

**ARIZONA STATE PARKS BOARD
CARNEGIE LIBRARY, PHOENIX ARIZONA
NOVEMBER 13, 2009
MINUTES**

Board Members Present:

Reese Woodling, Chairman
Tracey Westerhausen, Vice Chairman
Walter D. Armer Jr.
Arlan Colton
William C. Scalzo
Maria Baier

Board Members Absent:

Larry Landry

Staff Members Present:

Renee Bahl, Executive Director
Jay Ziemann, Assistant Director, Partnership and External Affairs
Jay Ream, Assistant Director
Kent Ennis, Assistant Director
Janet Hawks, Chief of Operations
Doris Pulsifer, Chief of Grants
Max Castillo, Verde River Greenway
Debi Busser, Executive Secretary
Ellen Bilbrey, Public Information Officer
Mary Robinson, SHPO Secretary

Attorney General's Office:

Laurie Hachtel, Assistant Attorney General

C. CALL TO ORDER – ROLL CALL

Chairman Woodling called the meeting to order at 10:00 AM

D. INTRODUCTIONS OF BOARD MEMBERS AND AGENCY STAFF

1. **Board Statement** - "As Board members we are gathered today to be the stewards and voice of Arizona State Parks and its Mission Statement to manage and conserve Arizona's natural, cultural, and recreational resources for the benefit of the people, both in our parks and through our partners."

The Board members and staff introduced themselves, and Ms. Baier read the Board Statement.

E. CALL TO THE PUBLIC

Lieutenant Alan Nelson, La Paz County Sheriff's Office stated that the 15% agency budget reduction by State Parks as presented to Governor Brewer pulled specialty

funds from the Law Enforcement Boating Safety Fund in its entirety. Doing so will create a 100% reduction as far as enforcing boating laws throughout the state. Having funds cut from the program outrages him. The funds pulled come from fuel taxes and boater registration should remain in the Boating Safety Fund. This puts Arizona boaters and boating programs at risk. He urged the board to uphold the recommendations from Staff that action is taken to oppose reductions in the strongest way to the Legislature and the Governor.

Mr. Scalzo responded that this issue to be addressed later in the meeting.

Jim Salscheider, Lake Havasu City (LHC) Marine Association - I am in agreement with Lieutenant Nelson. Lake Havasu will be impacted by the absence of funds since Mohave County only has three boating officers with twenty boats. In an effort to expand coverage, 13 members of the Marine Association have joined the boating auxiliary and are being trained at this time in order to be out on the lake by the last week of April. Cutting funds would be a disaster for Lake Havasu.

He added that the Marine Association raised \$17,000 to replace the Windsor Dock, which triggered a three-for-one grant through US Fish and Game resulting in a half million dollars to replace all the docks. In the spring we were informed of the staff cuts at Windsor State Park and as a result Windsor Four might be closed. This would eliminate two hundred and eighty boat spots. The Marina Association agreed to become volunteers at Windsor State Park and have put in over 25,000 hours. We also expanded the trash bag posts program from just the three docks to an additional sixty-four trash bag posts on the lake. Ninety thousand trash bags have been distributed on both the California and Arizona sides of the lake. As a result there is a cleaner Lake Havasu. Marina Association Volunteers have taken on many duties the Park Staff cannot perform at current staff levels. There are two ways to look at the current budget crisis. First there is the Government Model, which is to reduce staff, reduce expenses, reduce services, and increase prices and think that will increase revenue. The Business Model would increase services, increase staff, enhance the customer experience, and increase prices, create more value, which will lead to an increase in funds.

Mr. Scalzo noted that what the Marine Association is doing is commendable and appreciated.

Marylyn Ruggles, Riordan Action Network, stated that she is a Docent at the Riordan Mansion State Park. She was here to suggest a change in the starting date of higher fees from March 2010 to January 2010. The January date would start the new fee schedule with the New Year and there would be less confusion over the date.

F. CONSENT AGENDA

1. Approve Minutes of September 11, 2009, Arizona State Parks Board meeting

2. Approve Executive Session Minutes of September 11, 2009, Arizona State Parks Board Meeting
3. Consider Funding the FY 2009 Recreational Trails Program (Motorized Portion) Grant Application for Town of Eager

Ms. Hachtel recommended Item 2 be pulled from the Consent Agenda due to corrections that need to be made. Item two, Executive Session Minutes, will be on the next Agenda.

Regarding Item 3, Chairman Woodling stated that there were three Applications originally, but was informed by Ms. Bah, that the other two Applications were approved in September. The Eager Application is the only one open for discussion.

Mr. Scalzo: I move to remove Item 2 from the Agenda and to pass the Consent Agenda, as amended.

Mr. Armer: I second the motion. The motion carried with Mr. Landry absent.

G. CONSIDER ADOPTING PROPOSED FY 2010 ARIZONA STATE PARKS USER FEE ADJUSTMENTS

Mr. Ream reported that on September 11, 2009 the Parks Board concurred with staff that Parks fees need to be adjusted. Six public fee hearings were held regarding the changes. Hearings were held throughout the State. There were 421 comments. 359 comments were on the Premium Pass issue which staff originally recommended be eliminated. Ninety-five percent were opposed to the elimination of the Pass; 26% stated they would support an increase in lieu of elimination. The final recommendations and changes to the fee schedule are to retain the Annual Premium Pass and charge \$200.00 (this is still a considerable savings for regular park visitors). The packet outlines all the changes that are recommended. Changes to the fee schedule are expected to raise approximately \$1,000,000 when implemented for a full 12 months.

Mr. Colton noted that we need clarification regarding the bottom of page 5 of the agenda, second bullet point from the bottom - Group Use Fees, "Yuma Quarter Master Depot, (if operations return to Arizona State Parks) (25% discount)". He asked if that mean ASP operates the Quarter Master Depot with fees discounted by 25%

Ms. Bahl responded that while the City of Yuma is operating the depot they will not charge a fee. If, in the future, the Quarter Master Depot returns to ASP, then this is the fee that will be implemented.

Mr. Colton responded that the Board needs clarification regarding – on page 14 regarding Kartchner Caverns State Park's tour prices – each tour has a price and if both tours are taken then the two amounts will be added together.

Mr. Ream clarified that if both tours were taken, then both fees would be charged.

Mr. Colton referred to page 16 regarding other fees. He asked who uses the Commercial Retail Permit.

Mr. Ream responded that the only park utilizing the Commercial Retail Permit is Lake Havasu State Park. The Permit is only sold to people who rent Jet Skis. They may have two trucks, and the second permit is sold at a discounted rate, which is being raised. The Chemehuevi depend on receipt of supplies, which are ferried across to them from our boat docks.

Mr. Scalzo asked if that includes ferrying people over to the Chemehuevi Casino for gambling.

Mr. Ream responded that the tribe has a ferry for that purpose.

Ms. Westerhausen asked why the Premium Pass was raised from \$125.00 to \$200.00?

Mr. Ream gave a brief history on the Annual Premium Pass. The pass has been raised from \$125.00 to \$200.00 and the Weekend Daily Entrance Fee was raised from \$10.00 to \$15.00 per vehicle. That is still a substantial savings after the increase for the Annual Pass for regular users of the boating facility. If all 160-weekend days were to be used, there would be a savings of \$2200.00 to the boater. This pass is intended for the local boater and other regular boaters.

Mr. Armer noted that the Board seldom gets requests to raise fees earlier than scheduled to do so. He asked if it create a problem if the Board honored the Riordan Action Network's request and raised fees in January instead of March.

Ms. Bahl responded that while she appreciate Ms. Ruggles' comments regarding raising the rates earlier, all information presented to the public gives the March date the fees will be raised.

Chairman Woodling asked if there isn't something in ASP's Procedures regarding the Board passing a fee increase and the time lag that is mandated.

Ms. Bahl: There is a 30-day mandate. That would not be a problem for a change to a January start date, but she still sees a problem with changing the date after giving information out to the public that rates would be raised in March.

Chairman Woodling asked Ms. Ruggles if she understood the reasoning behind not raising rates in January.

Ms Ruggles responded affirmatively..

Chairman Woodling noted that on page four, in the middle, it states that there were 421 comments from the public, which is an excellent number of responses. Three Hundred

Ninety-One were either email or web site. He asked how the 30 remaining comments were received.

Mr. Ream responded that at the public meetings held around the state, 30 additional forms and several letters were received.. More than 200 people attended the Lake Havasu public hearing.

Chairman Woodling asked, apart from Lake Havasu, how many of the people attended the meetings. He asked if it is worth state time and money spent to hold these public meetings.

Mr. Ream responded that he thinks it is good government to hold public meetings. Face to face meetings are good policy. There was one state representative who attended one of the meetings who asked questions regarding the new fees.

Ms. Westerhausen added that she attended the meeting at the Burton Barr Library. The attendees consisted of herself, a Parks representative, a Journalist, and three members of the public. It did not seem to be a great use of our resources. In addition the Parks representative did not appear equipped to answer questions.

Mr. Colton noted that he read through most of the comments received. All the comments were in the form of general statements. He asked if the questionnaire was written using general questions?

Mr. Ream responded that the questionnaire contained open-ended requests for feedback. No specific questions were used. He added that each presentation used a PowerPoint presentation to illustrate the changes that were suggested. Future questionnaires will utilize more specific questions as well as open-ended ones for feedback.

Chairman Woodling called for a Motion on staff's Recommendation.

Board Action

Mr. Scalzo: I move that the Arizona State Parks Board adopt the fee schedule as presented to take effect March 1, 2010 and direct staff to proceed with public notification and record the changes with the Secretary of State's Office.

Mr. Ream suggested that the vote should include the new staff recommendations to the fee schedule.

Chairman Woodling responded that the nomination would cover them.

Ms Baier seconded the motion. The motion carried unanimously with Mr. Landry absent.

H. DIRECTOR'S REPORT

Ms. Bahl reported that there is good news at ASP. There have been a number of special events to share with the board. First, Tom Sawyer Day at Fort Verde where children and adults actually painted the fence. There were 80 attendees. In late September we had the Slide Rock State Park Apple Festival. More than 36,000 visitors attended this two-day event in celebration of Oak Creek's agricultural history. More than 41,000 visitors attended Verde River Days at Dead Horse Ranch State Park, which was a two-day event. Oracle State Park held the Calabasas Festival, a harvest celebration, that attracted almost 500 people. Another event at Fort Verde - the Fort Verde Days - was held with living history presentations as the attraction. In mid October Eldorado Days were held at Tombstone. We partnered with the Antique Engine and Tractor Club to be part of this town's event. Almost 600 people visited the Courthouse. Anza Days was held in mid October at Tubac. It celebrated Juan Batista Anza's life and we had approximately 250 people attend. McFarland held an open house to celebrate the completion of the first phase of its stabilization, and more than 60 attended. Later in October one of our highlights was the Picacho Peak Ribbon Cutting Ceremony. The Board was there. Staff are still in the process of applying to the US Green Building Council to find out what level of Leed Certification we have achieved. Also, the agency received the Nature Conservancy's Outstanding Achievement Award, and we were the only public agency in Arizona to receive the award this year. It was for sustained commitment to conservation in Arizona, specifically for expansion of the Verde River Greenway footprint from six miles to thirty-six miles. The last event was the 10th anniversary of Kartchner Caverns State Park being open to the public. Over 27,000 people attended the celebration. Approximately 11,000 people toured the cave, which means that approximately 16,000 people came to learn about the cave and just be at the park. These are the types of events that remind people of what parks do.

Ms. Bahl than invited Ranger Max Castillo to the podium to receive the award from the Nature Conservancy. She stated that she wanted to thank Mr. Castillo publicly.

Chairman Woodling thanked Mr. Castillo and presented him with a photo of the presentation. He also had comments to share with Mr. Castillo. He and the Executive Director accepted this award a couple weeks ago.

Chairman Woodling stated that ASP was awarded The Nature Conservancy's "Outstanding Conservation Achievement Award for 2009". We are grateful for this award but feel we should share it with the staff of Verde River Greenway. Mr. Castillo is the Unit Manager of the Verde River Greenway. He was asked him to be here today to accept this award on behalf of the agency and to display it prominently in his park office. Mr. Castillo has been with Arizona State Parks for 35 years and is known throughout the Verde Valley for his work along the river. his love of the Greenway and his desire to preserve it for the present and future generations is the reason we have chosen to recognize him with this award and hope he will share it with staff and visitors.

Mr. Castillo stated that he appreciates receiving this award. It was a team effort and many people assisted in increasing the Greenway. They deserve this award as well.

K. BOARD ACTION ITEMS

5. Consider Adoption of the Recommendations of the Governor's Task Force on Sustainable State Parks Funding.

Mr. Ziemann reported that Governor Jan Brewer established the Task Force on Sustainable State Parks Funding by Executive Order 2009-03 on March 12, 2009. The Task Forces was to provide its recommendations to the Governor by October 31, 2009.

Mr. Ziemann stated that a 14- member Task Force was appointed to carry out the Governor's directives. The Task Force was chaired by Richard H. Dozer, president of GenSpring and former president of the Arizona Diamondbacks. The Task Force membership represented a broad spectrum of businesses, not-for-profits, and environmental experiences in Arizona. The Task Force met eight times in public, plenary sessions between April 8 and October 23, 2009. The Morrison Institute, through its report, provided the Task Force with logistical support and research data.

Mr. Ziemann noted that staff recommends that the Board adopt the recommendations of the Governor's Task Force on Sustainable State Parks Funding.

Chairman Woodling stated that getting these suggestions enacted will be a work in progress.

Ms. Westerhausen asked if the report discusses whether or not other states have the voluntary motor vehicle fee.

Mr. Ziemann responded the actual report didn't discuss the issue, but there was a great deal of discussion regarding what other states are considering and enacting. Things may change as we go forward. There will be a higher fee with the opt-out option with the license fee, but if there is no opt-out option the fee will be lower. ASP staff will have to work with the legislature and public to determine what the best solution is.

Chairman Woodling added that the key is utilizing a sticker on the license tag indicating that the owner of the vehicle paid the fee and is allowed into the park free of charge. There also needs to be wording that states that the money cannot be swept, but will stay in the agency.

Mr. Ziemann responded that the proposal ultimately becomes a voter issue, and as such, it would take a three quarters vote by the legislature in order to sweep the funds. If it were a straight act of the legislature, theoretically the funds could be swept by the legislature. Staff's hope is that there is a direct *quid pro quo* in this for the citizens of Arizona. If the legislature should start taking the money out of the fund then ASP would have to reinstate fees, and then you are removing the *quid pro quo*. There is a very direct benefit to the citizens of Arizona in exchange for this fee.

Chairman Woodling noted that earlier reports by Lt. Nelson and Mr. Salscheider highlighted how volunteers have helped keep parks open. Volunteerism was major point in this report. The task force did a great job.

Mr. Colton added that there is a directness of language and simplicity of the report. The task force examined options and discarded those that won't work for ASP. It also addressed the fact that there are limited options that will work and those became recommendations to consider. The key recommendation will not be easy, but it is the one, which will take us forward.

Chairman Woodling added that the Board requested former Governor Napolitano appoint a Task Force, which she did. Then Governor Brewer continued to work with the Task Force. He asked Mr. Scalzo to speak to the diversity of people appointed to the Task Force.

Mr. Scalzo then stated the Board needed to thank Mr. Ziemann, who worked on this from the beginning. Mr. Scalzo then commended each member of the Task Force with individual remarks. He noted that there is more than one approach as to how to fix State Parks budget and carry it into the future. The license fee will not be enough to fund Arizona State Parks and we need to be supported in some manner by the General Fund. We need to look at ASP's resources, concessions, and other areas that will make us more fiscally sound. We are already implementing suggestions that the Task Force Report made.

Chairman Woodling noted that in the back of the Task Force Report there is a Bio for each of the members, which is very dry. Mr. Scalzo has brought them to life for the Board today.

Mr. Armer asked if this report has been forwarded to the Governor.

Mr. Ziemann responded that it has been presented to the Governor, but not the Legislature. The Governor's Office has directed staff to present it to the Board first. There is a placeholder in the Governor's Office to run whatever legislation comes from the report. We need to have meetings with the Governor's Office to determine how to proceed and need to move on to the implementation phase as soon as we can.

Chairman Woodling noted that it is time to move on with Board action to approve this report.

Board Action

Mr. Scalzo: I move that the Board adopt the recommendations of the Governor's Task Force on Sustainable Park Funding.

Mr. Colton seconded the motion. The motion carried unanimously with Mr. Landry absent.

6. Consider Retroactively Approving Submission of Additional 15% FY 2010 Agency Budget Reduction Options to the Governor's Office.

Mr. Ennis gave the following reported that on September 18, 2009 the Governor's Office of Strategic Planning and Budgeting (OSPB) asked every state agency to meet a reduction target of 15 percent of the agency's FY 2010 budget in order to address an estimated \$1.56 billion shortfall in this fiscal year. Agencies were asked to "prioritize services based on what is most essential and what the voters or courts have mandated be offered." In addition, the Governor said that they will "ask the Legislature to relieve agencies of any statutory obligations that are not absolutely essential to fulfilling your missions or mandates." All agency responses to OSPB were due by October 8, 2009.

He stated that OSPB calculated that the ASP base budget amount subject to the 15% reduction included all agency fund sources except Federal funds, constitutionally obligated funds (Land Conservation Fund), and previously approved agency internal fund transfers. Their baseline figure was \$39,059,000, which yielded a targeted reduction of \$5,858,900.

He noted that, in reviewing options to meet a budget reduction of this amount, staff focused on the ASP Board's stated priority to keep the park system open and operating. Further reductions to the department's operating budget in all likelihood will result in additional park closures, which will reduce park user fee revenue, thereby reducing available monies to operate parks.

He added that ASP staff sent the attached letter dated October 8, 2009 to OSPB. The reduction options included:

- **Law Enforcement Boating Safety Fund: \$2,100,000**
A.R.S. §5-383 - The program provides funding allocations to county law enforcement agencies for boating law enforcement, personnel, equipment, and training.
- **Off-Highway Vehicle (OHV) Recreation Fund: \$1,000,000**
A.R.S. §28-1176 - The program provides funding and support for aid projects to public land managers for OHV related projects and programs.
- **State Parks Heritage Fund: \$2,758,900**

Laws 2009, 49th Leg. 3rd S.S., HB 1014, Sec 13. This proposal would eliminate most of the enacted transfer of \$3,000,000 to the Arizona Forestry Division from the State Parks Heritage Fund and instead transfer it to the General Fund.

Ms. Bahl stated the Board needs to take two actions. First, retroactive approval of the 15% cut that staff had to submit. The priority was to keep parks open and operating as instructed by the Board. Staff requests the Board take pro-active action to oppose these reductions that staff was instructed to submit and other reductions that affect park operations, park development, or the grant programs. Staff also requests that the

Board sign a letter addressed to the Governor to that end and then continue to work proactively throughout the year to retain and maintain what little funds this department has left for itself and for its partners.

Chairman Woodling referred to the second paragraph on page 91. He doesn't understand how they arrived at a figure of almost \$40,000,000. That is not a true picture of our Operating budget.

Ms Bahl responded that, no, it is not a true picture of our operating budget. The Governor's office looked at every dollar the department had, including whether it is from awarded grant projects still in the process of being paid out in order for them to be completed, capital projects underway, and our operating dollars

Mr. Ennis added that the amount the Board and the legislature approved, in terms of back filling funds, was \$6,500,000 million dollars.

Ms Bahl added that this also includes the \$3,000,000 left in the Heritage Fund designated to the State Forester in the next calendar year. Staff think part of this exercise is for the Executive Branch to paint a picture of what the state will look like with a 15% across the board cut. Her recommendation is to take the higher-level stand in terms of no cuts instead of arguing the base.

Ms. Westerhausen asked how this equates to cutting the budget. It sounds like we have this fund and we are just going to give it to the legislature because we have to come up with \$5,800,000 for them.

Ms Bahl responded that the exercise was to for ASP to cut \$5,800,000. Through Board action, the highest priority was to keep parks open and operating. Looking at it from a management perspective, there is no 15% of excess to cut.

Chairman Woodling noted that staff based these suggested cuts on Board actions. If the actual operating budget were to be cut there would be no way keep parks open and operating. This looks like the only solution.

Ms. Westerhausen asked if offering these funds in lieu of traditional cuts is that what the Board is forced to do.

Mr. Ennis responded that staff did look at these funds and were in the midst of reaching a new equilibrium from last year's cuts when we were given no choice but to make these additional cuts.

Ms. Baier stated for the Record, that because there is some crossover in this budget, she will have to abstain from the vote. The Arizona State Parks Heritage Fund involves both ASP and the Arizona State Land Department (ASLD). Also, her agency and other state agencies struggled with what was really available to offer up as cuts and what was actually available to cut.

The Board discussed splitting the vote out for each of the three items to be cut from the budget. The decision was to split the Heritage Fund out and vote on it separately. The Law Enforcement and Boating Safety Fund and the Off-Highway Recreation Fund will be combined for the vote.

Board Actions

Mr. Scalzo: As discussed in this Board report, I move that the Board retroactively approve the staff submissions to the Governor's Office of Strategic Planning and Budget of the 15% midyear budget reduction options, which consisted of two individual proposals: Law Enforcement Boating Safety Fund in the amount of \$2,100,000 and the Off-Highway Vehicle Recreation Fund in the amount of \$1,000,000

Mr. Armer seconded the Motion. The motion carried unanimously with Mr. Landry absent and Ms. Baier abstaining from voting on this Motion.

Ms. Westerhausen: I move that the Board retroactively approve the staff submission to the Governor's Office of Strategic Planning and Budget of the 15% midyear budget reduction options, which specifically is the Arizona State Parks Heritage Fund in the amount of \$2,758,900

Mr. Scalzo seconded the Motion. The Motion carried unanimously with Mr. Landry absent and Ms. Baier abstaining from voting on this Motion.

Ms. Westerhausen: I move that the Board take action to oppose these reductions or other proposals that reduce funds for agency operations, park development or grant awards.

Mr. Colton seconded the Motion. The Motion carried unanimously with Mr. Landry absent and Ms. Baier abstaining.

7. Consider Issues Related to Hopi Proposal to Purchase Homolovi Ruins State Park.

Mr. Ream reported that last September the Hopi Tribe indicated that they wanted to purchase Homolovi Ruins State Park. The Board requested that State Parks' staff research the proposal and bring its findings to the Board along with a staff recommendation. ASP staff met with ASLD, the State Land Commissioner, and the Hopi Tribe to discuss the outlying issues. Most the issues dealt with ASP's ownership of the park. There are three types of ownership and 4,480 acres involved in the deal. The Hopi proposal was to purchase Homolovi Ruins State Park and then lease it back to ASP under a joint management agreement and the proceeds from the sale to be used to operate the park.

Mr. Ream stated that staff are in favor of ASP Board pursuing an enhanced agreement with the Hopi Tribe without disposing of the land assets at Homolovi Ruins State Park. The reasoning behind that is that the sale of the land will not go into ASP's funds and,

therefore, will be of no benefit to ASP. With the Task Force's recommendations we hope to have the funding to operate all our parks. We are working on an agency Strategic Plan and would need to have that in place prior to disposing of any of the parks. Finally, there is Arizona State Trust Land reform that is an opportunity to acquire trust lands near Homolovi to include in the park. We have a great working relationship with the Hopi Tribe since 2003 and would like to continue that relationship.

Mike Puhuyesva, Hopi Tribe stated that the Hopi Tribe is still interested in purchasing Homolovi. They will continue to work with the Board toward a Mutual Agreement of Understanding. He extended an invitation for the Board to come the Hopi Reservation and visit the Mesas as well as Homolovi.

Chairman Woodling responded that he has the letter extending the invitation to the Board and that they would like to visit and continue discussions regarding Homolovi. The Board will continue to work with the Hopi Tribe.

Mr. Armer added that there are a couple private landowners (Harry Hancock and John Seabert) indicated on the map. He asked if those lands are actually privately-owned and if they are fenced within the boundary.

Mr. Ream responded that they are privately owned but they are not fenced. Cattle are allowed to roam.

Chairman Woodling asked Mr. Puhuyesva if the Hopi lands that are on the map are fenced off?

Mike Puhuyesva responded that they are not.

Chairman Woodling asked if there is an issue regarding Mr. Hancock or Mr. Seabert running cattle across Hopi lands.

Mike Puhuyesva responded that they haven't had a problem to date and don't see a need for fences in the immediate future.

Chairman Woodling asked if there are any places on these lands where Hopi do not want cattle.

Mike Puhuyesva responded that those would probably be disclosed once the purchase is final with consensus of both parties. That would be done to preserve the land around those sites.

Mr. Ream stated that staff recommends that ASP Board pursue an enhanced agreement with the Hopi Tribe without disposing of the land assets at Homolovi Ruins State Park.

Board Action

Mr. Colton: I move that the Arizona State Parks Board direct staff to pursue an enhanced agreement with the Hopi Tribe without disposing of the land assets at Homolovi Ruins State Park at this time.

Mr. Scalzo seconded the Motion. The Motion carried unanimously with Mr. Landry absent.

8. Consider Taking Action Relating to the Potential Sale/ Lease Back of Kartchner Caverns

There was no action taken by the Board on this issue.

L. DISCUSSION ITEMS

1 Update on Fiscal Year 2010 Budget

This Agenda Item was presented to the Board as part of an earlier report by Mr. Ennis.

2 Update on Construction Projects

Mr. Ream reported that Ms. Bahl already covered the Phase 1 completion at McFarland and Picacho Peak. There are continuing problems with the Buckskin Lift Station, which should be completed this winter. There is a new procedure for repairing lift stations and staff will see if that the successful bid goes the company with the expertise to do the job.

Mr. Ream reported that the Jerome Stabilization Exploration Phase is ongoing and the damage may not be as extensive as originally thought.

Mr. Ream reported that at Lost Dutchman State Park the new treatment plant and digester, as part of our Consent Order, with Arizona Department of Environmental Quality (ADEQ), was completed. There was a \$40,000 savings, because staff completed some of the work. Also there is a new dump station that allows us to feed into the digester from both sides. A new pad has been installed, plumbed and set for a new modular restroom facility. Electricity will be installed at the site, doubling the visitor capacity of Lost Dutchman State Park.

Mr. Ream reported that a new wastewater treatment plant was installed at Slide Rock and Red Rock State Parks that utilizes reclaimed water that is treated and reused to flush toilets. This decreases energy and water usage. There has been a problem in Oak Creek Canyon regarding where to get rid of effluent and this treatment plant addresses that issue. There is also a new restroom facility as part of that project.

Mr. Ream reported that Phase 1 Stabilization of Tonto Lodge is near completion. This is the project that has kept Tonto Natural Bridge and Tonto Lodge closed for months. Phase 2 will continue inside the lodge. On November 19, 2009 Tonto Natural Bridge

will be open five days a week. In early April, the Town of Payson will commit money to hiring seasonal employees in order to keep the park open during our busiest season.

Chairman Woodling asked when the building will be ready for operation as a lodge?

Mr. Ream responded that the bid for Phase 1 was completed with almost 33% less than the bid estimation. We utilized that money to start ordering things for Phase 2. The wallboard is being redone, along with interior painting and electrical work. This has allowed us to get a little ahead of where we thought we would be. While it might be sooner than we had anticipated, there is no definitive date.

Chairman Woodling asked if that building will be open to the general public even though it is not ADA accessible.

Mr. Ream that it won't be ADA accessible, but we will be continuing construction. Once stabilization is completed we will move construction inside and work to bring the building up to code. ASP is under a different set of rules than a private person. The following needs to be done: add a fire-suppression system and update the electrical system.

Chairman Woodling asked if the lodge can be opened without being ADA compliant?

Mr. Ream responded affirmatively. Part of Phase 3 will be to provide ADA accommodations at ground level, including a restaurant and cabins that would all be ADA accessible. Staff are continuing to bring in funding - whether it is Heritage Funds or other funds - to complete projects

Mr. Ream reported that the following are the main projects we are going forward with as soon as those funds roll in:

- Installation of an eight-inch water main, fire line and electrification of campsites at Lake Havasu State Park. A little over \$1 million will be spent to enhance the operations at the park.
- The campsites at Lost Dutchman State Park will be electrified as part of the campsite and restroom project mentioned earlier.
- A new potable waterline will be installed at Kartchner Caverns State Park. The water system at Kartchner Caverns State Park is fed by a well and our geologists tell us if we continue to use that well the cave may be damaged.
- River Island's thirty five year old restroom and shower building needs to be replaced as funds are available.
- Architects have submitted bids between \$1 and \$2 million dollars for the project at Douglas Mansion, Phase 2 ongoing. It will go forward when we get the funds to do so.

- Remodel the Lodge at Tonto Natural Bridge.
- The stabilization of the Sally Port at Yuma Territorial Prison, which is in need of repair, will be done.

The loss of Heritage Funds has put many of these projects on hold and now it is possible to compete them due to Board action in August.

3 Legislative Update

Mr. Ziemann reported that the Legislature and the Governor continue to talk about a special session regarding measures they need to take for agencies that are in dire straights. We are hoping for legislative special sessions to address additional budget issues.

Ms. Westerhausen noted that she was talking to a group of people at Kartchner Caverns State Park who are involved in getting an Arts and Parks initiative going that might include the vehicle surcharge similar to the one we have been discussing. She asked if staff know how far these groups are in the process.

Mr. Ziemann responded that this was discussed in the Task Force meetings. This group is trying to get their initiative on the ballot for 2012 as part of the Centennial Campaign. Staff's concern is that ASP may not survive that long. While we would be eager to participate, the timing will not work for us.

Mr. Colton noted that the estimated short fall of Arizona's budget is an estimated \$2 billion dollars for the fiscal year. The implication is that if they don't raise revenue that short fall will pretty much shut down non-essential services throughout state government. He asked if that a fair statement.

Mr. Ziemann responded that there are so many areas in State government that are voter protected that the legislature doesn't have access to. To take \$2 billion out of the remainder would be catastrophic.

Mr. Colton noted that if it became that drastic, we have small amounts of untouchable funds, but very small amounts, relatively speaking.

Ms. Bahl responded that the only untouchable money is voter protector money. The Land Conservation Fund is the only one we have and it has approximately \$100 million. The Legislature has the ability sweep any other funds we have.

N. BOARD AND EXECUTIVE STAFF WILL ENGAGE IN CONTINUED DEVELOPMENT OF STRATEGIC ISSUES AND PLAN

Mr. Ziemann reported that the Board will find a document regarding the up-to-date work of the sub-committee and the Board at Picacho Peak Park. This document is

reflective of all the discussions that day. ASP staff will work at crafting a draft of a new Vision Statement for the agency and then address the Strategic Issues that are on the last two pages of this document. The goal is to identify tasks that will address issues detailed in those pages and bring these tasks back to the Board for discussion in February 2010.

Chairman Woodling noted the Board doesn't need take action at this time. Staff is on track.

Mr. Ziemann responded that that is correct.

Mr. Colton offered his assistance in this endeavor.

Mr. Scalzo stated he would like to thank Mr. Colton, Ms. Baier, Mr. Ziemann, and Ms. Bahl. This sub-committee met several times and put a great deal of work into this process. He noted it will be two years to complete the Strategic Plan. Staff should have something for the Board at the February meeting that the Board can move forward on.

N. TIME AND PLACE OF NEXT MEETING AND CALL FOR FUTURE AGENDA ITEMS

Chairman Woodling asked the Board and staff look at the recommendation for 2010 meetings. All the meetings except for the budget meetings will be the first Thursday of the month and will begin at 10 AM. With the budget as it is, meetings will all be in Phoenix. The Board would like to get out to some of the parks, but with travel restrictions that won't be possible

Board members concurred with the proposed dates.

Chairman Woodling stated that the Board can't vote on these at this time since they all need to check our calendars, but to plan on having Board meetings on these dates.

I. RECOGNITION

1. Mr. Kenneth E. Travous, Former Arizona State Parks Director

Ms. Bahl stated that she was very happy to be here today and that the timing worked out so that she could be part of this presentation to her previous boss and mentor. Mr. Travous was with the State of Arizona for 23 years and has led the agency through thick and thin. She couldn't be more proud to be following him as Executive Director.

Chairman Woodling presented Mr. Travous with a plaque and stated that this is something that the Parks Board wants to give him in recognition for his service to ASP. While this is a wonderful plaque, there is no way that it can convey the Park Board's appreciation for all that he has done. He noted that he was Chairman of a previous Parks Board when Mr. Travous was hired and he was Chairman when he retired. Without Mr. Travous there would not be the number of State Parks, the diversity of

State Parks, or the reputation it has. He invited Mr. Travous to say a few words, as well as anyone else who wanted to share their thoughts.

Mr. Travous stated that it is nice to have Ms. Bahl follow him as Executive Director as well. He has had time to reflect that it is easier to observe from the cheap seats and see what there is to deal with. The weight is off his shoulders, but he had a couple of thoughts to share. No money is safe from the Legislature and ASP might consider ways to use the ASP Foundation to protect donations. He knows that privatization has been recommended for the State Parks System. In his opinion that is the worst idea possible. The people who have suggested this have their own agendas. The good news is that Slide Rock, Red Rock, Kartchner Caverns and all the other parks will still be there for future generations. Yes, the Board are going through thin times, but they should please take solace in the fact that they are the guardians of the gate. This plaque doesn't match the memories that he has, but it will serve as a reminder that he has them. He also needs to thank my wife, Kathy, for all her help and support.

The Board and Staff passed on their thoughts and well wishes to Mr. Travous.

Ms. Bahl then presented Mr. Travous with a lifetime pass to Arizona State Parks.

LUNCH BREAK – Time Certain 12:30 PM, Time Certain 1:30 PM to Reconvene

Chairman Woodling called for a Recess at 12:30 p.m.

Chairman Woodling Reconvened the meeting at 1:25 PM

J. ANNUAL REPORTS FROM ADVISORY COMMITTEES

Chairman Woodling stated that presentations will be five to six minutes in length. Each organization will present its report and then the Board will vote on the appointees except for Conservation Acquisition Board and AORCC, for which the Governor appoints members.

1. Conservation Acquisition Board

Christopher McNichol, Conservation Acquisition Board presented the annual report to the Board. The Conservation Acquisition Board approved the following in the first grant cycle: The city of Phoenix - 750 acres for the Sonoran Preserve; and Pima County - 320 acres for the Tumamoc Hill land. Those two deals are done. In the second cycle they approved the City of Phoenix - about 294 acres for the Sonoran Preserve; the city of Scottsdale - 398 acres for the McDowell Sonoran Preserve; Pima County - 67 acres for the Valencia Archaeological Site. The second cycle sales are pending. There are 3 open members slots on their board.

Ms. Bahl presented proclamations on behalf of the Parks Board. Proclamations will be mailed to those committee members who are not present at this meeting.

2. Arizona Outdoor Recreation Coordinating Commission (AORCC)

Devin Rankin, Arizona Outdoor Recreation Coordinating Commission (AORCC) presented the annual report for AORCC. Projects that have been recommended by AORCC and are funded by the Heritage Fund, Land and Water Conservation Fund and the State Lake Improvement Fund. Successes from this past grant cycle include: The Local Regional State Park (LRSP) Grant Program received a \$3,900.000 grant (including The Ed Hooper Rodeo Grounds); the Trails Program received \$602000 (including the Coconino County Project and the Flagstaff Loop Trail). Projects cancelled represent lost opportunities to protect and maintain our Outdoor Recreation areas. In the coming year it is AORCC's goal to become more engaged in protecting and promoting money in the Heritage Fund and restoring State Lake Improvement Fund (SLIF) Grants. A secondary goal is to have AORCC and ASP revisit the MOU and consider updating it for future needs. It is their goal to work with ASP to restore funding and to create a sustainable funding source.

Ms. Bahl presented proclamations on behalf of the Parks Board. Proclamations will be mailed to those committee members who are not present at this meeting.

J. ANNUAL REPORTS FROM ADVISORY COMMITTEES

6. Advisory State Committee on Trails

Maureen DeCindis, Arizona State Committee on Trails (ASCOT) presented the annual report to the board including a brief overview of what the committee has accomplished in the past year.

K. BOARD ACTIONS

- 4. Arizona State Committee on Trails (ASCOT) – Consider Appointing Members to the Arizona State Committee on Trails (ASCOT)**

Board Action

Ms. Westerhausen: I move that Lisa Marie Gerd, Reba Grandrud, Nick Lund, Anna Pfender, Heather Wasgatt be appointed to a three-year term on ASCOT beginning January 1, 2010.

Mr. Scalzo seconded the motion. The motion carried unanimously with Mr. Landry and Ms. Baier absent

J. ANNUAL REPORTS FROM ADVISORY COMMITTEES

1. Historic Preservation Advisory Committee (HPAC)

Mr. Winston Thorne introduced Mr. Victor Linhoff, Historic Preservation Advisory Committee (HPAC) who presented the annual report to the Board including a brief

overview of what the committee has accomplished in the last year and recommendations regarding protecting funds.

K. BOARD ACTIONS

1. Historic Preservation Advisory Committee (HPAC)

Board Action

Mr. Armer: I move to approve the re-appointment of Bonnie Bariola from Maricopa County and the appointment of Pat Haigh Stein from Coconino County to the Historic Preservation Advisory Committee; both for 3-year terms beginning January 2010.

Mr. Colton seconded the Motion.

Ms. Westerhausen noted that their photos really bring home the fact that HPAC really touches every corner of the state in a bricks and mortar way. HPAC has a really good opportunity to be ambassadors to the legislators in those districts.

Mr. Linhoff responded that we all need to be ambassadors and get the message out. It is important to remember, for a very small amount of money, what can be achieved cannot be underrated or under estimated. The little the diversion of funds did to help the state budget is far out-weighed by the overall benefits gained when that small amount of money goes for preservation.

Chairman Woodling asked where and how often HPAC meets.

Mr. Linhoff responded that they meet at least quarterly depending on grant cycles.

Mr. Colton asked if HPAC will have a full membership with this vote?

Mr. Linhoff responded that it will not.

Chairman Woodling asked if there county limits for the committee?

Ms. Pulsifer responded that typically there is a two-person per county limit, but staff have not received applications from the whole state, so they made an exception for the last couple years and made more than two appointments from Maricopa County.

Chairman Woodling called for a vote on the Motion on the floor and a second. The motion carried unanimously with Mr. Landry and Ms. Baier absent.

J. ANNUAL REPORTS FROM ADVISORY COMMITTEES

5. Off-Highway Vehicle Advisory Group (OHVAG)

Hank Rogers, Off-Highway Vehicle Advisory Group (OHVAG) presented the annual report to the Board, including a brief overview of what is needed to continue the group's work.

Mr. Scalzo noted that the Board took a vote to oppose the 15% cuts, especially the OHV funds. The Board and staff have taken a stand to avoid those cuts. We cannot control the legislature and we need OHVAG's assistance with the legislature. The Task Force that was set up defined a stable funding source for the future. The Board hopes that OHVAG will support them in this endeavor.

Mr. Rogers: The OHVAG will be more than willing to assist.

Ms. Westerhausen added that in the Board's studies it is the Off-Highway Vehicles that have the biggest increase in young people visiting our state parks. This really helps to extend our base and we appreciate that.

Chairman Woodling added that as a rancher he appreciates off-highway vehicles in contrast to off-road vehicles, since off-highway vehicles tend to stick to the areas they are allowed on

Mr. Rogers responded that they have started a pilot program of going into the schools with "Kids in the Woods" program. The goal is to instruct them by providing the quads, with Game and Fish providing the training. Then we take them out trail riding in order to teach them the correct way and places to ride.

Chairman Woodling noted that earlier in the day the Board approved an OHV grant for a project in Eager.

Mr Rogers responded that their club put that through and they are thrilled that it was approved. They have developed a map of legal trails in Apache-Sitgreaves National Forest. They have 10,000 maps they are handing out

Mr. Scalzo added that the Board need to thank Arizona Game and Fish for partnering with this group and others.

Ms. Bahl presented proclamations on behalf of the Parks Board. Proclamations will be mailed to those committee members who are not present at this meeting.

K. BOARD ACTIONS

3. Off-Highway Vehicle Advisory Group (OHVAG)

Board Action

Mr. Armer: I move that Pete Pfeifer be appointed to a second three-year term on OHVAG beginning January 1, 2010 representing an OHV organization from Pima County and that Harold "Drew" John is allowed to continue serving OHVAG

representing an OHV organization from Graham County until a replacement can be appointed by the Arizona State Parks Board.

Ms. Westerhausen seconded the motion. The motion carried unanimously with Mr. Landry and Ms. Baier absent.

J. ANNUAL REPORTS FROM ADVISORY COMMITTEES

4. Natural Area Program Advisory Committee (NAPAC)

Mr. Sheridan Stone, Natural Area Program Advisory Committee (NAPAC) presented the annual report to the board including a brief overview of the persons who make up the committee and an overview of the work they have done this year as well as future projects.

Mr. Colton left the meeting at this point.

Mr. Stone continued his presentation.

Ms. Bahl presented proclamations on behalf of the Parks Board. Proclamations will be mailed to those committee members who are not present at this meeting.

K. BOARD ACTIONS

Board Action

Mr. Scalzo: I move that Rebecca Davidson fill a vacancy on NAPAC for the three-year term beginning January 1, 2010 and that H. Sheridan Stone is allowed to continue serving NAPAC until a replacement can be appointed by the Arizona State Parks Board.

Ms. Westerhausen seconded the Motion. The motion carried unanimously with Mr. Landry, Mr. Colton and Ms. Baier absent.

O. ADJOURNMENT

Mr. Scalzo made a motion to Adjourn. Ms. Westerhausen seconded the motion. The motion carried unanimously with Mr. Landry, Mr. Colton and Ms. Baier absent.

Chairman Woodling adjourned the meeting at 2:39 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

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sign language interpreter, by contacting the acting ADA Coordinator, Karen Farias, (602) 364-0632; or TTY (602) 542-4174. Requests should be made as early as possible to allow time to arrange the accommodation.

APPROVED:

Reese Woodling, Chairman

Renée E. Bahl, Executive Director