

completion of their training. Both cadets are doing very well at the academy. They are both in the top ten. He will attend the graduation ceremony on the 24th. They are expected to graduate with honors. He recommended this Board commission these two law enforcement officers. It will bring the agency total to about 50 law enforcement officers.

Board Action

Mr. Porter: I move that the Arizona State Parks Board, pursuant to Title 41, Chapter 3, 41-511.09 ARS confer upon designates Gary Peaslee and Frank VanDevender the full authority and powers of a Peace Officer for the protection of the Parks and Monuments against damage and for the preservation of peace therein, contingent upon successful completion of the CARLOTA training program scheduled for May 24, 2002.

Ms. Stewart seconded the motion. She stated she believes this is one of the most important things the Board does – it is important to the protection of the public and it's important in terms of the park resources. She hopes the budget problems don't in any way affect the speed at which all appropriate Rangers are certified.

Mr. Ream noted that had become a consideration. Staff decided to send four cadets to the academy again in September. This is important. To lose four people from the parks during these times is quite an impact on operations. When they return, however, it has significance in the other direction.

Ms. Stewart stated that ASP owes those who qualify the opportunity because of the additional benefits attached. These jobs are becoming more dangerous. She does not believe the Board can afford to delay any of them.

Chairman Pfister called for a vote on the motion on the floor. The motion carried unanimously.

Special Events

Ms. Hawks reported the most recent Special Events Calendar included a tear-off sheet for anyone wishing to update their status on the mailing list. It is generating a lot of new names to the mailing list.

Ms. Hawks reported this Saturday Oracle will celebrate its Grand Opening. Roper Lake will have their boating education building groundbreaking ceremony on May 29th. Board members will receive invitations to that event as well.

Ms. Hawks reported Tombstone Courthouse State Historic Park has formed a Friends group. She distributed a Subpoena, which serves as their membership application. She noted the Friends group took first place in the Rose Parade (in Tombstone).

Ms. Hawks reported there is a 10K Fun Run at Homolovi.

I. PARTNERSHIPS

2. Board Actions:

- b. Consider Funding FY 2002 Growing Smarter Open Space Reserve Program Grant Projects – The Department of Agriculture recommends that the Parks Board take action on funding 66 grant awards.**

Ms. Bahl reported that per an Intergovernmental Agreement signed in October 2000 the Parks Board transferred its administrative authority of the Open Space Reserve Program to the Department of Agriculture (Ag). This is the 10% program utilizing the \$20M Growing Smarter money that can be used for something other than land acquisition. Realizing that ASP is not expert in this area, an agreement was entered into with Ag. Representatives of Ag are here to formally submit their recommendation to the Parks Board. The Board have seen the rating criteria and approved it in January 2001.

Ms. Bahl noted the recommendation is a bit complicated and rather long. It would be useful if the Board were to hold off on questions until Ag is able to explain their recommendation in its entirety. While Ag will present their recommendation to the Board, ASP staff strongly suggest that should the Board take action there are at least three things that need to be included in the Board's action: the total number of projects that will receive grants; the total funding of the grant awards; and authorization for the Executive Director of ASP or his designee to execute the participant agreement as the final signature on the contract.

Ms. Bahl introduced the representatives from Ag, Ms. Kathy Killian and Ms. Kathleen Ryan.

Chairman Pfister noted, for the benefit of those individuals who have just arrived for this portion of the meeting, that the Board took public comment at the beginning of the meeting. The Board does not normally take public comment periodically throughout its meeting. Because of the extenuating circumstances and nature of this meeting she will allow additional public comment from those who came at 11:00 a.m. specifically for this issue. Remarks will be limited to no more than three minutes each. Public comment at this time will be taken for this issue only. She reminded the public that the Board may not comment back to the speakers under the requirements of the Open Meeting Law.

The Ag representatives thanked the Board for the opportunity to present their recommendation today. They thanked Ms. Hilderbrand, ASP, for all her assistance in putting together this program. She has assisted Ag staff and has been great to work with. They are looking forward to continuing a good working relationship with ASP over the next several years.

One of the issues Ag encountered was that, according to the Competitive Grant Statute, Ag cannot provide any information provided on the applications. This is a problem for ASP because the board conducts all business in public. They are confident this conflict can be worked out next year.

The process of getting where we are today started with a deadline of March 1. At that time 71 applications were received, 5 off which were actually duplicate requests, so the final number of applications was 66. The evaluation team members each reviewed and scored every application.

Three scenarios for making funding recommendations were developed, which are outlined in the information the Board received in their packet for this meeting.

Chairman Pfister noted there was a comment made during the Public Comment portion of the Agenda that an applicant was ruled ineligible because he did something the Forest Service requested of him. She asked if there is any provision for someone who is ruled ineligible because they acted out of a request by the Forest Service that the land not be used when one of the requirements is use of the land. It appears this is a Catch 22; he was told by the Forest Service not to use the land and then he was penalized because he did what the Forest Service requested.

The Ag representatives responded the reason this applicant was deemed ineligible was because they felt they had to follow the guidelines that were set before them by this Board. Those guidelines call for a reduction on the land, but he did not have any cattle on the land during the baseline year.

Mr. Armer stated that it appears to him this was an instance where the evaluation team was unaware of the circumstances. Perhaps if they had been aware, some accommodation may have been made. In any new program there are first-year lessons to be learned. Perhaps this is one that needs to be emphasized. If there are special circumstances that pertain to an application, the applicant needs to spell them out very clearly so when the evaluation team is reviewing the applications they have the information in front of them. He believes that was the situation here. Someone needed to review that application before it came to Ag to ensure they had all the information. Unfortunately for the applicant, he does not believe the evaluation team had any other option.

Chairman Pfister noted another speaker during Public Comment asked if the grant money is taxable as income.

Ms. Hernbrode stated she is not certain that staff of any state agency is permitted to give tax advice. The best advice would be for them to consult with their private CPAs.

Chairman Pfister suggested it may be a good idea to include in the guidelines a "Frequently Asked Questions" sheet and include this information.

Mr. Armer congratulated Ag and ASP staff who worked on this program. This is a new program. No one knew exactly where it was going when it was started several months ago. He believes they did a fantastic job in trying to balance out not only scoring and evaluating the applications but setting limits so that rather than some individual reaping all the benefits, it was spread out widely. He personally thanked them for the time and effort they put into it.

Mr. Armer noted he went through this information in some length and in some detail. Quite frankly, he believes it is not only fair, but it appears to him to fulfil the intent of the legislation. That intent was to assist individuals who, for reasons beyond their control, had their numbers reduced to where it was, theoretically or very real, no longer profitable to remain in business and their only alternative would be to sell their deeded land and develop it for 40-acre homesites. The intent of the legislation was to prevent that from happening and to preserve open space in rural Arizona. As he went through this information and looked at the names and locations, he is familiar with, if not the individual cases, certainly the locational problems they are having, for example, in the Tonto National Forest.

Mr. Armer added that it appears to him, and time will tell, that the program has done what it was intended to do.

Ms. Stewart stated she agrees with Mr. Armer's statement in terms of the difficult job ASP and Ag staffs had in figuring out how to develop this program. She was very impressed with the attention given. It is obvious there are some rough areas in terms of criteria. She personally was concerned about the applicant who voluntarily reduced his herd size and yet does not qualify. In some sense that seems like the very person who should be rewarded. This is something that needs to be reviewed, whether it is a legislative issue or something that can be worked out in terms of changing the criteria. Perhaps it is a matter of changing the base year to be the most-recent adjustment by the lessor.

Ms. Stewart noted there was a comment sent to the Board regarding "paper cattle" that perhaps should be looked into as well.

Mr. Hays stated it appeared to him this was a very difficult job that was very well done. In reviewing the list and in knowing some of the applicants who are receiving funds, in no way, shape, or form are they serious cattle people for economic reasons but rather are "hobby ranchers". He supposes there is no way to sort true economic need from those who filled out the form and to whom ranching income means nothing to them. Yet they received a good chunk of the money. He wishes there were some way the money could go to those who were most needy and need it to survive rather than those who are hobby ranchers.

Chairman Pfister stated this is clearly an evolving process. It may be good for both Ag and ASP to survey their customers, both those who received money and those who did not, to get feedback about what some of the issues were. Just as the Board re-evaluates the rating criteria for their other grant programs, they could do the same a year from now or from when the guidelines are finalized. The Board could then review whether the program fulfils the intent of the law. She is also concerned about enforcement. How does the Board know people have done what they said they were going to do and is there any way to verify that the commitment was met.

The Ag representatives responded that by filling out the certificate they are stating they will do what they promised. It is more of an honor system. There just aren't enough staff available to personally go out and count cattle. That is the purpose of the certificates. The Forest Service will be notified of the recipients of these awards and the required reductions. The Forest Service will inform us of any discrepancies.

Mr. Porter stated he shares Mr. Hays' concern. He's not sure he likes the concept of the need to give something to every applicant rather than having more discretion exercised to try to identify where that money will best reduce the cattle in areas where the maximum positive effects will be achieved as well as the economic impact on those particular applicants. There is one applicant who said they proposed to reduce their cattle from 8 to 4. He has a little bit of a hard time seeing that as a real serious application. It may be too late to do anything this year. But at the same time, he believes a hard look needs to be taken at that eventually. He feels both of the cattle industry representatives on this Board know what they are doing, and he shares their concerns.

Chairman Pfister stated she feels it is important to get feedback via surveys of the applicants who were approved as well as those who were not approved. The Board needs to take a careful look when reviewing the guidelines of this grant program in the future.

Mr. Hays stated he feels this would be excellent. It is done for this year and he wouldn't want to change. However, he sees some glaring problems for corruption and inequity for people who don't need it.

Ms. Stewart stated she agrees with Mr. Hays. On the other hand, it is difficult for the Board to inspect every applicant's economic situation. There may be some way to tie the award to need for the land to remain open space. She believes the intent was that somehow this would help ensure that the land continue in ranching and open space rather than as ranchettes or whatever. She feels the Board needs to be a little more creative during the next year. There may need to be legislative changes. The existing legislation may have somewhat narrowed the Board's options. At one time there were discussions about innovative ranching techniques or best practices. She believes those kinds of things should be rewarded, too. She believes the idea of a survey is excellent. She is also concerned that there may be a lot of people who could have benefited who didn't even know about the program. Although every effort was made to inform the public of this program, it is difficult to get the word out about new programs. As communication improves, she believes there will be a lot more applicants and the job will become more difficult. Additional criteria will be needed to really focus it where it will do the most good for the ultimate intent. It will become meaningless at some point if everyone gets a little bit of it.

Chairman Pfister agreed it would be helpful to review best practices and possibly communicate that back to people so that the intent of the law is fulfilled. She asked when the Board would review the guidelines again.

Ms. Bahl responded it is Ag's responsibility to set the "due date". Last year it was March 1. To comply with the competitive grant statute, the guidelines would need to be adopted by the Board at least six weeks before the application "due date". If there are changes to the program, they would also need to go to the Conservation Acquisition Board (CAB). That will take time as well.

Chairman Pfister suggested the Board could review the guidelines at either the September or October Board meeting. Staffs could use the intervening months to survey and get with the land managers in order to give CAB plenty of time to review the results and recommend changes.

Mr. Porter noted that, if the Board follows the recommendations, it appears there is a total of 66 grants with a total deficit spending of \$567.29 because of the corrections that were made rather than a small hold-over. He asked if it is legal for the Board to do that.

The Ag representative responded that ASP staff recommended reducing the last two applicants (Vaca Ranch and Dale Bercich) by 5% each, which brings the total down to \$1,999,136.24. There would be an unobligated balance of \$863.66.

Board Action

Mr. Armer: I move the Arizona State Parks Board approve the FY 2002 Growing Smarter Open Space Reserve Program grant awards with a total of 66 awards totaling \$1,999,136.34 and that the Executive Director of Arizona State Parks or his designee be directed to execute the Participant Agreements and the final signatures on the contracts.

Mr. Hays seconded the motion. The motion carried unanimously.