.

Mr. Travous responded that all three are to be completed by December 2005. Regarding the Verde River, staff would be pursuing properties. The objective relating to invasive species is something the Governor's Office is picking up on. He will have a meeting with people from TNC who are looking at invasive species across Arizona and the grasslands. This issue is high on the Governor's priority list. He will be commissioned as part of a group and will report back to the Board at a later date.

Mr. Porter noted that Objective 2:4B is not necessary.

Chairman Stewart asked if the treasures referred to in Objective 2:4C are ASP treasures.

Mr. Travous responded that they could include others.

Mr. Porter noted that that would also encompass Objective 2:4D. Some of the artifacts that the Historical Society has would relate to our parks.

Mr. Travous added that it would be nice to have a traveling exhibit of the Hispanic artifacts that could include Cortez' silver chest and sword.

Chairman Stewart noted that Objective 2:4D might be expanded to include not just artifacts but also traveling exhibits. Mr. Porter has previously stated that they have trunk shows they could provide on loan.

Mr. Porter noted that 2:4C is broad enough to deal with that. The two objectives run hand-in-hand.

Chairman Stewart stated that she is not sure if the objective for Goal 2:5, Pursue PAMS program for all parks, is all that is needed. She believes that it is important that all of the employees have access to it, but there is nothing about implementation in this document. The Board talked about having a timeline. There are other areas of the materials provided to the Board that go into more detail. She believes that more is needed here.

Mr. Travous responded that staff had more, but it took us beyond this next year. This document deals with this next year. Other than those things staff are normally doing, he believes that, according to the computer staff, the next big step is to get all employees access to the components of the PAMS system. That is the big step staff are going to try to take this next year.

Chairman Stewart noted that we don't have anything here about implementation.

Mr. Travous responded that that is part of the implementation. It is the next big step of implementation according to the people who are working on it.

Mr. Siegwarth added that he believes that PAMS should be thought of as a library. We want everyone to have a library card and access to the library. The other big part is putting books into the library. It is necessary to prioritize which books should be acquired and put in first. Staff are not just putting in the library; they are also putting in the components. The second part is to get a handle on a book-buying schedule.

Chairman Stewart stated that there should be something in this document about that process.

Mr. Siegwarth responded that the components he is referring to are not the computer components; they are the books. One would be infrastructure; one would be biological; one would be cultural; one would be natural.

Chairman Stewart stated that perhaps this needs to be broken down into two things. She sees this as two separate items, and that makes more sense to her. One is giving the access to all of the employees; the other is filling it up with whatever kinds of books go into the library.

Mr. Porter stated his agreement. There ought to be something that touches on what will be done in that regard. He's sure staff are working on both. He has studied the work being done at Lost Dutchman. Hidden away in all the material is the idea that staff would get the PAMS process completed for San Rafael before we get too carried away on trying to figure out what we're doing in order to have a complete knowledge of that property.

Chairman Stewart noted that the whole idea was to have PAMS in place in order to make factual-based decisions.

Mr. Porter suggested adding something that discusses this issue.

Chairman Stewart stated that it should discuss when the list of priority elements will be established.

Mr. Ream responded that the creation of a finalization of core database tables will be completed by August 2005.

Mr. Porter stated that staff should insert some language. He shares the Chairman's passion that this is such a critical process for the achievement of the Board's ultimate long-range goals to be the best.

Chairman Stewart suggested, "Establish a list of core database tables by August 2005" be added. She asked if, after that is done, staff will prioritize.

Mr. Ream responded that in October 2005 it will be the establishment of the database infrastructure. In November 2005 it will be the development of the historic database.

Chairman Stewart stated that the Board would like those items included in the Vision and Design. It makes more sense to have them written down in this document.

Mr. Porter added that the way that PAMS is covered in this document is as though it is the tail wagging the dog. In reality, PAMS is important enough that it should get more attention as far as goals are concerned. The organization ought to get the feeling from reading the goals under 2:5 of urgency and significance.

Mr. Porter stated that it may be possible for the Board to adopt this document tomorrow. However, that additional language would need to be added so that the Board would know what it is they are voting on.

Chairman Stewart noted that staff was working on an inventory of open space around the parks that needed to be protected, much of which was State Trust Land. There were other properties, as well. It is not included in the Strategic Plan that is going to the Governor this year. There was previous language where by a certain date there was going to be a review of each park to determine what properties outside the parks needed to be protected to preserve the integrity of the parks. She believes it is critical to keep up with that project. It is a major conservation issue. She is sure it's being done, but it is so critical that it needs to be documented.

Mr. Porter suggested that perhaps that needs to be a separate goal, 2:6. It might be significant enough to stand on its own as a separate goal.

Chairman Stewart stated her confusion that the Issues don't really capture some of this. The first Issue was about new solutions to Information Technology, Training, Efficiency Savings, Marketing and Partnerships. Issue 2 is about communication. This is really more than communication. This is actually doing things. Some of the other things were actually doing things, too. She believes that the Board wants to do the Goals and Objectives for their own sakes and not just for presenting an image.

Mr. Porter agreed and added that Issue 2 doesn't really describe what it is.

Chairman Stewart added that Issue 3 is to provide a systematic approach to move the Agency towards the new vision. A lot of the components are there; she's not sure that they are set up the way the Board really anticipated. There is nothing about the scientific-based and information-based decision-making. PAMS is there, but it's not the only tool that would be used. With the schedule we have, if three parks are done per year it's another 10 years before all the parks are finished. Our decisions need to be based on scientific and factual information.

Mr. Porter noted that that is what PAMS is all about.

Chairman Stewart asked if that means that in the meantime decisions will not be based on scientific and factual information. There is factual information that may not be in PAMS. To the extent it exists, it should be used.

Mr. Siegwarth responded that perhaps 1/10 of this is to communicate the Board's vision both in word and in deed. It elevates some of these projects that staff believe are part of the agency's mission and make them more high-profile in order to communicate that this is a different agency and are going out and doing new and different things in addition to what it currently does. He believes that was the thread throughout Issue 2. The first Issue was more about funding – rethinking how things are done, how priorities are established, how important things get done while remaining a viable business organization. The second Issue is that the agency is changing and we want to communicate that both verbally and through our actions. The third Issue is that we want to be sure all of this is measurable and to show quantifiably that the agency is getting to where it wants to go.

Mr. Porter stated he was comfortable with Issues 1 and 3. Issue 2 puts such emphasis on communication when, in reality, most of the goals are specifically action-oriented. He believes there needs to be a statement that may be to, "communicate and pursue" the new vision.

Chairman Stewart agreed that it is more than just communicating. Just communicating presupposes that one has already arrived and there's no need to do anything further other than to make sure everyone knows. She believes we are still in the process. We are heading on a new path, but haven't reached the destination yet.

Mr. Porter suggested staff work with the language to see if they can come up with language that perhaps takes into account that a lot of these goals are really action items. It's more than just communication; it's real action.

Chairman Stewart added that these goals and objectives include not only communication but also implementation. It should perhaps read, "communicate and implement" the new vision.

Mr. Porter requested that staff try to come up with additional language by tomorrow that the Board could review with the idea of trying to bring this to conclusion. He believes that it would be helpful to staff if the Board were able to adopt this document.

Mr. Travous noted that under Goal 3:1, staff need to establish teams and need to begin work on meeting the Goals and Objectives.

Mr. Porter noted that he is not looking for a new, clean document. Something "scratched out" on paper that the Board could use for adoption of this document would be sufficient. He doesn't want to be in a position where the Board is complaining to staff because they aren't moving as quickly as the Board wants while the Board is not taking action until September.

Chairman Stewart reminded staff that open space needs to be added. The Board has been trying to look at its acquisition priorities throughout the year and it needs to be reflected in this document. It should include the State Trust Lands.

Mr. Ream noted that it may include the entire acquisitions plan. He would prefer to not separate just one area out of the entire acquisition plan.

Chairman Stewart noted that it is more than just taking a look at the acquisition list; it's taking a look at each park to see if there are adjacent areas that are of concern that need to remain open space to protect the parks.

Mr. Porter suggested that the Chairman and Mr. Ream talk about the wording prior to tomorrow's meeting.

Mr. Ream noted that the acquisition list was developed by going to each park and looking at the needs, not necessarily as an open space protection issue. As staff evaluate the needs of the parks they consider acquisition as a part of that evaluation. The draft Master Plans identifies the acquisitions as well, including additional rest rooms. That work was done in 2001.

Chairman Stewart stated that her point is that there have been more population increases in certain areas than expected. She believes that assumptions that might have been valid in 2001 may no longer be valid.

Mr. Porter requested that the Chairman and Mr. Ream try to come up with language that they are in agreement on. The rest of the Board will probably go along with whatever language the two come up with.

Chairman Stewart stated that she had some issues with the Strategic Plan that is being submitted to the Governor. She is still troubled by the fact that the Board wants to present itself as being a leader in conservation but, when reading this document, there is nothing about the natural resources and conserving them. The document talks about acquisition, development, planning, managing, etc. There is nothing about protection or preservation. She believes that is a key component of conservation. Because that is the new Vision, it should be reflected to some extent in what is sent to the Governor. In looking at the things we say we do in this document, there are no goals relating to conservation. It talks about a safe, accessible, and enjoyable system.

Mr. Travous noted that it talks about being an outstanding resource management organization. Staff were careful not to use the word "conservation" in the front end because it is a problem for some members of the Board.

Chairman Stewart responded that she doesn't have a problem with using the word "conservation"; she had a problem with spending a lot of time doing what she considered to not be a priority in changing the agency's name. She has absolutely no problem with using the word "conservation" in what is being done. She doesn't feel there is a need to call the agency the Department of Conservation.

Chairman Stewart stated that she thought there could be more emphasis without ruining anything.

Mr. Porter stated that if he thought this document would actually impact anyone he would agree. However, he doesn't see it as having an impact.

Mr. Ream noted that there are only two goals in the Parks Development/Operation/ Resource Management section. Goal 2 is to improve ASP's effectiveness at conserving and protecting Arizona's natural and cultural resources (all contingent on receiving sufficient funding).

Mr. Porter stated that he saw no issue to require editing that document.

Chairman Stewart noted that she had hoped that Watchable Wildlife would be included in the ranger-led interpretive programs. She would like to see that program implemented before starting a new butterfly and dragonfly species list. She asked how this relates to interpretive programs at historic parks.

Mr. Ream responded that it does not exclude the historic parks. An inventory is done and then the science brochures and other educational materials are printed.

Chairman Stewart noted that if one looks at all the areas we have, it's probably most helpful to the public to have some kind of interpretation at the historic parks. People usually know what to do when they get to a recreational area.

Mr. Porter noted that he doesn't disagree with that, but it's something the Board can do by actually dealing with those issues and actually looking at those programs. He doesn't know that tampering with this document will have any impact whatsoever on that.

Chairman Stewart asked if the agency uses this document in any way in its activities.

Mr. Travous responded that staff monitor and ensure that those goals are met. At the same time, staff are trying to leap forward in some of these areas with some of the resource stuff.

Mr. Ream added that Objectives 5 and 6 are not specific to historic parks and/or environmental parks. Staff look at them all as parks and create the programs. He never thought to break one out specifically from the others. The Historic Resources Committee is not very far along. They continue to meet and move along in creating a program just for historic parks. There is no similar program for the recreational parks.

Chairman Stewart referred to page 6 of the Board packet. Under Objective 3, she requested adding that staff will evaluate and recommend to the Board to reflect priorities of the most current planning documents, such as SCORP, Arizona Trails Plan, Arizona Historic Preservation and the Arizona State Parks Vision.

Chairman Stewart referred to page 8 of the Board packet on the amount of the concession revenues collected. She noted there are goals to increase in 2005 to \$450,000. She asked if staff expect no increase after that.

Mr. Siegwarth responded that the FY2004 Actual is \$382,100. The \$450,000 is fairly aggressive. Rather than having them stepped, he felt it would be best to just carry it out.

Chairman Stewart asked whether staff were confident of reaching that number in 2005.

Mr. Siegwarth responded that he is hopeful but doesn't believe we will. If we have the opportunity to expand the concessions, then the targets would be re-evaluated the next year.

Mr. Porter complemented Mr. Siegwarth for his efforts. He guessed that this has not been an easy process. The Board hammered on these documents because they wanted a document that really works. The Strategic Plan that has to go to the Governor is something that must be done. He has divorced himself from that document. What he really wanted was the second document, the Vision and Design, which really got to the heart of things and enables the Board to have this kind of discussion and really get down to the nuts and bolts and see where philosophy fits in and see where the Vision fits in. He sees a lot of work that has gone into this. He congratulated Mr. Siegwarth.

Mr. Siegwarth responded that Mr. Travous deserves all the kudos on that.

4. Revised FY 2006 and FY 2007 Operating Budgets

Mr. Siegwarth distributed two pages to the Board. He reported that he is revising the Natural Areas O&M budget for two reasons. A tractor was recently ordered that will not be here until September. He moved the funding from FY 2005 where it wasn't spent to FY 2006 when the funds will be expended. The second change is that the Natural Areas Acquisition money has a sub-account for pre-acquisition costs (surveys, title searches, etc.). That fund is running low and there is a list of properties that need to be looked at. Staff are asking the Board's authorization to move \$100,000 of the acquisition money to pre-acquisition. These changes are reflected on the revised page 65.

Mr. Siegwarth noted that he has also revised page 81 of the Board packet. He reported that in FY 2005 we had a total budget of \$4 million. The agency spent \$3 million last year. The budget is remaining the same in FY 2006 and FY 2007. He is moving things around between Personal Services and ERE.

Chairman Stewart asked if all the money was not expended because of the uncertainty of what the revenues will be.

Mr. Siegwarth responded that some money was put in for "potentialities". He noted that \$70,000 is allocated to Equipment for FY 2006. It is the potentiality that staff will not be able to use the Reservation Surcharge money. It is a stop-gap. Both the Enhancement Fund and SLIF are very tight. If staff can save money this year, that means it will be there for next year. Staff do not spend money just to spend money. A lot of that is vacancy savings as well.

Chairman Stewart asked if any of the Reservation Surcharge was lost on reversion this year.

Mr. Siegwarth responded affirmatively.

Chairman Stewart noted that by the time it comes in staff are not able to spend it because of the need for more lead time.

Mr. Siegwarth responded that his staff worked as hard as they could and had plans to have it all spent by June 30. There was a security issue with Paciolan that delayed the project two weeks and another internal problem with new software that delayed it for a couple of weeks. Essentially what happened was that only \$70,000 of the \$160,000 gig could be spent prior to June 30. Staff ended up having to revert that money. That money, by statute, is to expand the Reservation System. Staff were not going to spend it on hiring people, etc. That is an issue this year. Staff would like to make it a non-revertible fund. The way it's set up staff cannot accomplish what the statutes require.

Chairman Stewart suggested discussing what is new. She has read through the materials and it is pretty much what staff have told the Board all along.

Mr. Siegwarth acknowledged that this is about the fourth year in a row that he is telling the Board the same things. This is the fourth year in a row the agency has not received what staff asked for.

Chairman Stewart noted that there may be some areas that individual Board members may want to focus on.

Mr. Siegwarth reported that the Heritage Fund will be the full \$10 million. Interest rates are expected to rise to 4%. He is expecting \$750,000 in Heritage Fund Interest. Staff hope to hire a new PAMS manager from the Heritage Fund Interest. SLIF and OHV are unchanged. There is about \$96 million in the Land Conservation Fund (the Growing Smarter Fund). With interest rates rising, hitting \$3 million is a conservative estimate. Staff can only use up to \$500,000 of the interest for operations. Even though we're getting \$2 million now for the program, more than \$20 million a year will be placed into the corpus. The Reservation Surcharge is down.

Chairman Stewart asked why the Reservation Surcharge is down.

Mr. Siegwarth responded that visitation is down about 6.5%. He was hoping that the agency would make about \$9.5 million this year. He was expecting the Big Room being open an extra month causing a \$500,000 bump. KCSP is actually down about \$200,000. The 13th month doesn't really close until Friday, so he doesn't have final figures. In his mind this is a \$700,000 swing. It is an issue. The rest of the parks are doing very well. A lot of development projects are nearing completion. He had grand hopes for this fiscal year. He honestly cannot imagine making more than \$10.3 million. He will be happy in the high \$9 million range. This year the agency made about \$8.8 million.

Chairman Stewart asked when staff anticipate people will be able to make an internet reservation.

Mr. Siegwarth responded that a soft opening is planned because there are a lot of issues. His staff have been spending most of their time on this project. The Board materials say it will be online in October. He expects it could be next month.

Chairman Stewart asked if initially it will just be for KCSP with an expansion to cabins and yurts later.

Mr. Siegwarth responded that the campground reservation system will be a separate system. Staff are working on that.

Chairman Stewart asked if that other system will be with a different vendor.

Mr. Siegwarth responded that staff are still working it out. A staff person has been hired who installed the reservation system in either Oregon or Washington State. There were some personal issues and it is hoped that he will return. He did a lot of work with staff on what not to do, lessons learned, etc. Staff are working on trying to get something out by the end of the year.

Chairman Stewart asked if someone wants to go to KCSP they have to go to two different reservation systems – one for the campgrounds and one for the tours.

Mr. Siegwarth responded affirmatively. He noted that the campground reservation system has not been fleshed out yet.

Mr. Siegwarth noted that there is a 1.7% pay raise to employees to offset the increase in the retirement contributions. That pushed the break-even target from \$10.9 million to \$11.3 million. If employees actually get a decent payraise next July the break-even point could rise to \$11.8-\$12 million. Of the roughly \$10.9 million in Enhancement Fund, \$9 million is Personal Services and ERE. Any change to ERE or Personal Service jacks up the break-even target. We are fighting like cats and dogs to go from \$7 million to \$11 million. It just isn't going to happen.

Chairman Stewart asked if the distance between what staff really think the agency will make and what the legislature expects it to make is growing.

Mr. Siegwarth responded affirmatively.

Chairman Stewart noted that for a while the distance was narrowing.

Mr. Siegwarth agreed. He stated that the State expects to begin the year with \$300 million. We started off with \$600 million previously. He anticipates an actual real increase in employee wages (3%-5%), causing the target to increase again. There is a disconnect there. The agency cannot survive an additional break-even target.

Mr. Porter stated that the real question he has with this budget arises from page 38 of the Board packet. It says that the second priority is to resolve the structural imbalance in the State Lake Improvement Fund, etc. Then it says that the third priority should be the restoration of the General Fund. He asked what the realistic chance is of that happening. This is the nasty question that drives so much of what we're going to be doing. He doesn't see it as a real likelihood.

Chairman Stewart wondered whether we are putting the emphasis in the wrong area.

Mr. Siegwarth responded that that is the \$10 million question. Staff requested \$10 million last year. Quite frankly, Arizona is a growing state with a declining state parks system. We should be adding new parks. We are supposed to be taking care of the ones that we currently have. We are talking about increasing revenue from \$7 million to \$11 million with no increase in operating costs, no increase in FTEs, and no capital funding. We cannot continue to do that. The issue is that three years ago when the state was \$1 billion in debt, this agency was a team player and did what it could do. We can't continue.

Mr. Siegwarth stated that he did not believe the agency can break even. We have been using capital funds and restricting expenditures. If we continue to make what we make and spend everything that we can, we run out of money next July. He believes it is possible to make \$10 million and force \$500,000 worth of vacancy savings. A solution is needed. To go from \$8.8 million to \$10 million this current year going to be a challenge.

Mr. Porter asked what the solution is.

Mr. Siegwarth responded that there is the General Fund. It won't be a problem to get \$2.3 million.

Mr. Porter asked if staff really believe the legislature is going to give the agency any General Funds.

Mr. Siegwarth responded that the state has \$300 million more than they thought they had.

Mr. Travous noted it is \$600 million more.

Mr. Siegwarth responded that they were expecting \$300 million.

Mr. Travous noted that they did not expect to be \$300 million in the plus at the end of the fiscal year. They did not budget to be ahead \$300 million.

Mr. Porter asked when staff will know if the agency will receive General Funds.

Mr. Siegwarth responded that this is a long, boring process. We get \$7.5 million in SLIF, \$3 million of which is supposed to go to capital. The agency is using that money. We have the grant programs. There is the Land Conservation Fund interest that the legislature tried to use for operations a couple of times. There are discussions as to what the agency's real needs from the Heritage Fund are (does it make sense to have only \$400,000 per year for Natural Areas O&M). At a certain point critical mass is reached and we have to be dealt with. He knows the legislature does not like to be called at the last minute and told the agency has a crisis on its hands. Quite frankly, that would be very easy to show.

Mr. Porter stated that he believed the Board understands the budget. He is concerned about the crisis potential. He asked whether staff will be able to clearly present to the legislature this crisis picture and what will happen if they do not come up with a funding program, whether it be General Fund or something else that isn't just robbing Peter to pay Paul, that genuinely brings in new dollars for the agency to use flexibly so that we will not suddenly be told in May or June we are almost out of money and are in a crisis.

Mr. Porter stated that he believes staff have done a marvelous job setting the picture for the Board. He understands it. Unfortunately, he understands very clearly and it scares him. He is concerned about trying to figure out how to make ends meet next July when he knows the money currently is not there. He is concerned about whether there is a final battle plan.

Mr. Siegwarth responded that it is what it is. He is not making these numbers up. They are what they are. One of the problems with the budget process is that we received a two-year appropriation. He has no formal ability to, in the normal process, send OSPB a wish list for this year. He has to go through the process of saying there is a crisis and the agency will not make payroll. This is not the way anyone wants to go. Staff communicate with the Governor at the same time as with the Speaker of the House, President of the Senate, and Chairman of the Joint Legislative Budget Committee. Staff have to declare that the agency is all out of options and it is a crisis.

Chairman Stewart noted that this issue is on the Agenda for tomorrow. She has a few specific questions. Tomorrow, after people have had some time to think about it over night, some time can be taken to decide where to go with the budget.

Mr. Porter asked if staff know the agency will run out of money, why not tell the legislature. It's their fault.

Mr. Siegwarth responded that he told them what the situation is last week. However, a bill will have to be submitted for the new climbing park outside the process. Staff will explain what the capital needs are, opportunities, and solutions. When legislation is submitted that says the Reservation Surcharge statute needs to be changed because in its current form it prevents the agency from meeting its statutory requirements, it at least gets us out there. Staff will be able to demonstrate that the agency needs to attract this demographic group of Arizonans; the agency needs to make the money; the towns desperately need that park. This is part of that solution. Last year the agency did not have the opportunity to speak its piece because everyone was in agreement that the budget numbers weren't going to change. There is hope.

Chairman Stewart suggested that after the Board has had overnight to think about it, they can discuss the bigger things.

Chairman Stewart referred to page 59 of the Board packet and asked what the "Other Operating Expenses" amounting to \$43,000 are.

Mr. Siegwarth responded that it's pretty much gas and electric for Yuma Crossing.

Chairman Stewart stated her concern with the Publications and Souvenirs Fund (pages 76-77). There are 10 FTE positions on the Gift Shop program. Every park she's been to in the last few months has told her they don't have anything to sell. The volunteer working the gift shop at Sedona asked if she

could do something about getting them some merchandise to sell. Even though they sell more than any other park, their shelves are bare. Park after park that she visited said the same thing. From her work as a book publisher she knows that you can't support that many people on this sort of program. She is appalled at the situation.

Mr. Siegwarth responded that there have never been 10 people in that program. If they had made \$750,000 they were authorized to then have that many people. Since they never made that revenue they never hired those people.

Chairman Stewart stated that even three FTEs in that program seems like a lot to her for the kind of operation they have. She wondered how the agency can afford an FTE to run the gift shop at Tonto. Most of the federal parks have volunteers run their gift shops.

Mr. Ream responded that Tonto is set up differently. The Gift Shop/Publications program was started because of the Tonto fund. We were allowed to run the gift shop there. All of the money that's made at the Tonto gift shop has to stay at Tonto. A person was hired from that fund to run the gift shop. That person also manages the contact desk as well.

5. FY 2006 SHPO Workplan Task List

There was no discussion on this Agenda Item.

6. Capital Improvement Plan

There was no discussion on this Agenda Item.

7. Arizona State Parks Efficiency Report

Chairman Stewart stated that she had a question about meeting the Silver Level on the LEEDS/Green Building Council (page 105 of the Board packet). She asked why staff were not aiming higher since the Silver Level is the basic level the Governor has directed all state agencies to meet.

Mr. Ream responded that the issue will be money and the fact that some of the Gold Level standards are nearly impossible to reach.

Chairman Stewart stated that she has been reading that a lot of businesses are going to higher standards because they found it is actually cost-effective and that the materials aren't really more expensive.

Mr. Ream responded that most of them are in the Silver Level. He believes the idea of 50% of the building has to be renewable energy is a tough hurdle to cross. Staff set it at silver because they believe it is attainable. While he would prefer to go for the Gold Level, we must first walk and then run.

Chairman Stewart noted she attended the SHPO Conference on Historic Preservation. There was a very good session on the ADOT T21 fund that can be used for Visitors Centers in many circumstances. That fund can be used at Homolovi for a museum there that would tell the story of the Hopi migration. The agency is supposed to have someone sitting on this committee that reviews these things. Are staff thinking about those kinds of things and focusing on them in addition to the road construction projects that are funded through ADOT? The agency could be getting so much more money. Several of the parks would qualify under that program.

Mr. Ream responded that ASP did sit on that committee. That staff person has left the agency. Staff are working on it.

Chairman Stewart noted that the Public Lands Information Center is putting out a request for assistance and are looking for partners. It would be a way to market the agency. They are popular in other states. People come in droves. It is a combination of marketing and gift shop.

Mr. Ziemann responded that Ms. Liz Krug, Research and Marketing, has worked extensively with them and provided them with materials for the last five years.

Mr. Porter noted that, while he understands everyone tries very hard in this organization and a lot of people are trying to do a lot of different things, if an entity is going to try to even remotely hold itself out to be moving towards being the best, there has got to be stellar performance the field of electronic communication and marketing. Quite frankly, the website is a mess. It is extremely difficult to work with; it's hard to access information. A user has to fight it to get information. Suppose that an irate member of the public wants to write all the members of this Board a nasty letter. The only way a user

can even get to the list of Board members' names is to click on "What's New". That is the only place to get information on the Board. That is absurd. It's not user friendly. It's confusing. It is not worthy of an organization of our stature. There are some very good websites out there that take these things into account and are extremely user friendly and easy to use. Ours is just not there. He believes that has to be taken into serious consideration. Having said that, about \$50,000 has again been spent this year on the Diamondbacks and the primary thrust of that advertising is to go to our website. Heaven help anyone who follows that advice. These comments are not so much criticism as it is a warning that it has to be addressed.

Chairman Stewart added that it needs to be a priority in the sense that so much of the population uses the Internet as their primary source of communication. She has had difficulty accessing information. She and the PIO were trying to look something up and even the PIO couldn't find it.

Mr. Porter stated that he really hated to bring the subject up because he knows how hard these things are, but it is so important. It's our first major foot forward. In some cases, it may be the only contact with people.

Chairman Stewart noted that it is probably a situation of people intending to work on it but get pulled off for other assignments. She would like to see all of the books on the website. It's a tremendous money maker for lot of organizations.

Mr. Porter noted that there are only six books listed for sale on the website. If that's the case, there have to be more.

Mr. Ream responded that there is a problem in selling things over the web. He believes that problem will be fixed, but staff have to go through GITA and have to use the portal.

Mr. Siegwarth added that staff are in the process of filling the position that was responsible for the website. The Governor has set certain standards for what the website will look like and how it will operate.

Mr. Siegwarth referred to another slide in his presentation. He noted that staff have always said the agency needs \$11.3 million to break even and operate. The reason the agency has survived is that people like Dave Pawlik are short-handed. All of the Park Managers are short-handed. The reason vacancies are not filled is because the agency needs these vacancy savings to make the operation work. It is not fair to them; they are carrying an unfair load. More money is being spent in OOE than anticipated because there are more visitors and more expenses. This is the problem with a static budget. This park is a good example of everyone trying to manage within their budget and make things work. It's becoming more untenable. When one looks at the budget on an individual level, the rangers are doing an awful lot with very little. They deserve recognition.

Mr. Porter complemented staff on this Board packet. He felt it was very effective and put together very well.

E. ADJOURNMENT

Mr. Porter made a motion to adjourn the meeting. The motion was seconded by Mr. Hays and carried unanimously. The meeting was adjourned at 3:40 p.m.

Pursuant to Title II of the Americans with Disabilities Act (ADA), Arizona State Parks does not discriminate on the basis of a disability regarding admission to public meetings. Persons with a disability may request a reasonable accommodation, such as a sign language interpreter, by contacting the ADA Coordinator, Nicole Armstrong-Best, (602) 542-7152; or TTY (602) 542-4174. Requests should be made as early as possible to allow time to arrange the accommodation.

SUBMITTED BY:

Kenneth E. Travous, Executive Director

APPROVED BY:

Elizabeth Stewart, Chairman