



**Colorado State Parks**  
**Board Meeting Minutes**

Date: Thursday, May 21  
 Location: Arapahoe County Fairgrounds  
 25690 E. Quincy Ave.  
 Aurora, CO 80016  
 Phone: 719-530-0933

**Thursday, May 21**

<b>12:30 p.m.</b>	<b>Call to Order</b>	Lenna Watson, Vice Chair
	(A) Agenda Amendments, if necessary	
	(A) Approval of April 2009 Board Meeting Minutes	
	(I) Board Member Updates	
<b>12:45 p.m.</b>	(A) Approval of the FY09-10 Operating Budget Reduction Plan	Dean Winstanley Steve Cassin
<b>1:30 p.m.</b>	(I) Real Estate Overview	Greg Monroe
<b>2:00 p.m.</b>	(I) Financial Update	Steve Cassin
<b>2:15 p.m.</b>	<b>Break</b>	
<b>2:30 p.m.</b>	(I) Comprehensive Financial Plan/Work Session	Steve Cassin Dean Winstanley Gary Butterworth
<b>5:00 p.m.</b>	Adjournment	Lenna Watson, Vice Chair

**In Attendance:****Board members:**

Lenna Watson, Secretary/Vice-Chair  
 Gary Butterworth

Laurie Mathews  
 Jim Pribyl  
 Bill Kane (via teleconference)

**Division Staff**

Dean Winstanley, Director  
 Gary Thorson, Assistant Director,  
 Statewide Programs  
 Ken Brink, Acting Chief of Field Operations  
 Steve Cassin, Chief Financial Officer  
 Deb Frazier, Communications Manager  
 Mindy Blazer, Director's Assistant

Kurt Mill, Rocky Mountain Region Manager  
 Bob Wiig, Rocky Mountain Region Assistant Manager  
 Dave Giger, High Plains Region Manager  
 Heather Dugan, Acting Southeast Region Manager  
 John Geerdes, Acting Southeast Region Asst. Manager  
 Greg Monroe, Real Estate Program Coordinator

**Guests**

Tim Monahan, Attorney General's Office  
 Heather Warren, Attorney General's Office  
 Bill Levine, Budget Director, Dept. of  
 Natural Resources  
 Lise Aangeenbrug, GOCO Director

Eric Bergman, GOCO Director of Government  
 Relations and Outreach  
 Viktor Bojilov, Joint Budget Committee Staff  
 Bob Hantschel, Paint Horse Stables  
 Catherine Russell, Spike Productions

### **Meeting Minutes**

The meeting was called to order by Vice-Chair, Lenna Watson, at 12:40 p.m.

### **Agenda Amendments**

None

### **Approval of the April Board Meeting Minutes**

**Motion:** Laurie Mathews

**Second:** Gary Butterworth

**Result:** The April Board Meeting Minutes were approved as presented.

### **Board Member Updates**

Laurie Mathews – She has been working with Gary Thorson on the Trails Committee appointments.

Lenna Watson – She was able to attend her first teleconference on Natural Areas and it was fabulous.

### **Action Item: Approval of the FY09-10 Operating Budget Reduction Plan**

A brief overview of the operating budget reduction plan was presented by Director Dean Winstanley and Chief Financial Officer Steve Cassin followed by a brief discussion and a board vote.

**Motion:** Jim Pribyl

**Second:** Gary Butterworth

**Result:** The Board approved allowing the Division to move forward to address the \$3 million operating budget reduction for FY 09-10 through the strategies identified and proposed in the May 12<sup>th</sup> memorandum and that are summarized above. The Board also approved that the Director be given discretion to make necessary adjustments to the proposed plan, if needed, to achieve the \$3 million target.

### **Information Item: Real Estate Overview**

This was originally presented in error as an Action Item, but it was corrected at this time as an Information Item for the Board.

Greg Monroe, Real Estate Program Coordinator, gave an overview of the Real Estate Program and provided a supplemental handout (See Supplemental Information). It was discussed that given the current budget climate, and our current work with the financial plan, land acquisition priority and a real estate evaluation tool will certainly be issues that Parks will need to address.

- Greg explained that property acquisition is important, even in light of the budget issues Parks is dealing with because it has to take a long view. He explained that Parks needs to be opportunistic and open to possibilities because there is going to be continued growth and demand for outdoor recreation. As population, growth and demand continue, existing parks are going to start reaching capacity and it is part of the Parks mission to continue to provide outdoor recreation opportunities.

### **Information Item: Real Financial Update**

Steve Cassin, Parks Chief Financial Officer, provided a financial update.

- Visitation:

Weather is and the economy are common factors. Both can help or hurt visitation. Some parks indicated they had better than average weather while other parks indicated the weather adversely affected visitation. The Economy has boosted some parks and others have seen a decline. Some of the changes are due to amenities in general as some parks have added cabins or yurts; others may have had an increase in fishing, or something else that draws people to the park.

- KPMG Study:

Deficiencies in internal controls due to expenditures were identified in the last performance audit – particularly with procards and other credit cards. Parks has since looked at the areas identified in the audit and put controls into place to address the issues. GOCO hired KPMG last fall to monitor a random sample of transactions to determine the appropriateness of the purchase and the procedures governing that purchase were in place. Parks was monitored for three months and the results will be reported at the June Board meeting. Parks has an extremely high compliance rate with the vast majority of the procedures that are in place. There are sporadic instances of non-compliance, but we are aware of them and working to keep the exceptions to a minimum. Parks is 100% committed to knowing we can always do better. Lise Aangeenbrug, GOCO Director, was present at the Board meeting and said the KPMG study shows there has been significant progress made.

- Revenues and expenditures

We are up a little more than \$700K over last year's revenues. The entire increase is from the months July through October of 2008 versus July through October of 2007. From November through March, the fees are basically the same and the revenue figures are flat. The next three months of the fiscal year should be comparable to the same period last year. Revenue figures have been down in April because of the poor weekend weather. Reservation revenue for the summer is continuing to look strong, however.

**Information Item: Comprehensive Financial Plan/Work Session**

A discussion was held regarding developing a sustainable financial plan. The Board agreed that the following was a good working definition of sustainable:

- The parks can be operated as planned on an ongoing, long-term basis;
  - A satisfactory level of services can be provided to the public.
  - Operations will not need to be curtailed or scaled back.
  - Facilities will remain open and available to the public.
- Physical assets can be maintained such that they reach their planned useful lives.
  - Physical assets (land, buildings, equipment, facilities) will not be allowed to deteriorate through inadequate upkeep and maintenance.
  - A standard of appearance of facilities will be maintained.
- Funds are available to replace physical assets at the end of their useful lives, with comparable assets;
- The above must be achieved at a cost that does not exceed the level of available financial resources over the long run.

A discussion was had about not having a physical asset reserve and how Parks manages that. Steve advised there are two different ways to do that: one, set your budgets each year so that you have enough money set aside to maintain your assets; or two, build a separate fund over time

- Revenue and Fees –

Regarding revenue and fees, it was discussed that the staff and Board needs to develop baseline projections and that the Board will need to determine what their pricing philosophy is. A discussion regarding pricing followed. Steve advised that the staff would come prepared to the June Board meeting with some additional information and baseline projections so the board can begin to have a more numbers-driven discussion about the financial plan.

**Meeting Closing:**

- Bob Hantschel, the Concessionaire at Cherry Creek State Park, asked for the opportunity to be on the agenda on Friday, May 22. The Board agreed.
- An amended agenda was handed out with corrected times for the Friday, May 22 meeting.
- Lenna Watson asked for the meeting to adjourn.

**Motion:** Laurie Mathews

**Second:** Gary Butterworth

**Result:** The meeting was adjourned for the day at 5:20 p.m.



**Colorado State Parks**

## Board Meeting Minutes

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Date: Friday, May 22  
 Location: Arapahoe County Fairgrounds  
 25690 E. Quincy Ave.  
 Aurora, CO 80016  
 Phone: 719-530-0933

### Friday, May 22, 2009

<b>8:30 a.m.</b>	<b>Call to Order</b>	Lenna Watson, Vice Chair
	(A) Agenda Amendments, if necessary	
<b>8:45 a.m.</b>	<b>PUBLIC COMMENT PERIOD</b>	
<b>9:00 a.m.</b>	(A) Trails Committee Reappointments (3)	Gary Thorson, Laurie Mathews
	Date: Thursday, May 21 Location: Arapahoe County Fairgrounds 25690 E. Quincy Ave. Aurora, CO 80016 Phone: 719-530-0933	
<b>9:15 a.m.</b>	(A) Natural Areas Designations (4)	Rob Billerbeck
<b>9:50 a.m.</b>	Natural Areas Vacancy	Rob Billerbeck, Lenna Watson
<b>10:20 a.m.</b>	(A) Paint Horse Stables Fee Waiver Request	Kristi Quintana
<b>11:00 a.m.</b>	(A) Policy Approvals <ul style="list-style-type: none"> <li>• B-177 Fee Waiver</li> <li>• A-100 Board Policies, Administrative Directives and Operational Procedures</li> </ul>	Gary Thorson, Ken Brink
<b>10:30 a.m.</b>	<b>Break</b>	
<b>10:45 a.m.</b>	(I) Audit Update <ul style="list-style-type: none"> <li>• Update Hearing with Legislative Audit Committee – June 9, 2009</li> <li>• Audit Update Matrix</li> <li>• Signed Interagency Agreement &amp; Roles/Responsibilities Matrix</li> <li>• Update on Board Governance Manual</li> </ul>	Dean Winstanley
<b>11:45 a.m.</b>	(I) Legal Update	Tim Monahan
<b>12:10 p.m.</b>	<b>Brief Break and working box lunch</b>	

**In Attendance:**

**Board members:**

Lenna Watson, Secretary/Vice-Chair  
Gary Butterworth

Laurie Mathews  
Jim Pribyl

**Division Staff**

Dean Winstanley, Director  
Gary Thorson, Assistant Director, Statewide Programs  
Ken Brink, Acting Chief of Field Operations  
Steve Cassin, Chief Financial Officer  
Deb Frazier, Communications Manager  
Mindy Blazer, Director's Assistant  
Kurt Mill, Rocky Mountain Region Manager  
Bob Wiig, Rocky Mountain Region Assistant Manager

Kristi Quintana, High Plains Region Assistant Manager  
Heather Dugan, Acting Southeast Region Manager  
John Geerdes, Acting Southeast Region Assistant Manager  
Tom Waters, State Parks Law Enforcement Training  
Rob Billerbeck, Stewardship & Natural Areas Manager  
Brian Kurzel, Natural Areas Coordinator

**Guests**

Tim Monahan, Attorney General's Office  
Heather Warren, Attorney General's Office  
Bill Levine, Budget Director, Dept. of Natural Resources  
Viktor Bojilov, Joint Budget Committee Staff  
Eric Bergman, GOCO Director of Government Relations and Outreach

Bob Hantschel, Paint Horse Stables  
Peter Kramer, El Pomar Fellow  
Kathy Yates, Natural Areas Council  
Harley Armstrong, Bureau of Land Management Paleontologist

**Meeting Minutes**

The meeting was called to order by Vice-Chair, Lenna Watson, at 8:45 a.m.

**Public Comment Period**

During the public comment period Bob Hantschel, Paint Horse Stables, the Concessionaire at Cherry Creek State Park, addressed the Board regarding his horse stable operation and the off-leash dog area at the park. He advised he's shut the trail rides down because it is too dangerous to take people on rides because of the dogs. He has sanitary, health and safety condition concerns. He advised he has spoken to Director Dean Winstanley, Kristi Quintana, High Plains Region Assistant Manager and Tim Metzger, Cherry Creek State Park Manager, and he understands they are aware of his concerns, but he believes the issue is at a point where a solution needs to be found soon. He made an appeal to the Board that his livelihood is at stake and he wants their assistance in finding a remedy.

Ken Brink, Acting Chief of Field Operations, advised that the original intent for the off-leash dog area at the park was for sport dog training. He said the two biggest issues we have are that there are guided horse rides and dogs in the same area and that the actual sport dog users who were originally intended to use that area have been completely displaced. Ken advised that we are aware of the concerns and have been in the planning phase for a solution, which was delayed due to the urgent budget crisis. Now we are back to planning the solution, including obtaining public input as early as this summer.

Lenna Watson thanked Mr. Hantschel for his time and advised him the Board and Ken will certainly consider all the information he provided.

There was no other public comment.

**Action Item: Trails Committee Reappointments**

The trails committee reappointments were delayed until the June 2009 Board Meeting to allow time to find a balance of membership for the three current vacancies, as well as three spots that will come open at the end of the fiscal year. During the last six months the department and division have been soliciting names of interested individuals who would like to serve on the committee. Parks has received a number of names, and a list of applications of people who are interested in serving. Delaying the decision will allow a thorough review of all the individuals.

Lenna Watson, Vice-Chair advised that the action items would be tabled until the June 2009 Board meeting.

**Action Item: Natural Areas Council Vacancy**

The Natural Areas Vacancy recommendation was moved to this point on the agenda, flip-flopping with the Natural Areas Designations. Rob Billerbeck, Stewardship & Natural Areas Manager, provided a brief overview of Natural Areas and introduced the current chair of the Natural Areas Council, Kathy Yates, who has served for 8 years and is coming to the end of her term in June. The Council's first choice for the vacant seat is Dr. Bruce Schumacher, a paleontologist from SE Colorado. Its second choice is Dr. Boyce Drummond, a professor at Colorado College and current president of the Colorado Native Plant Society. The Council's third choice is Dr. Bob Raynolds, a geology professor based out of the Nature and Science Museum.

**Motion:** Gary Butterworth  
**Second:** Jim Pribyl  
**Result:** The Board approved the recommendation of Dr. Bruce Schumacher as a Governor's appointee to the Colorado Natural Areas Council to fill the vacancy effective July, 2009. The Board's recommendation will be submitted to the DNR Executive Director's Office.

**Action Item: Natural Areas Designations**

Brian Kurzel, Natural Areas Coordinator, presented the Board with four potential Natural Areas designations: Two Buttes, Duck Creek, Ryan Gulch and Blacks. The Two Buttes property is in Prowers and Baca Counties and is owned and managed by Robert Barnhardt of Bucklin, KS. Duck Creek, Ryan Gulch and Blacks Gulch are in Rio Blanco County, and are managed by the Bureau of Land Management.

**Motion:** Lenna Watson  
**Second:** Laurie Mathews  
**Result:** The Board approved the designations of Two Buttes, Duck Creek, Ryan Gulch and Blacks Gulch as Colorado Natural Areas that will be included within the Colorado Natural Areas System.

**Action Item: Paint Horse Stables Fee Waiver Request**

Kristi Quintana, High Plains Region Assistant Manager, presented the Board with a fee waiver request for Paint Horse Stables (Bob Hantschel, the concessionaire at Cherry Creek Park) for annual fees for 2008 and 2009. She advised his contract ends in 2010. In the late 1990's Bob requested to move to the south area of the park because of a capacity issue. The dog training area was down there too but at that time usership was 10,000 annually and the usership is now 200,000 annually. Now because of the large amount of off leash dogs in the area, Bob's business has suffered and he has struggled

to make ends meet. Waiving the fees in the amount of \$3,068 will help him to stay in business this year. He has worked diligently to get his dues caught up.

**Motion:** Jim Pribyl  
**Second:** Laurie Mathews  
**Result:** The Board approved that the 2008 and 2009 annual and administrative fees for the Paint Horse Stables at Cherry Creek State Park, in the amount of \$3,068 be waived.

#### **Action Items: Policy Approvals**

##### **A-100 - Board Policies, Administrative Directives and Operational Procedures.**

Dean Winstanley advised that A-100 is directly related to our audit and clearly defining the Board's roles and responsibilities of governance.

**Motion:** Gary Butterworth  
**Second:** Laurie Mathews  
**Result:** The Board approved the Parks Board Policy No. A-100 Subject: Board Policies, Administrative Directives and Operational Procedures and recommended that the Division Director fully implement the policy within the Division.

##### **B-177 – Fee Waiver, Complimentary Coupons, Passes and Permits**

Ken Brink, Acting Assistant Director, Field Operations, presented B-177 and advised it is another policy that would provide broad direction to the agency with regard to fee waivers.

**Motion:** Jim Pribyl  
**Second:** Gary Butterworth  
**Result:** The Board approved the Parks Board Policy No. B-177 Subject: Fee Waiver, Complimentary Coupons, Passes and Permits, and directed the Division Director to fully implement the policy within the Division by establishing administrative directives and operational procedures as necessary.

#### **Information Item - Audit Update**

- Dean Winstanley provided an audit update, stating he received a letter from the audit committee that the Division, Parks Board, Department and Great Outdoors Colorado are scheduled for an audit hearing on June 9 2009. Overall, we are continuing, particularly in the areas of governance, roles and responsibilities, to make significant progress. Dean stated he is encouraged and appreciative of the seriousness that our entire staff has taken in managing of finances from the top of the organization down to the staff of every park in the state. He's anticipating that we are going to have another positive meeting with the audit committee on June 9. One area where we are not quite as far along as we would have liked is how we manage our capital program. We are intending to centralize the management of that program. We have been delayed in hiring the Architect III due to the hiring freeze, but that will be moving forward soon.
- Board member, Gary Butterworth introduced Peter Kramer, a Fellow at El Pomar Foundation who has been working on the draft of the Board Governance Manual. Peter presented a draft of the manual which he put together utilizing PERA's Governance Manual as a model and spending many hours reviewing Parks' policies, administrative directives, and pertinent documents about how Parks does business. His goal was to have a basis for laying out governance

procedures that would satisfy the audit. A discussion was held about changes and additions to be made to the manual. And the Board and Division Staff were advised to send any comments to Gary Butterworth by June 5<sup>th</sup> for editing so he can present a final version of the manual for Board approval at the June Board meeting. The document was well received and complimented by the Board.

- Dean advised that he is scheduled to have his annual review on June 4<sup>th</sup> with Harris Sherman, the Executive Director of the Department of Natural Resources. He encouraged the Board members to get in touch with Harris if they want to weigh in on the review. Laurie Mathews requested an executive session following the meeting to discuss Dean's performance review.

#### **Information Item - Legal Update**

- Tim Monahan, Attorney General's Office, provided the Board members with a confidential legal briefing and asked them to get back with him if they had any questions. He then went into his legal update.
- Tim discussed a legal issue that comes up under the context of substitution under the GOCO Amendment. He read the substitution clause under the amendment: *"The people intend that the allocation of lottery funds required by this article of the constitution be in addition to and not a substitute for funds otherwise appropriated from the General Assembly for the Colorado Department of Natural Resources and its Divisions."* He advised that the general context of this paragraph is that when funds are otherwise made available historically to manage state parks are taken away with the expectation that there is going to be backfilling from other funds, including lottery funds, it could be considered substitution, and it's a problem that Parks, GOCO and the General Assembly should all be aware of and consider especially in light of the recent budget cuts.
- Tim discussed oil and gas operations within parks. We have been contacted by an oil and gas operator who is working in and around St. Vrain State Park. An exception location well has been proposed for property directly northwest of the park. While the surface location of the exception well is located over 700 feet from the park boundary, the down hole, where actual production occurs, is located just outside the park boundary and will need to include a 40 acre parcel located within the park. You can't get to all the minerals just from directional drilling outside the park. Because of this, Parks will be requested to either consent to lease its mineral interest within this unit, or will be "force pooled" into participating in the development. Either way, State Parks will receive royalty payment. These wells are significant producers of oil and gas and can produce significant revenues. The statute allows the Parks Board to allow oil and gas development operations in the parks. Tim recommended that the Board start policy discussions regarding this issue soon. He stated this is a policy issue of great significance given the current budget situation and the potential for significant revenues (millions of dollars). A discussion followed.
- Tim asked, in accordance with the Open Meetings Laws in the State of Colorado, specifically Section 24-6-402, Subsections (3)(a), (II) and (3.5), that the Parks Board go into Executive Session to receive an update with regard to the Republican River Compact Arbitration and its possible impacts to Bonny Reservoir and the operation of Bonny Lake State Park. And also, as requested by Director Winstanley, to have the Parks Board discuss the director's performance review.

The Board took a brief break to obtain lunch and during lunch the region updates were given.

**Information Item – Region Updates**

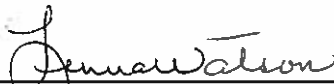
- Region Updates were given by Kurt Mill, Manager for Rocky Mountain Region, Heather Dugan acting Manager for Southeast Region and Kristi Quintana, Assistant Manager for High Plains Region (See supplemental information).
- Ken Brink stated that with the budget cuts we're doing everything we can to manage morale. We're trying to manage the impacts of no cost of living, no pay for performance, being short on employees because of the freeze and a huge transition in leadership. Everyone has been working hard in the regions and public safety to keep things going and working well.
- A discussion was had about the mandatory furloughs. Dean Winstanley advised that at the very least there will be a mandatory four-day furlough for all of our employees but we need better clarification from the governor's office on what that means.
- Dean introduced Tom Waters, training coordinator for the Public Safety and Training Unit. Tom sat in the Board meeting for Jason Trujillo who was on vacation.

**Executive Session:**

The Board went into executive session to discuss the Bonny Reservoir and Republic River, as well as the Director's performance review. The Board came out of executive session at 1:30 p.m. with a motion by Gary Butterworth and second by Laurie Mathews.

The meeting adjourned at 1:35 p.m.

**May 2009 Board Meeting Minutes Approval:**

  
\_\_\_\_\_  
Lenna Watson, Vice-Chair

8-11-08  
Date