

Minutes of the Meeting of the
Arizona Game and Fish Commission
Wednesday, November 9, 2005 – 10:00 a.m.
La Quinta Inn
2510 W. Greenway Road
Phoenix, Arizona 85023

PRESENT: (Commission)

(Director's Staff)

Chairman W. Hays Gilstrap
Commissioner Melton
Commissioner Michael M. Golightly
Commissioner William H. McLean
Commissioner Robert Hernbrode

Director Duane L. Shroufe
Deputy Director Steve K. Ferrell
Assistant Attorney General Jim Odenkirk

Chairman Gilstrap called the meeting to order at 10:00 a.m. The Commissioners introduced themselves and Chairman Gilstrap introduced the Director and the Director's staff. This meeting was not traditional, but rather a work session, and followed an agenda revision dated November 7, 2005.

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2. Request for Approval to Seek Supplemental Appropriation from the Legislature for the Fiscal Year 2007 Budget to Address Salary Increases and Fuel Costs.

Presenter: Steve Ferrell, Deputy Director

Mr. Ferrell updated the Commission on the progress towards salary increases for Department employees. Since the last Commission meeting, the Classification Maintenance Review (CMR) has been completed for the Wildlife Series, which included equity adjustments. The Department received a letter from the Department of Administration (DOA) that confirmed approval and stated that now the Department needed only to find the funding. The Department asked the Commission for approval to go forward with a supplemental appropriation of the Game and Fish Fund for 1.2 million dollars to cover the CMR, \$300,000 for increased fuel cost for FY07, and additional monies to handle inflation, for a total of 1.5 million.

Motion: Melton moved and McLean seconded THAT THE COMMISSION VOTE TO AUTHORIZE THE DEPARTMENT TO SEEK A SUPPLEMENTAL APPROPRIATION FROM THE GAME AND FISH FUND FOR FY07 OF 1.5 MILLION DOLLARS TO COVER SALARY COST RELATED TO THE CMR AND FUEL.

Commissioner Golightly questioned the 1.2 million stating that in previous discussions the amount of 1.7 million from the 10 million in fee increases was going to go toward salary increases.

Mr. Ferrell stated that the anticipated revenues generated from the license fee increase was 10 million dollars, but the statute included a caveat that the Department can only go halfway on the first step, so 5 million is what's being proposed to the public for comment. The CMR is going to cost 2.68 million dollars across all funding sources, but only 1.2 million is attributed to the Game

and Fish Fund. Additional revenues needed for the Non-wildlife Series will probably equal the Wildlife Series of 1.2 million, an increase in employee benefits is going to cost the Department an additional 1 million dollars, and in adding fuel cost, the total gets close to 4 million dollars. That leaves 1 million dollars, with half of that possibly going toward the new Department Headquarters building.

Commissioner Golightly suggested that a new chart be created with current information on projections of how the fee increase in funds will be used, as well as other revenue sources, so the Commission can see and re-prioritize as necessary.

The Commission and Mr. Ferrell discussed how the CMR and equity adjustments are administered and what could be expected for Non-wildlife Series increases. There are plans by the legislature and the Governor to propose an across the board increase, possibly 7.5%, for all state employees and the Department's salary increases will be in addition to that. Discussion also included strategy for approaching the legislature for additional supplemental appropriations.

Commissioner Golightly requested that the new chart reflect the cost to the Department of an across the board state employee increase at both 7.5% and 5%.

Vote: Unanimous

1. Commission Work Session with Department Staff and an Outside Consultant to Discuss Various Issues of a Potential Initiative Measure to Establish the Arizona Wildlife Resources Beneficiaries Fund.

Presenter: Steve Ferrell, Deputy Director

Mr. Ferrell stated that the Department has been looking at what kind of services the public feels the Department has fallen short on and how best the public would like to see those new services financed. Media Guys, Inc. was contracted to do environmental scanning and surveying for the Department.

Mr. Ferrell introduced Bob Grossfeld, with Media Guys Inc., who briefed the Commission on the survey results using a Power Point presentation (attached to these minutes). Overall, public attitudes towards the Department were positive. In regards to funding, the public was surprised that the Department was not receiving tax dollars to support their efforts and most believed that the Department should be receiving tax dollars. Initially, the idea of a new sales tax received only marginal support, but when put into context of how minimally it would affect them, their opinions were dramatically reversed. It appeared that a ballot measure for a dedicated sales tax would be widely accepted by the public.

The Commission discussed with Mr. Grossfeld the steps necessary to put the measure on the ballot, including the forming of a political committee and how it would be funded.

Commissioner Hernbrode commented that the survey reflects positive feelings that people have for wildlife in the State and that does not necessarily translate into positive feelings for a tax increase; therefore he didn't believe the ballot measure would be as widely accepted as stated by

Mr. Grossfeld. Further, Commissioner Hernbrode questioned the support of the conservation and environmental communities, stating that it may also not be as strong as suggested.

Commissioner McLean commented that historical supporters are hunters and anglers, and there is a great deal of historic pride with these groups. Their concern is whether this other potential funding source will cause them to have less impact on what the Department does.

Mr. Grossfeld stated in regards to the various groups, that it would come down to what is fair. Additionally, the combination of the small tax amount plus the public's positive regard creates the circumstance where a ballot measure could be successful.

Commissioner Melton commented on the descriptive language in the title that goes on the ballot and stated that a strong person was needed to uphold the Department's interest on that.

Chairman Gilstrap stated that the Commission needed to make sure that the ballot measure would be successful as much as possible before moving forward on this, and that the Commission needed to hear from their constituents.

Director Shroufe briefed the Commission on how the Department would proceed from this point if the Commission gave direction to move forward with the initiative. A Political Action Committee (PAC) would be formed and the Department would work with them to draft the language for the initiative. The PAC would hire an entity or consultant to manage the campaign, collect the required signatures for the initiative, and help with fundraising. Concurrently, the Department and the Commission would communicate with constituents and organizations, and hopefully gain their support.

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Meeting recessed for a break at 11:45 a.m.

Meeting reconvened at 12:00 p.m.

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The Commission continued discussion on the various issues of the potential initiative.

Commissioner Hernbrode noted three items that are important for the success of the initiative; one, the amount of tax increase and translating that into per person per year; second, the support of the environmental community and the hunter/angler community; and third, what the dollars will accomplish and input from the communities on what they would like to see accomplished.

Mr. Ferrell stated that the proposed sales tax is 1/20th of a penny, which translates to \$12.30 per person per year and would generate 50 million dollars in revenue. Charts were provided of a range of proposed sales taxes for Commission consideration.

Commissioner McLean asked what 1/20th of a penny translated to on purchases.

Mr. Guiles, the Department's Legislative Liaison, addressed the Commission and put this into perspective by stating that for a \$1000 purchase it would cost the tax payer an additional .50¢, or \$50.00 on a \$100,000 purchase.

Commissioner Golightly stated that he would like to see the hunter/angler organizations get involved and support this initiative.

Director Shroufe stated that these organizations have not been included in discussions up to this point because the Department is waiting for direction from the Commission as to whether or not this is going to be something that the Commission wants the Department to pursue.

The Commission further discussed who might potentially be on the PAC, how the funds would be raised, and who would raise them to pay for the entity/consultant that would manage the initiative.

Commissioner Melton stated that he would like to see the sportsman groups get on board and possibly take a leadership role in this. The Department needs to put together an informational packet to take to the sportsman's groups.

Motion: Hernbrode moved THAT THE COMMISSION VOTE TO DIRECT THE DEPARTMENT TO LOOK AT WHAT SUPPORT IS IN THE HUNTER/ANGLER COMMUNITY AND THE ENVIRONMENTAL COMMUNITY AND IF THE SUPPORT IS NOT THERE, WHAT CAN BE DONE TO TURN THAT AROUND; AND WORK WITH THOSE TWO COMMUNITIES ON WHAT THEY WOULD LIKE TO SEE THESE TAX DOLLARS ACCOMPLISH.

Commissioner McLean added that he would also like to solicit from those groups who they might envision in a leadership role in this.

Motion Amended: Hernbrode moved and McLean seconded THAT THE COMMISSION VOTE TO DIRECT THE DEPARTMENT TO LOOK AT WHAT SUPPORT IS IN THE HUNTER/ANGLER COMMUNITY AND THE ENVIRONMENTAL COMMUNITY AND IF THE SUPPORT IS NOT THERE, WHAT CAN BE DONE TO TURN THAT AROUND; AND WORK WITH THOSE TWO COMMUNITIES ON WHAT PROJECTS THEY WOULD LIKE TO SEE THESE TAX DOLLARS ACCOMPLISH; AND SOLICIT FROM THESE GROUPS WHO THEY MIGHT ENVISION IN A LEADERSHIP ROLE.

The Commission discussed the intricacies of drawing in support from various organizations.

Vote: Unanimous

Discussion continued in regards to the proposed sales tax amount and how the potential increase to the Department's budget would be used. Mr. Ferrell provided a list of proposed projects to the Commission for consideration.

Public Comment

Jack Simon commented that how this list of projects is presented to the public and the organizations is very important, and that it should consist of only possible uses of the funds, so that no one feels there is any guarantee on a particular item. Also, it should be clear on what is an annual amount to be used on an item and what is a one time expense.

Director Shroufe stated that this list of potential projects is an example of the need for funds and is a general list. Decisions for specific projects will be made by the Commission every year in the public session of Commission meetings.

Chairman Gilstrap requested that other entities be identified to operate the campaign, so that the Commission has choices if they decide to move forward with the initiative.

Chairman Gilstrap clarified with Director Shroufe that no further action was necessary by the Commission until the December Commission meeting.

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Motion: McLean moved and Hernbrode seconded THAT THE MEETING ADJOURN.

Vote: Unanimous

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Meeting adjourned at 1:18 p.m.

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W. Hays Gilstrap, Chairman

Joe Melton, Member

Michael M. Golightly, Member

William H. McLean, Member

Robert Hernbrode, Member

ATTEST:

Duane L. Shroufe
Secretary and Director