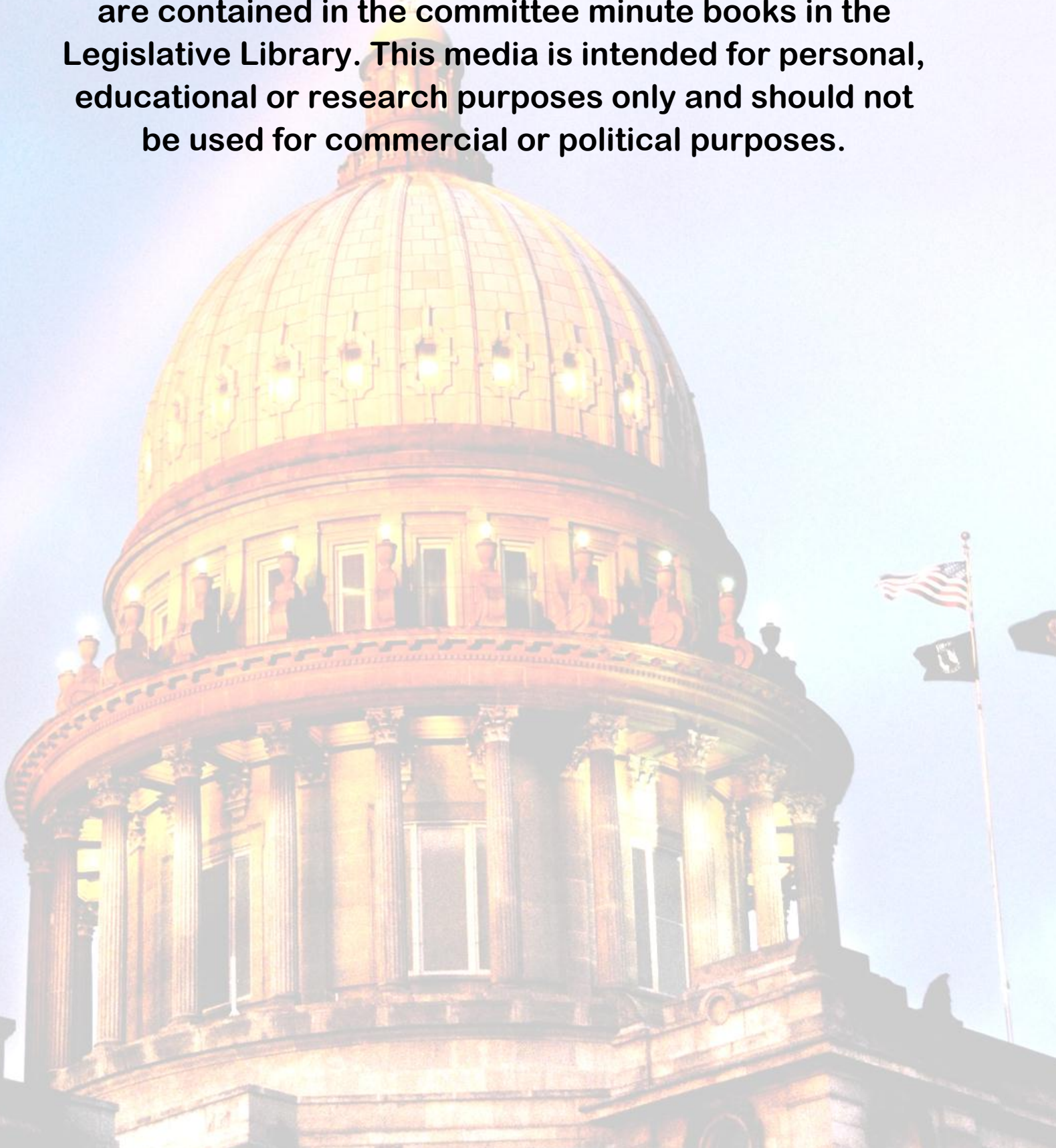


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JFAC COMMITTEE MEETING MINUTES

1/28/13

The hearing was held in Room C310, Statehouse, commencing at 8:05 a.m. and concluding at 10:20 a.m. with Chairman Cameron presiding.

Roll Call:

Senators: Cameron, Keough, Mortimer, Vick, Nuxoll, Johnson, Bayer, Thayn, Schmidt, Lacey

Representatives: Bell, Bolz, Eskridge, Thompson, Gibbs, Stevenson, Barron (for Miller), Youngblood, Ringo, King

Absent/Excused: None

Staff present: Houston

Others Present: Steve Martin, Fiscal Officer, Department of Parks and Recreation; Lisa Johnson, Fiscal Officer for Department of Lands, and Anita Hamann, Division of Financial Management

DEPARTMENT OF PARKS AND RECREATION (IDPR)

Presenter: Nancy Merrill, Director

- ❖ Mission Statement: To improve the quality of life in Idaho through outdoor recreation and resource stewardship
- ❖ Governing Board
 - Six-member board representing six Idaho districts
 - Appointed by the Governor and confirmed by the Senate
 - Board hires the Director
- ❖ State Parks
 - Manage 30 state parks encompassing 60,263 acres
 - 5.2 million park visitors
 - 1.65 million out-of-state day-users
- ❖ Recreation
 - 2,500 students instructed in boat, ATV/motorbike and snowmobile avalanche safety classes
 - 2,000 miles of trail cleared and maintained for public use
 - 5,600 miles of snowmobile trail groomed throughout Idaho
 - Administer ten unique grant programs
 - Five advisory committees consisting of 47 members
 - \$7 million funded from federal grants
- ❖ 2012 Successes
 - All 30 state parks remained open

- Volunteers contributed over 86,000 hours annually
- Customer satisfaction increased from 92% to 94%
- Overnight occupancy increased by 2.69%
- Began implementing 30 marketing and business plans (one per park)
- Revenues from all sources are up by 7.45%
- Established better communication with constituents and community leaders
- Launched new website and established brands
- Strengthened relationships with partner state agencies
- Linked IDPR online mapping portal to Idaho Dept. of Fish and Game Hunt Planner
- Total direct economic impact from Idaho's state parks is about \$103 million annually
- Passport Program launched
- ❖ Passport Program
 - Launched program in October, 2012
 - 18,400 passports sold in a 3-month period (10/1/12-12/31/12)
 - Sales totaled \$232,000
- ❖ Marketing/Business plans
 - Increased public outreach
 - New website
 - Social media
 - Special Events
 - First Time Camper Program
 - Explore Your Parks – Winter Youth Camp
 - Increased revenue – park investments
 - Lodge at Castle Rock Ranch
 - IDPR invested \$29,794 to renovate a 1912 brick house into a lodge
 - Rental of the lodge at \$150 per night has grossed \$18,978 since May
 - Registration realignment - structure change with a proposed bill that would move registration of all recreational vehicles to ITD's new GARNET registration system
 - ITD modernizing its computer program
 - One customer, one record through identification using drivers license, social security or tax ID number which will tie registration through the owner ID number
 - Title tied to registration by owner
 - Duplication of State resources will be eliminated
- ❖ Workforce
 - 143.5 full-time people serve 5.2 million park goers and 270,000 recreationists who register recreational vehicles
 - Rely on 244 non-benefitted seasonal and 32 benefitted seasonal people to operate parks and programs
 - Volunteers contribute 86,000 hours annually

- ❖ FY 2013 Funding – Supplemental
 - Last year funds were appropriated for the following projects:
 - Henry's Lake State Park campground – engineering and permits are complete – will begin construction this spring
 - Heyburn's Benewah campground
 - Eagle Island State Park drilled a new well
 - Decision Unit 1 – To use park entry fees to market the Passport Program
 - To inform the public about the Passport Program's availability
 - Extensive ongoing advertising including radio and television
 - Production and distribution of promotional materials
 - Public relations efforts
 - Social media
 - Goal is to sell 250,000 \$10 passports annually
 - Decision Unit 2 – Marketing plan
 - Use of Passport revenue to implement key elements of the agency's Strategic Business and Marketing Plans
 - Each park will receive funding (seed) money to invest in equipment
 - Decision Unit 3 – Retail Sales
 - Requesting additional spending authority (ongoing) to accommodate increase in sales within park retail programs.
 - Incorporate Idaho products into retail sales locations
 - Nature Store inventory in the visitor centers
 - Fuel at boat docks
- ❖ FY 2014 Funding
 - Focus has shifted from acquiring land and increasing park opportunities to taking care of current assets by
 - Focusing on public health and safety projects
 - Repairs and maintenance issues
 - Raising revenues to replace General Fund reductions
 - Customer service
 - Building awareness about agency and offerings
 - Decision Unit 3 – Electric vehicles
 - Four electric vehicles at a cost of \$15,000 each to be used for collecting fees, customer service and maintenance
 - Decision Unit 5 – Castle Rocks Group Shelter
 - Use park entry fees to build a group shelter for weddings, family reunions and other group activities
 - Could be reserved through the park system
 - Estimate increased revenue would be about \$2,600 if rented 20 times per season
 - Decision Unit 6 – Ashton-Tetonia Trail Restrooms
 - One-time request to install two vault toilets at both public trailheads
 - Decision Unit 7 – Trail of the Coeur d'Alenes Volunteer Campsites

- To develop two volunteer campsites at Old Mission/Trail of the Coeur d'Alenes, (currently there are no campsites available for volunteers)
 - One-time request using money from the expendable trust funds (Union Pacific Trust) and dedicated funds
- Decision Unit 9 – Grant Awards – request spending authority
 - \$60,000 from the Cutthroat specialty license plate to provide grants to construct and maintain non-motorized access facilities for anglers
 - \$11,800 from the mountain bike specialty license plate for grants to develop new non-motorized trails for bike opportunities
 - \$13,200 from off-highway vehicle law enforcement designation to pass registration dollars to bona-fide motorbike and ATV programs
- Decision Unit 10 – Idaho Recreation and Tourism Initiative (IRTI)
 - Request spending authority to cover costs associated with IRTI program management and related projects
 - Partners include US Forest Service, BLM, Idaho Fish and Game, IDPR, IDL, Tourism, Idaho Transportation Department, Outfitters and Guides, and US Wildlife
 - Support programs such as “Stay on Trails” campaign, “Idaho State RV Guide” and the “Be Outside” campaigns
- Decision Unit 11 – Fund Farragut State Park Sewage Collection System from RV Funds
 - Earmark money for Phase Two of the sewer project based on the premise that users should pay for this mandated project
- Appropriation flexibility
 - IDPR uses the flexibility of “carry over” with development projects since it takes several years from authorization to design and engineer prior to a project being built
 - Lump sum spending has been used to move money from capital improvement projects to needed personnel

Lava Hot Springs Foundation

Presenter: Mark Lowe, Executive Director

- ❖ Background
 - Land granted to Idaho by U.S. government in 1902 for public use
 - Idaho Legislature established the Lava Hot Springs Foundation in 1919 to administer state land in Lava Hot Springs
 - Governed by 5-member Board appointed by the Governor but not subject to Senate confirmation
- ❖ Mission statement: to ensure the public has access to healthful, clean and inviting facilities for recreation and healing purposes
- ❖ Olympic swimming complex was built in 1969
 - Had 123,411 visitors in 2012
 - Hydro tubes were built in 2001 funded through the State Building Authority

- 25 yard pool was covered in 2006-07
- Speed slides were built in 2009 funded through the State Building Authority
- Indoor Kiddie Pool scheduled for completion in May of 2013
- FY 2013 Supplemental request
 - \$1,365,000 in dedicated funds for construction of the Indoor Kiddie Pool facility
 - Request \$140,000 spending authority from dedicated funds to furnish Kiddie pool and install disinfection equipment. The shortfall is due to higher than expected construction costs and the requirement for a fire sprinkler system
- ❖ World Famous Hot Pools
 - 112 degree sulfur-free water
 - 2.5 million gallons per day
 - 209,919 visitors in 2012
 - Used year round
 - Dressing rooms replaced in 2006
 - Additional Hot Pool completed in 2009
 - Attendance and revenues are up which has helped to fund projects without using General Funds
- ❖ FY 2014 budget request
 - Spending authority for \$2,118,400 from dedicated funds
 - Personnel \$951,900
 - Operating \$743,900
 - Capital Outlay \$422,600
 - Requested Enhancements
 - \$50,000 to participate with Lava Hot Springs City for the construction of a pedestrian bridge
 - \$200,000 to construct restroom facilities at the Olympic Swimming Complex

DEPARTMENT OF LANDS

Presenter: Tom Schultz, Director

- ❖ Introduction of Executive Team
 - Kathy Opp, Deputy Director
 - David Groeschl, Forestry and Fire Division
 - Bob Brammer, Lands, Minerals & Range Division
 - Patrick Hodges, Support Services Division
 - Kurt Houston, Southern Operations Division
 - Roger Jansson, Northern Operations Division
 - Donna Caldwell, Human Resources
 - Lisa Johnson, Financial Officer
- ❖ State Board of Land Commissioners
 - Governor C. L. "Butch" Otter

- Secretary of State Ben Ysursa
- Attorney General Lawrence Wasden
- State Controller Brandon Woolf
- Superintendent of Public Instruction Tom Luna
- ❖ Vision: trusted stewards of Idaho's resources, from main street to mountain top
 - Invest in Idaho's resources to maximize financial returns to endowment trust beneficiaries
 - Deliver programs with professionalism and integrity
 - Invest in employees so they are equipped, entrusted, and expected to make decisions
 - Be a unified and vibrant organization where all employees participate in constructive communication to meet the Department's missions
- ❖ Mission – two major functions
 - Manage state endowment lands according to the land grants given to Idaho at statehood and according to fiduciary trust law and principles
 - To help Idahoans protect and manage their private lands and the beds of navigable waterways.
 - Four areas of focus:
 - Organizational structure must align with Department's vision
 - Leadership development
 - Review of policies and procedures
 - Recruitment, retention and succession strategy
- ❖ Funding by fund source and by object (charts)
- ❖ Endowment Land asset types and acres

○ Range Lands	\$1,412,987
○ Forest Lands*	977,580
○ Agriculture	15,792
○ Minerals	2,131
○ Real Estate (Conservation)	22,825
○ Real Estate (Commercial)	15,855
○ Real Estate (Residential)	<u>841</u>
Total	\$2,448,011

*Forest lands are the most productive land asset type with 75% to 95% of all income generated by timber production each year
- ❖ FY 2013 Distributions by Beneficiary

○ Public Schools	\$31,292,400
○ School of Science	2,997,600
○ Charitable Institutions	2,964,600
○ Normal School	2,670,000
○ University	2,552,400
○ State Hospital South	2,868,000
○ Penitentiary	1,246,800
○ Agricultural College	<u>916,800</u>
Total	\$47,508,600
- ❖ Timber Asset

- Timber asset alone earned \$31.7 million in FY 2012, down from \$49.2 million in 2007. Timber revenues are heavily influenced by the domestic housing market
- IDL expects timber markets to stabilize and slowly rebound over the next several years
- Harvest levels have increased (FY 2012 was a record); 35% of statewide timber harvests were from endowment lands
- ❖ Fire Management
 - Fires in Idaho are becoming larger
 - Fire seasons are extending longer – fires continue to burn through September and into October
 - IDL participates in the firefighting effort as an initial attack agency
 - Try to stop fires before they become large and expensive
 - Assign resources based on most efficient level (MEL), done by modeling fire costs based on fire activity, averaged over the last 10-year period
 - Pre-positioning of resources saves time and cost
 - IDL is developing an online burn permit service allowing for users to obtain a burn permit from anywhere with an internet connection
- ❖ Division of Lands, Minerals and Range
 - Endowment Land Management
 - Commercial Leasing – reduced the rate of downtown commercial endowment properties from 25.7% to 11.3% - Revenues expected to increase in 2013 by \$249,165
 - Grazing Leasing
 - Completed 17 lease auctions resulting in \$544,000 in additional revenue
 - Advertised and auctioned a lease on the Crane Creek Unit – had 26 applicants and a premium bid of \$49,000
 - Completed negotiated rulemaking to bring rules into compliance with 2012 code changes regarding management plan requirements
 - Oil and Gas Leasing
 - Completed auctions for 44 parcels resulting in about \$2,377 in additional revenue
 - Regulatory Programs
 - Public Trust Land Program
 - Issued 410 encroachment permits, 13 submerged land leases and 3 submerged land easements, and 3 disclaimers
 - Conducted four hearings for single-family dock encroachments
 - Resolved 61 violations of public trust regulations
- ❖ State Endowment Trust Lands
 - Transactions
 - McCall Outdoor Science School – 14 acres were exchanged for a 32,138 sq. ft. commercial office building on 3.14 acres in Idaho Falls with a projected cash return of 8.25% (compared with less than 2% for the McCall property)

- Camas Prairie Land Exchange traded 2,911 acres of timberland for 1,223 acres of farmland and 451 acres of timberland.
 - Helped to diversify the land portfolio
 - Acquired access to current assets and disposed of land without access
 - Increased the long-term cash return
 - Lot Solutions – platting
 - Priest Lake – 18 plats completed – recordation underway
 - Payette Lake
 - 7 plats completed – recordation is the next step
 - 4 final plats prepared
 - Cedar Knolls
 - Payette Lake Cottage sites
 - Pilgrim Cove
 - Pinecrest
- ❖ FY 2014 budget request
- Decision Unit Priority 1 is continued implementation of the Land Information Management System (LIMS). Request for one-time funding to implement a major component of IDL’s LIMS system along with ongoing funding for software maintenance costs
 - Will streamline timber sale planning, development and administrative activities into a single system that integrates with key external financial system and geographic information systems
 - This request is to integrate the LIMS with other IDL applications and includes:
 - \$660,000 for one-time professional services
 - \$61,000 for ongoing software maintenance
 - Decision Unit Priority 2 – requesting \$385,500 to support the fire preparedness program which will enable the Fire Management Program to operate at the Most Efficient Level (MEL) reducing response times, fire size, and property loss.
 - Request includes \$146,600 for group personnel costs for 31 man-months
 - \$63,000 for facility costs
 - \$175,000 to cover fuel, tires, and field supplies
 - Decision Unit Priority 3 requesting the purchase of additional equipment
 - \$16,500 for timber equipment
 - \$10,200 for fire equipment
 - Decision Unit Priority 4 (not included in Governor’s recommendation) Timber Protective Associations (CPTA) requested \$54,600 ongoing
 - Decision Unit Priority 5 – one-time funding for surfacing a parking and storage area behind the Eastern Idaho Supervisory Area office
 - Decision Unit Priority 6 – one-time funding of \$35,200 for an equipment storage building at Priest Lake Area administrative office. (60% was requested from the Permanent Building Fund Advisory Council but was not on the list of their funded projects)

- Decision Unit Priority 7 (included in Governor's recommendation as #1) for start-up costs for Rangeland Fire Protective Associations
 - Funds to provide personal protective equipment for firefighters, training, a water tender, and assistance with filing of legal documents and liability insurance
 - Includes \$50,000 from the General Fund and \$50,000 from dedicated fire preparedness funds for a lands program specialist
- Lump-Sum spending authority for the Forest and Range Fire Protection Program
- ❖ FY 2013 Supplemental
 - Fire Preparedness Fund Shift
 - IDL was notified that the Consolidated Payments Grant (CPG) from the U.S. Forest Service would be reduced for FY 2013.
 - Request a shift of \$97,000 in personnel costs from the federal grant to the Department of Lands Fund which will provide 36 man-months for seasonal firefighters who were previously paid from federal grants in past budgets.
 - Deficiency Warrants
 - One-time General Fund request for \$6,013,200 to pay deficiency warrants that covered the cost of fighting fires in FY 2012
 - Costs are incurred in the fire deficiency fund (0076) and are reimbursed by the General Fund

Senator Dean L. Cameron, Chairman

Peggy Moyer, Secretary