



ARIZONA STATE PARKS BOARD
ARIZONA STATE PARKS OFFICES
SEPTEMBER 20, 2012
MINUTES

Board Members Present

Walter D. Armer, Jr., Chairman; Alan Everett; William C. Scalzo; Tracey Westerhausen

Board Members Absent

Maria Baier, Vice-Chair; Kay Daggett; Larry Landry

Staff Members Present

Bryan Martyn, Executive Director; Kent Ennis, Deputy Director; Jay Ream, Deputy Director, Parks and Development; Ellen Bilbrey, Chief of Marketing and Public Relations; Doris Pulsifer, Chief of Resources and Public Programs; DiAnne Baune, Chief of Human Resources and Information Technology; Monica Enriquez, Executive Staff Assistant

Attorney General's Office

Laurie Hachtel, Assistant Attorney General; Paul Katz, Assistant Attorney General

AGENDA

(Agenda items may be taken in any order unless set for a time certain)

A. CALL TO ORDER - ROLL CALL – Time Certain: 10:00 AM

Chairman Armer called the meeting to order at 10:08am.

B. PLEDGE OF ALLEGIANCE

Mr. Everett led the audience in the Pledge of Allegiance.

C. 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."

D. CALL TO THE PUBLIC – Those wishing to address the Board must register at the door and be recognized by the Chair. Presentation time may be limited to three minutes at the discretion of the Chair; the Chair may limit a presentation to one person per organization. The Board may direct staff to study or reschedule any matter for a future meeting.

There were no comments from the public.

E. CONSENT AGENDA – Items of a non-controversial nature have been grouped together for a single vote without Board discussion. The Consent Agenda is a timesaving device and Board members received documentation regarding these items prior to the open meeting. Any Board member may remove any item from the Consent Agenda for discussion and a separate vote at this meeting, as deemed necessary. Anyone may view the documentation relating to the Consent Agenda at the Board's office.

1. Approve Executive Session Minutes of May 24, 2012 Arizona State Parks Board Meeting



2. Approve Executive Session Minutes of June 12, 2012 Arizona State Parks Board Meeting
3. Approve Minutes of June 12, 2012 Arizona State Parks Board Meeting
4. Approve Minutes of June 20, 2012 Arizona State Parks Board Meeting

Ms. Westerhausen motioned to approve the Consent Agenda. Mr. Scalzo seconded the motion. The motion passed.

F. DIRECTOR'S SUMMARY OF CURRENT EVENTS – The Executive Director will provide a report on current issues and events affecting Arizona State Parks. A list of items to be discussed under this agenda item will be posted on the State Parks website (azstateparks.com) 24 hours in advance of the Parks Board meeting.

Mr. Martyn gave a presentation on the Director's Summary of Current Events. The presentation is included in these minutes as Attachment A.

Ms. Westerhausen asked if there had been feedback from the Off-Highway Vehicle (OHV) Community about how they feel the program is going now. Mr. Martyn said the OHV Community is happy with the program overall including the Ambassador program. He said he had attended some community OHV meetings. Arizona State Parks (ASP) is committed to putting OHV dollars to OHV projects. He said staff needed to spend more time solidifying the relationship and demonstrating ASP is a good steward of that money. There are two OHV positions that will be added to staff soon.

Mr. Scalzo commented that he had been to Fool Hollow Lake Recreation Area recently and the road improvements looked great.

Mr. Martyn noted that Picacho Peak State Park's summer closure is not a funding issue but a logistics issue.

Mr. Martyn thanked the Friends of Tonto Natural Bridge and the Arizona State Parks Foundation for their work on the "Taste of the Bridge" event at Tonto Natural Bridge State Park.

G. BOARD ACTION ITEMS

1. Consider Funding FY 2012 Growing Smarter State Trust Land Acquisition Fund Grant Applications - Conservation Acquisition Board (CAB) recommends the Arizona State Parks Board approve to fully fund the two projects outside Maricopa County, which total \$4,279,000 towards the total purchase of 1,892.80 acres as follows:
 - Pima County – Tortolita Mountain towards the purchase of 1,415 acres for up to \$1,890,000 and;
 - City of Flagstaff - Picture Canyon for the purchase of 477.80 acres for up to \$2,389,000.

CAB further recommends the Arizona State Parks Board approve funding all four proposed projects within Maricopa County up to an amount that equals the percentage (36.2732%) of the eligible amount for each project, based on a ratio of the total amount available to the total amount eligible (ratio of \$20,367,380 to \$56,150,000) as follows:



- City of Scottsdale – McDowell Sonoran Preserve/Cholla Mountain-Rawhide Wash towards the purchase of 2,045 acres for up to \$4,824,330; and
- City of Scottsdale – McDowell Sonoran Preserve/Granite Mountain towards the purchase of 3,200 acres for up to \$6,783,082; and
- City of Scottsdale – McDowell Sonoran Preserve/Upper Sonoran Desert towards the purchase of 1,153 acres for up to \$4,389,051; and
- City of Phoenix – Sonoran Preserve Priority 3-D towards the purchase of 1,543.78 acres for up to \$4,370,917.

The final grant amounts will be based on the Arizona State Land Department (ASLD) final appraisal value of the parcels, agreed upon by the applicants, plus no more than 10% for eligible associated costs. Approval of the awards is contingent upon the appraised land value being finalized before December 31, 2012.

Mr. Ennis introduced Doris Pulsifer, Chief of Resources and Public Programs. He said should be presenting the next two items.

Ms. Pulsifer said the Growing Smarter Grant Program is funded through the Land Conservation Fund. The purpose of that fund is to conserve open spaces in or near urban areas or other areas experiencing high growth. In the FY 2012 grant cycle there was \$40,734,760 to distribute. She said according to the statute no more than 50% of what is in the fund in any one fiscal year may be awarded in any one county. There were six applications received and four of those were in Maricopa County. Three of those were in one municipality. A rating team reviews the applications and then their recommendations are forwarded to the Conservation Acquisition Board (CAB) for review. The CAB and staff recommendations are then forwarded to the Parks Board for final approval.

The CAB met on August 15, 2012 and reviewed the six applications. CAB's first recommendation is to fully fund the two applications outside of Maricopa County – City of Flagstaff and Pima County. The second recommendation is to fund the four applications within Maricopa County based on a ratio percentage of 36.2732. The ratio is based on the eligible amount for each project to the total amount that is available. This allows each of the applicants to receive a piece of the pie based on a ratio.

Chairman Armer asked what the total amount of points possible for grant rating. Ms. Pulsifer answered the total amount is 50 points.

Mr. Scalzo said that he was impressed. He thought the money was being spread around better for counties and cities that need the resources. He hoped to see more cities and counties applying for these grants.

Mr. Martyn gave kudos to the City of Scottsdale for their negotiations on this with the City of Phoenix. Although City of Scottsdale's projects rated higher they worked with City of Phoenix to ensure the citizens of Phoenix did receive some of these monies.

Mr. Scalzo motioned the Arizona State Parks Board approve to fully fund the two projects outside Maricopa County, which total \$4,279,000 towards the total purchase of 1,892.80 acres as follows:



- Pima County – Tortolita Mountain towards the purchase of 1,415 acres for up to \$1,890,000 and;
- City of Flagstaff - Picture Canyon for the purchase of 477.80 acres for up to \$2,389,000.

I further move the Arizona State Parks Board approve funding all four proposed projects within Maricopa County up to an amount that equals the percentage (36.2732%) of the eligible amount for each project, based on a ratio of the total amount available to the total amount eligible (ratio of \$20,367,380 to \$56,150,000) as follows:

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The final grant amounts will be based on the Arizona State Land Department final appraisal value of the parcels, agreed upon by the applicants, plus no more than 10% for eligible associated costs. Approval of the awards is contingent upon the appraised land value being finalized before December 31, 2012.

Ms. Westerhausen seconded the motion. The motion passed.

2. Consider the Off-Highway Vehicle (OHV) Project Grant Rating Process, Evaluation, Criteria and Evaluation Form - **First Motion:** Staff recommends the Arizona State Parks Board approve the Grant Rating Process as follows:

For OHVAG to review and rate future Statewide OHV Grant Program applications and forward their recommendation(s) to the Arizona State Parks Board for final approval. Staff further recommends staff review and rate future Statewide OHV Grant Program applications for AORCC to consider and forward their recommendation to the Arizona State Parks Board for final approval.

Second Motion:

Staff recommends the Arizona State Parks Board approve the Grant Rating Criteria for the 2013 OHV Statewide Grant Program Manual per the recommendations of the OHVAG, AORCC and staff.

Ms. Pulsifer said at its June 12, 2012 meeting, the Board directed staff to develop grant criteria and review system for Off-Highway Vehicle grants. The Board also directed staff to have the Off-Highway Vehicle grants reviewed by staff, the Off-Highway Vehicle Advisory Group and the Arizona Outdoor Recreation Coordinating Commission and those recommendations be forwarded to the Arizona State Parks Board for final approval.

Ms. Pulsifer said the OHVAG and AORCC met separately last month to review the evaluation model that is a matrix of the criteria they use to evaluate the grants. They



also discussed the grant rating process. She said the two groups came up with similar criteria. There were significant differences in how AORCC and OHVAG perceive mitigation and also in the community and public support. Each group had its own set of priorities but the report included with the September 20, 2012 agenda represents all of the priorities by both groups. She said the OHVAG would prefer to review and rate the grants themselves. AORCC would prefer to have staff review and rate the grants and present a recommendation to them. Then AORCC would decide to either concur or make its own recommendation. She said if there is a difference between the staff recommendation and the AORCC recommendation then both recommendations would be presented to the Parks Board for final approval.

Mr. Scalzo said he liked that the point system is now a total of 100 points. He also liked the bonus points because it seemed to be more inclusive involving the communities that are affected. He commended staff for their work on this. He said he likes that there will be a recommendation from the OHVAG and AORCC.

Ms. Westerhausen said she thought the statute said the applications should go AORCC first and then to staff.

Mr. Martyn said there are two items that the Board would vote on separately. The process is now as the statute states and that is as it should be. He said that would be the first motion. He said the second motion would require a point of clarification from the Board in the Bonus Categories under D) Options on page G-2-17 of the Board report (included in these minutes as Attachment B). He said the OHVAG believe the words, "OHV Community Support" should be included, however, AORCC and staff believe the words, "Public Community Support" should be included relative to awarding points. He said this needed to be clearly defined.

Chairman Armer said if the greater community is not included the risk of alienating them becomes larger. He said if you say "public community support" that includes the OHV community.

Mr. Katz said he had attended both OHVAG and AORCC meetings. He said AORCC gives deference to what they think the OHV community would like to happen. The OHVAG feel that AORCC will somehow dilute their input. Mr. Katz said he didn't perceive that as accurate because AORCC are professionals that understand and want to better understand what the OHVAG would like to happen. He said with respect to the requirements that now total 100 rather than 52, that is mandated in the Trail Plan adopted pursuant to A.R.S. § 41-511.04 (20).

Ms. Westerhausen motioned the Arizona State Parks Board approve the Grant Rating Process as follows: For OHVAG to review and rate future Statewide OHV Grant Program applications and forward their recommendation to the Arizona State Parks Board for final approval. I further move staff review and rate future Statewide OHV Grant Program applications for AORCC to consider and forward their recommendation to the Arizona State Parks Board for final approval.

Mr. Scalzo seconded the motion. The motion passed.

Mr. Everett motioned the Arizona State Parks Board approve the Grant Rating Criteria for the 2013 OHV Statewide Grant Program Manual per the recommendations of the OHVAG, AORCC and staff to include Bonus Category D, Option B.



Mr. Scalzo seconded the motion. The motion passed.

H. DISCUSSION ITEMS

1. Revenue Forecast by Major Fund and Park Visitation Update

Mr. Ennis said attendance is down a half percent year-to-date. The State Parks Revenue Fund, which is the combination of the gate fees, publications and reservations, is up 6.5% year-to-date. Mr. Scalzo asked if the increase in revenue is due to the fact that the park managers now have more flexibility to set fees in peak and off peak times. Mr. Ennis said partly. Mr. Ream said it was due more so to the new reservation system.

Mr. Ennis said the Off-Highway Vehicle Recreation Fund is down 3% year-to-date. The State Lake Improvement Fund (SLIF) is on target with the forecast and flat.

Mr. Ennis said the FY 2013 budget request was submitted to the Governor's Office of Strategic Planning and Budgeting on September 1, 2012. The budget request included some general fund or other funds support for new revenue projects at Lake Havasu, electrification of some campsites at Catalina, water line at Kartchner Caverns and wastewater treatment plant at Patagonia Lake. Some general fund support was also requested for ongoing capital projects and staff support.

ASP has received a proposal from ADOT that would readjust the formula for sharing SLIF revenues that would work in our favor. That does require a change in legislation, though.

The Sunset Audit and Performance Review by the Auditor General's office was released on September 18, 2012.

Chairman Armer thanked staff and Board members who worked on the response to the Audit. Mr. Everett asked what the next step of the Audit process is. Mr. Ennis said a Legislative Committee of Reference would be scheduled but the date had not been confirmed yet.

2. Personnel Reform

Mr. Ennis introduced DiAnne Baune, Chief of Human Resources. He said she would present the next item.

Ms. Baune said purpose of Personnel Reform is to promote public confidence in state government employees to put back integrity and accountability to the public. It was also to reward and attract top talent and compete with the market.

Ms. Baune said there were 34,450 statewide that were impacted. Out of those 6,616 were automatically changed from covered to uncovered status by mandate of state legislation. 13,761 were eligible to elect to become uncovered. Out of those 5,276 volunteered to become uncovered at a 40% rate. She said 70% of the State of Arizona's workforce would be at will/uncovered as of September 29, 2012. The Department of Administration (DOA) reports that within the next four years 90% of all state employees will be an at will/uncovered workforce.

Ms. Baune said the DOA will be changing performance ratings and are enacting policies and procedures that would allow for paid merit increases on performance that may allow for one-time bonuses. It will allow for recognition awards and employee development and training.



Ms. Baune said Arizona State Parks had 48 employees who were automatically changed from covered to uncovered status by mandate of state legislation. 54 of ASP's employees were covered, 36 were law enforcement covered and 78 were seasonal part-time employees. She said 168 employees had to choose to elect to become uncovered or to stay covered. 109 ASP employees elected to go uncovered/at will. That was a rate of 64.8% one of the highest rates of any state agency.

Chairman Armer asked if those that remain covered but then get a promotion or move to another position would then be uncovered. Ms. Baune answered affirmatively. She said there is an exception for law enforcement positions.

Mr. Scalzo asked if there would be performance reviews for all employees then. Ms. Baune answered affirmatively. The state would be rolling out a new performance evaluation system. All Supervisors, Managers and above are being mandated to attend supervisor training.

3. State Parks Operations Status Update

Mr. Ream said every Arizona State Park that was open in 2008 is open today. It is that rare time of the year where seasonal parks are all open at the same time. Lyman Lake's season was extended and Picacho Peak just re-opened. Lyman Lake will remain open until December. Camping will be open until the end of October and in November and December the park will be open for day-use. Oracle re-opened on September 1 and is open on Saturdays for the public but open during the week for school groups. Agreements are being worked on for other parks right now because many of them expire this year.

4. Contact Point-Lake Havasu State Park Update

Mr. Ream said the Development plan had been delivered the Bureau of Land Management (BLM). ASP has applied for a Recreation and Public Purposes (RPP) lease for 40 acres adjacent to the City of Lake Havasu property.

Mr. Ream said there is a Memorandum of Understanding (MOU) with the BLM to work on a trail for fisheries. There will be 26 parking spots in that area for fishing only that will be free to the public. The Arizona Department of Transportation (ADOT) has hired a consultant to design a three-quarter mile roadway and signal light at the entrance of the park. There are two ramps that are 6-10 lanes wide. There will also be a marina and another ramp to service the marina. In the ADOT 5-year plan almost \$6 million is dedicated to Contact Point over the next 5 years.

Mr. Scalzo asked if staff intended to request a format for potential parties to come in to do private development. Mr. Ream said he would defer answering that until agenda item H-7.

5. Arizona State Parks as Off-Highway Vehicle Staging Areas

Mr. Ream said at the January 11, 2012 meeting, the Board asked staff to explore the possibility and feasibility of using Arizona state parks for potential OHV recreation use. To do this study, ASP hired a doctoral student and employee, Annie McVay. Annie developed an evaluation model and criteria for the evaluation.

Ms. McVay said the criteria was established through existing OHV plans, the knowledge of demand and experience of OHV in Arizona. She said there was great input from the



OHVAG. It was also vetted through the park operations staff to be sure they agreed with the criteria. The criteria included such things as:

- Does OHV use fit with the existing users of the park and the current mission
- Is there sufficient acreage to host OHV use on a park
- If not the park, is there sufficient acreage to host a staging area
- Is there surrounding public land that has existing OHV use or the potential for OHV use.
- Are there any environmental or resource concerns

Ms. McVay said once those were met, if met, then there was an understanding of the logistics at the park. These were:

- Is it desirable for an OHV user to come to the area
- Would there be revenue generation from it

Ms. McVay said a model was then developed with the criteria. Through the model and criteria, it was determined that few state parks had potential for OHV use due to acreage or mission within the park. None of the state parks have any potential for OHV use on-site where OHV trails or routes could be on the park. There are, however, a few parks where there is a potential for staging areas to surrounding lands. There is potential for two parks – Lyman Lake and Picacho Peak – to have staging areas someday given many changes. There are two parks that have high potential for immediate feasibility.

Ms. McVay said Alamo Lake is adjacent to existing OHV routes that the BLM recognizes. The BLM property has no developed campgrounds so Alamo Lake could serve as a great amenity with developed campgrounds, showers, gas and a market for users.

Ms. McVay said Buckskin Mountain has land east of the I-95 where there are extensive routes for OHV use. The area is currently being used as a staging area. There is great opportunity to formalize this a staging area and collect some revenue. The next step would be to have more public meetings to understand liability, management and revenue generation. The Board and staff would have to decide on how to continue.

Chairman Armer asked if there had been talks with BLM regarding Alamo Lake and Buckskin Mountain. Ms. McVay said there were brief conversations with BLM.

Mr. Everett asked if this information had been shared with the OHVAG. Ms. McVay answered affirmatively. She said the OHVAG had helped develop the criteria and reviewed the plan.

6. Arizona State Parks Agency Strategic Plan Update

Mr. Martyn said staff is working to get its market in front of legislators. Ellen Bilbrey has worked to get permission to get a series or framed pictures of parks placed in the Department of Economic Security (DES) and Capitol buildings. The picture has on it the name of the park, ASP's logo and community that park serves. There will also be pictures of OHV activity to show the part ASP plays with OHV dollars.



Mr. Martyn said there are no major changes to the strategic plan at this time. ASP continues to move forward.

7. Future Arizona State Parks Operations

Mr. Martyn said staff and the Board need to contemplate and evaluate based on the past where ASP needs to go in the next 5-10 years. He said there are three options and then variations of options if the Board chooses so.

- 1) Keep doing things the same: Try to secure a long-term funding source, work with the legislature, local communities and Friends groups to secure funding. He said there are some negative aspects to that due to the economy and the personalities that come and go at the legislature and Governor's Office.
- 2) Reign in operations relative to spending but continuing to rely on partners and friends groups. In this option the level of service would be reduced equal to the funding.
- 3) Seeking a long-term partner in the form of a concessionaire. The concessionaire would allow for the expansion and enhancement of the operation in the form of capital. This would provide a level of predictability to insulate ASP from the unpredictability of the legislature and the economy. Mr. Martyn did not recommend bundling parks because the private organizations would only be interested in the moneymaking parks.

The Board will have to look the options and decide what ASP would look like, what are the political ramifications, are there any options with a combination of one, two, three, etc. as we move forward.

Mr. Martyn said the Board and staff would discuss this more in the October meeting at the Strategic Planning session. He noted that no other State Park system in America works under option 3 with a single concessionaire.

Chairman Armer said it is important as an agency to look at these options. ASP will have to be forward thinking to ensure survival. He said to continue to depend on the legislature is not sustainable.

Mr. Scalzo said he agreed with Chairman Armer. He said he hoped the legislature had a sense of their role especially in funding special projects because it would have a long-term positive impact on the state's economy.

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

1. Staff recommends the next Arizona State Parks Board Meeting be held on Wednesday, October 24, 2012 at Oro Valley Town Council Chambers.

FUTURE MEETING DATES/LOCATIONS:

December 5, 2012 – Apache Junction City Council Chambers

2. Board members may wish to discuss issues of interest to Arizona State Parks and request staff to place specific items on future Board meeting agendas.



Mr. Scalzo thanked Cristie Statler, Executive Director, Arizona State Parks Foundation for the positive comments in the Arizona Republic regarding the Sunset Review and Audit.

Mr. Martyn thanked Mr. Landry for his contribution on the response to the Audit report.

J. ADJOURNMENT

The meeting adjourned at 11:50am.

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 acting 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.

A handwritten signature in blue ink, appearing to read "Walter D. Armer, Jr.", positioned above a horizontal line.

Walter D. Armer, Jr., Chairman

A handwritten signature in blue ink, appearing to read "B. Martyn", positioned above a horizontal line.

Bryan Martyn, Executive Director

12/6/12 5:35 PM