

Telephone Conference Call Minutes of the  
Arizona Game and Fish Commission  
Wednesday, November 14, 2001 – 3:30 PM  
Arizona Game and Fish Department  
Roadrunner Room, 2222 W. Greenway Rd.  
Phoenix, AZ

**PRESENT:** Commission (Telephone)

Director's Staff

Chairman Dennis D. Manning  
Commissioner Michael M. Golightly  
Commissioner Joe Carter  
Commissioner Sue Chilton  
Commissioner W. Hays Gilstrap

Director Duane L. Shroufe  
Acting Deputy Director Richard Rico  
Asst. A.G. Jim Odenkirk  
Asst. A.G. Jay Adkins (Telephone)

The meeting came to order at 3:35 p.m. Commissioner Golightly connected onto the phone line at 3:43 p.m. during Item 1. The meeting followed an addendum dated November 9, 2001.

1. Commission Hearing for Carolyn V. Colangelo

**Presenter:** Richard Rico, Assistant Director, Special Services Division

(For additional background information, see the minutes for the October 19, 2001, Commission meeting, page 17.)

Ms. Colangelo stated that she did not believe Unit 43A could socially or biologically support two sheep permits. Further, it was her opinion that the unit was too small and that the Colorado River Indian Reservation greatly diminished the huntable area of the unit with most of the sheep generally located in one central area.

In order to resolve the issue, Ms. Colangelo asked the Department to give her a Unit 45A permit (her first hunt in the draw) or give her a choice of another unit. She also proposed an alternative solution that would allow her to hunt next year and allow Mr. Johnson to be the sole hunter in Unit 43A this year.

Mr. Rico read a statement from Jay Johnson, the other hunter for this year's bighorn sheep hunt in Unit 43A, into the record. Mr. Johnson was also concerned about having two hunters in the Unit 43A at the same time. The unit has a low sheep density and he had seen very few sheep while on a recent five-day scouting trip.

Director Shroufe noted there would be one less sheep permit recommended for next year for Unit 45A if the Commission decided to allow Ms. Colangelo to have a sheep permit today in Unit 45A for next year. There were six permits offered this year for Unit 45A; it was highly unlikely that the number of permits recommended for next year would be zero.

**Motion:** Gilstrap moved and Chilton seconded THAT THE COMMISSION GRANT MS. COLANGELO A 2002 PERMIT FOR UNIT 45A FOR THE 2002 HUNT YEAR.

**Vote:** Unanimous

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## 2. Request to Expend Unallocated Funds from the State Shooting Range Grant Funds

**Presenter:** Kerry Baldwin, Education Branch Chief

Director Shroufe stated on June 22, 2001, the Commission approved an agreement to initiate a land exchange (see June Commission meeting minutes, page 3). With that agreement, part of the stipulation was that the Department would pay for the updating of the federal parcel appraisals and the state parcel appraisals. It was stated at that time the Department would return to the Commission to request permission to extend those funds.

Mr. Baldwin stated this was part of the process to continue the land exchange for the proposed Bellemont site. The Commission approved the expenditure of \$15,000 for appraisals on two Department parcels that would be part of the land exchange (Verde and Sipes). At that time, the Commission was informed it could be \$50,000 to do an appraisal on Forest Service properties as well. There was now a firm appraisal for all the properties of \$39,500.

The Department was requesting that the Commission allow the use of unexpended shooting range grants. The Department receives \$50,000 each year for shooting range grants; this year the Department received \$100,000 and would receive \$100,000 for shooting range grants next fiscal year. The Department brought only \$38,000 in grant proposals to the Commission this past year, which was approved. This left an unexpended balance of \$61,000 in the grant funds. At this time, the Department requested permission to spend the \$39,500 from this year's unexpended shooting range grant funds.

**Motion:** Chilton moved and Carter seconded THAT THE COMMISSION VOTE TO APPROVE THE EXPENDITURE OF FY 2002 SHOOTING RANGE GRANT FUNDS FOR AN APPRAISAL OF FOREST SERVICE LANDS ASSOCIATED WITH THE PROPOSED BELLEMONT SHOOTING RANGE.

Director Shroufe noted the information received from the Forest Service offices locally and in Washington, D.C. is that the process would move at a fast rate; no more appraisals would be necessary.

Mr. Baldwin noted the appraisals should be completed by the end of January or first part of February 2002. Before the appraisals start, there would have to be a final resolution on the water (accept or not accept there is water on the site). The Department was reviewing from the U.S. Geological Survey information on water in the area and the issue would be resolved before the final appraisal was completed. The Forest Service provided parameters to the Department and the appraiser. There is concern about one of the

elements of the parameters about assuming there is water when there is no data to confirm water is present. This would be solved before moving forward. Director Shroufe noted that to move forward we will have to update the land appraisals.

**Vote:** Unanimous

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### 3. Heritage Funding Cuts

**Presenter:** Duane L. Shroufe, Director

Director Shroufe stated the Governor's proposed budget revisions for FY 2002 and FY 2003 include transferring \$32 million of Heritage Fund revenue to the General Fund.

Chairman Manning asked how the Legislature could direct initiative-directed monies to the General Fund when the monies were directed specifically to Game and Fish and Parks. Director Shroufe stated in 1998, a voter protection initiative passed that prevented that. The Heritage initiative occurred before that time and the 1998 action was not retroactive.

Director Shroufe stated that the revenue impact to the Heritage Fund is expected to be \$8 million in FY 2002 and again in FY 2003 (\$8 million/year). The money is spent on a year-to-year basis. A one or two year absence of Heritage Fund would eliminate the Department's programs. Full-time positions are 104; about 72 are FTEs and the rest of them are ½ time paid with Heritage.

About \$1.5 million is used as a 25% or 50% match to federal funds (Section 6 Endangered Species Act; Partnerships for Wildlife; WCRP and FW-11). The Department would be unable to match \$2.1 million. In addition, there are federally mandated projects that must be done regardless if there are Heritage Funds. The Department would have to severely curtail some of its other funding mechanisms in order to make up some of the areas that were mandated, which are now being done with Heritage monies.

This year the Department received \$1.4 million Conservation and Reinvestment Act (CARA) monies. The Department would be looking at more money this coming year but would lose the ability to match those programs.

State Parks manages its Heritage monies as matching grants. State Parks has FTEs that are tied to administration interests of Heritage. Most of Parks money goes to local communities in rural Arizona and the impact on FTEs would not be as great as for Game and Fish.

Chairman Manning stated the Governor's staff should be informed as to the consequences to the Game and Fish Department and how extensive these potential losses would be. The public's desire is to have the Heritage funds expended exactly as they proposed and not to have the monies go back into the General Fund.

### **Public comment**

Dave Cohen, representing Trout Unlimited and the Heritage Advisory Council, stated he would be disappointed if the Heritage Fund disappeared. The feeling was that this was a commitment made by the Legislature and to prematurely terminate the Heritage Fund under these conditions was wrong.

Jay Ziemann, Assistant Director for the Arizona State Parks Department, stated State Parks was in the same position as Game and Fish on this issue. The Parks Board was meeting tomorrow in Tucson and would be discussing the same issue. There were some monies in the Operation and Maintenance for Heritage; 17 staff were currently paid from those funds and there were an additional 23 people paid from Heritage Fund interest. About 2/3 of the Heritage funds at State Parks are awarded in grants for historic preservation and local park projects. State Parks also had 14 staff members who were paid from SLIF funds.

**Motion:** Gilstrap moved and Carter seconded THAT THE COMMISSION VOTE TO SUPPORT AND PURSUE EFFORTS TO MAINTAIN THE VOTER APPROVED HERITAGE INITIATIVE AS CURRENTLY DEFINED IN STATUTE. IN ADDITION, THE COMMISSION WILL SEND A LETTER TO THE GOVERNOR DESCRIBING THE RAMIFICATIONS OF THE LOSS OF THE HERITAGE FUND TO THE ARIZONA GAME AND FISH COMMISSION AND SEND A COPY OF THIS LETTER TO BOTH THE SPEAKER OF THE HOUSE AND THE PRESIDENT OF THE SENATE.

**Vote:** Unanimous

Commissioner Chilton was concerned and the letter should be framed in a way that it doesn't sound like we are the important ones and someone else should take our share of the hit. She wanted to make sure that our losses were not disproportionate or did not have disproportionate consequences that have not been considered. She was unaware of what matching funds would be lost to other programs throughout the state. Commissioner Gilstrap agreed with Commissioner Chilton and Game and Fish would have to be willing to come to the table like everyone else. The key was to bring out principal items:

1. Even though this may not have been retroactive under Prop 105, the spirit of the law would still include this initiative money as dedicated funding.
2. The Governor has said repeatedly she did not want these cuts to have an effect on the termination of employees and she was probably not aware of the effects of this on 104 employees.
3. He questioned whether or not this governor could make a commitment for a future governor to bring these funds back in two years.
4. Approximately twice a year since its passage, there has been a raid on this fund account and every time it has been defeated by the constituents; there was a strong constituency to spend this money as defined in the initiative.

Commissioner Carter agreed to have the letter sent to the governor with copies to the president of the Senate and the speaker of the House and to mention the things noted by Commissioner Gilstrap about the constituency as well as the impacts over the next two years and urge her to reconsider the matter.

Chairman Manning instructed Director Shroufe to have the drafted letter sent to all the commissioners for comment. Director Shroufe noted the Department was getting calls from constituents and the media. Commissioner Golightly stressed the importance of educating the public, constituents, Governor's staff and key members of the Legislature regarding the impacts and ramifications.

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Commissioner Golightly disconnected from the conference call at 4:20 p.m.

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#### 4. SLIF Funding Cuts

**Presenter:** Duane L. Shroufe, Director

Director Shroufe stated the Governor's proposed budget revisions for FY 2002-03 include transferring \$13 million of SLIF revenue to the General Fund.

Director Shroufe noted that several millions of dollars annually were allocated to local county municipalities to work on state lake improvements.

Mr. Ziemann gave a brief background on some of the programs and matching monies that occur and the total loss to Arizona of \$13 million. About \$9 million in revenue annually have been received in SLIF. About 11.8% of that money is used for administration at Arizona State Parks to further the mission of the State Parks Board. Most of that money is used for state parks; the remaining 88% of the fund goes to capital projects for boating enhancement. Essentially, boaters are taxing themselves for boating improvements. Those monies are used throughout the state and those improvements enhance tourism and local economies. It is a dedicated funding source for a dedicated purpose; in that way it was identical to Heritage.

Director Shroufe noted fishing piers and access on recreational facilities on lakes and reservoirs accommodate boaters and anglers. Again, SLIF funding cuts would directly impact Game and Fish's constituency. More important, the high scorers in getting grants are the ones that put together lots of match money; rural Arizonans have submitted grant proposals for this year that have been already acted upon by AORCC and State Parks Board. The Commission may want to support the State Parks Board in its action.

Mr. Ziemann noted that all SLIF grant applicants were contacted and alerted about the problem. The House intimated a few weeks ago that they might be looking at a \$10 million raid of the SLIF fund but the governor raised it to \$13 million. The constituents have begun to contact the Legislature.

Jim Odenkirk advised putting boundaries with regard to the level of support by the Game and Fish Commission on the Parks Board proposal so that in the event the Board makes a

proposal that the Commission would not necessarily support, there would be sideboards on it today. It was unknown at this time as to what the Parks Board will propose in terms of how to oppose the Governor's proposal.

Mr. Odenkirk's recommendation was further discussed.

Mr. Ziemann understood that the Commission was opposed to taking this dedicated fund source from the purposes established in statute. He would be happy to express that to the Parks Board.

Mr. Odenkirk urged the Commission to take action that would be limited to not supporting the Governor's proposed recommendation on the SLIF fund but not to go so far as to endorse a letter or statement that the Parks Board may take on this issue.

Commissioner Gilstrap thought the Commission could express its concern about the removal of the SLIF monies. Commissioner Carter opposed the removal of SLIF, but the Commission's concern should be expressed that there was a constituency who has placed a tax upon themselves for specific dedicated purposes. Commissioner Chilton agreed with Commissioner Carter's last statement. The Commission should not imply in any way that it should not be affected while everyone else absorbs the \$32 million. Commissioner Carter agreed the Commission should be sympathetic to the budget cuts but Game and Fish did not get any state monies to run its programs. All of the programs have dedicated funding sources. The General Fund has gotten into a mess for whatever reasons and Game and Fish should not be picking up a large portion of the tab for a General Fund problem. When there are good times, the Department does not get any of the General Fund monies. When the Legislature gets into trouble, it goes out and raids the fund balances. The only way to stop them is to have a constituency lawsuit against them. This is difficult to do.

Commissioner Gilstrap did not think Game and Fish was unique in going to the Governor and Legislature to protect its turf since every agency in the state will be doing so. Game and Fish must have a more honest and complete story. The percentage of the hit on Game and Fish compared with the hit on some of the other departments is not even close; we are talking about a 20%+ hit on the total Game and Fish budget. Most agencies will have only a 2-5% hit.

Mr. Odenkirk stated it would be appropriate for the Commission to make a motion regarding its position on the Governor's proposal on the SLIF fund and that the Parks Board representative could take that position to the Parks Board. The Parks Board could use the Commission's position as is stated on the record. The Commission should not go as far as to actually endorse in its motion a Parks Board recommendation that it was not aware of at this point.

**Motion:** Carter moved and Chilton seconded THAT THE COMMISSION VOTE TO CONVEY IN A LETTER TO THE GOVERNOR WITH A COPY OF THE LETTER TO THE SPEAKER AND THE SENATE PRESIDENT AND THE CHAIRMAN OF THE STATE PARKS BOARD OUR OPPOSITION TO THE TAKING OF

DEDICATED FUNDS TO BALANCE THE STATE GENERAL FUND BUDGET  
WITH RESPECT TO THE SLIF PROGRAM.

**Vote:** Carter, Chilton, Gilstrap – Aye  
Chair voted Aye  
Golightly – Absent  
Motion carried

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**Motion:** Carter moved and Gilstrap seconded THAT THE MEETING ADJOURN.

**Vote:** Carter, Chilton, Gilstrap – Aye  
Chair voted Aye  
Golightly – Absent  
Motion carried

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Meeting adjourned 4:40 p.m.

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