

Minutes
State Parks, Recreation and Travel Commission
Buffalo Outdoor Center
Ponca, Arkansas
July 18-19, 2002

Commissioners Present

Debbie Haak, Chairman	Billy Lindsey, Vice-Chairman, Thursday only
Bill Barnes	Jane Christenson
Polly Wood Crews	Danny Ford
Jim Gaston, Thursday only	Montine McNulty
Mike Mills	Ted Mullenix
J.D. "Bud" Shamburger	Wade Williams

Commissioners Absent

Loretta Lever House - Illness
Ness Sechrest - Business Conflict

Department Staff Present

Richard W. Davies, Executive Director
Joe David Rice, Tourism Director
Greg Butts, State Parks Director
Nancy Clark, Assistant Tourism Director
Mac Balkman, Manager, Operations
Stan Graves, Manager, Planning & Development
Norma Sims, Manager, Harrison TIC
Gloria Robins, Executive Assistant
Sandy Burch, Administrative Assistant
Jennifer Carson, Administrative Assistant

Agency Staff Present

Shelby Woods	Wayne Woods
Karen Mullikin	Debbie Wilson
Libby Doss	Bill Fitzgerald
Chuck Robertson	Kay Medlin
Jared Cowell	Rebecca Polk

Aristotle

Marla Johnson Norris	Jonathan Eudy
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Guests Present

Kelley Linck, Executive Director, Ozark Mountain Region Tourist Association
Brian Clark, Sells/Clark
Michael Clark, Sells/Clark
Marynell Branch, Governor's office
Joe Gies, The Great Passion Play
Marvin Peterson, The Great Passion Play
Lynn Berry, Eureka Springs Visitors Bureau
Barbara King-Dozier, Eureka Springs Visitors Bureau
Nancy Atkinson, Jasper/Newton County Chamber of Commerce
Terri Cochran, Harrison Shady Oaks Campground
Ed McWilliams, D.K. Shifflet & Associates
John Packer, D.K. Shifflet & Associates
Jeff Dezort, Newton County Times

Call to Order

Chairman Debbie Haak called the meeting to order at 9:00 a.m. and Gloria Robins called the roll.

Approval of the Agenda

Polly Wood Crews moved to approve the agenda. Jane Christenson seconded and the motion carried.

Presentation of Minutes from Previous Meeting

Wade Williams moved to approve the minutes. Danny Ford seconded and the motion carried.

Financial Report

Larry Cargile presented a preliminary financial report for the fiscal year ended June 30, 2002.

The Parks Division fiscal year-to-date expenditures, including construction/grants, totaled \$54,359,248, or 53% of annual budget. Tourism Division expenditures, including Curran Hall pass-through grant, totaled \$11,372,417, or 92% of annual budget. Keep Arkansas Beautiful expenditures were \$470,772, or 92% of budget. Administration Division expenditures totaled \$2,187,251, or 97% of budget. History Commission expenditures were \$1,213,413, or 100% of budget. Department total expenditures - \$69,603,101 or 59% of the annual budget. The General Revenue turn-back amount was \$53,026.

Preliminary revenue figures for the Parks Division totaled \$13,738,863 for FY02, a decrease of 1% from last fiscal year.

Billy Lindsey moved to approve the financial report. Jane Christenson seconded and the motion carried.

Recognition of Guests

Chairman Haak recognized guests in attendance.

EXECUTIVE DIRECTOR'S REPORT

Upcoming Events

Richard Davies reminded Commissioners that the next meeting would be held in Fort Smith and that both the Little Rock and Vicksburg District Colonels would be there, with their staffs, to give a status report on the U.S. Army Corps of Engineers situation in Arkansas. Also, Governor's Conference bid presentations for 2004 will take place. The marketing presentation will be held in September at DeGray Lake Resort State Park. The final State Parks Fees and Charges recommendation for FY 2003 will also be presented. Commissioners will also host the staff appreciation dinner that month. In Harrison, at the November meeting, the advertising agency bid presentations for the Tourism account will take place. Mr. Davies also mentioned that a Parks & Tourism Legislative Sub-committee meeting might take place on October 3-4, 2002 in the Altus/Subiaco/Mt. Magazine area. He noted that the Legislative budget hearing would be held on October 16th at 1:30, the Wednesday before the October Commission meeting. Lastly, Tuesday, February 18th is the joint Department of Parks & Tourism/Game & Fish Commission/Arkansas Hospitality Association legislative reception. He stated that legislator's spouses and children are also invited to the function.

Mr. Davies also mentioned how lucky the Department is to have a Governor who is interested in helping promote Arkansas. He pointed out a copy of the *Arkansas Good Roads Transportation Council* newsletter, which contained an article, written by the Governor, about Arkansas tourism. Chairman Haak agreed that the Department has a good friend in the Governor.

Miscellaneous

Chairman Haak mentioned that CJRW had won a national Addy award for its work. She stated how appreciative everyone was of the work done by CJRW. Chairman Haak also noted that Jim Gaston had been mentioned in the Mountain Home area Chamber of Commerce newsletter for his generous gift to the University.

Richard Davies presented the new Keep Arkansas Beautiful "Take It Back" campaign bumper stickers.

TOURISM DIVISION

Tourism Advertising Committee Meeting

Joe David Rice made introductory comments to the presentation. He referred to a handout that included Arkansas's and contiguous state's tourism budgets as well as the top ten tourism budgets in the country. Mr. Rice concluded by reminding that every one-dollar invested is crucial and must be spent wisely.

Shelby Woods introduced John Packer and Ed McWilliams with D.K. Shifflet and Associates. He stated that he considers Ed McWilliams one of the foremost authorities in the United States on tourism. He further stated research drives the marketing effort. Mr. Woods briefly summarized the marketing and research efforts for the past seven years. He explained that analysis and interpretation of research is important to get an accurate view of how and where to target the marketing efforts and to whom. He also discussed the importance of using secondary research, the use of competitive sets, and the importance of disseminating the information throughout the state. Mr. Wood quickly reviewed the current marketing efforts, including targeted areas.

A. Research Reports from D.K. Shifflet & Associates

John Packer made a few introductory comments and briefly overviewed the presentation. He began by explaining the background and methodology. He then discussed the nationwide impact of September 11th. He projected that it would take to almost 2005 to recover to levels before the incident. Mr. Packer made a correlation between the Gulf War and the 80's recession and 9/11 because it is the only comparable event. He stated fewer travelers, nationwide, are spending less money per day and staying fewer days. Arkansas residents played a major role in the decline in in-state travel volume, but he noted that travel activity in December 2001 was not accounted for in the report. The state was fairly successful in getting people to stay in hotels and motels and achieved a good balance of new and repeat visitors. He further stated that although last year, one of the most difficult travel years on record, Arkansas's direct spending levels prospered, the daily business expenditure dropped and merits attention. Only about one-third of the state's leisure travel is purely marketable due to strong VFR (visiting friends and relatives) and personal purposes. Mr. Packer summarized by stating that as the travel economy gets back to normal, Arkansas's activity mix and positioning still match up well post 9/11. He further stated that although the one of the state's strengths is its activity mix, consumers always want more out of their activities, especially from an educational standpoint. Lastly, he stated that consumers are willing to drive longer distances to have control and avoid the perceived hassle and safety issues.

The ValuePlus® study was commissioned by the Department to assess the state's weaknesses and strengths in delivering quality and value relative to its competitors. It was prompted by several consecutive, declining ratings in the Destinations Performance Index analysis, which is provided by D.K. Shifflet.

The study is an examination of the visitors' experiences in planning and taking a trip to Arkansas. It allows marketers to understand the consumers' wants and needs and what products, experiences and services can be created, distributed and sold to meet those needs. The survey monitors recent stay satisfaction and value on a series of destination, attraction and hotel aggregates.

Data results were taken from a mail survey of travelers, taking place from February 2001 through January 2002. The sample includes visitors to Arkansas, within the past sixty days, as well as to the competing states of Texas, Oklahoma, Missouri, Mississippi and Tennessee. Specific objectives included identifying the major drivers of satisfaction and value and assessing the state's strengths and weaknesses versus its competition.

Results indicate that Arkansas is clearly a strong destination that has many favorable attributes when compared with its competition. Notable strengths include the scenic beauty, weather, cleanliness, hotel satisfaction, restaurant experiences and overall destination value. Arkansas outperforms its competitors on all drivers of overall destination quality. Its visitors perceive Arkansas to be a better value than other destinations in its competitive set. However, Arkansas performs marginally or poorly on a number of attributes that most travelers have come to expect as a given; hotel housekeeping, hotel pools and/or health clubs, hotel staff services, directional signage, informational materials and services, and educational value of attractions. Other areas that need attention include the quality of existing attractions, variety of attractions, attraction pricing and hotel products and services.

While the state rated favorably on overall hotel satisfaction, the availability of desired accommodations and friendliness of staff and cost, it performed poorly on hotel building and grounds, housekeeping services, and concierge and information services. Lounge/entertainment and design/decor also rated poorly. D.K. Shifflet recommended strategies to raise Arkansas's ratings.

An analysis of attraction strengths and weaknesses reveal improvement is needed in the areas of shopping, fairs and festivals, theme parks/kids' attractions, live concerts/arts, museums, historical sites, hotel child facilities, beaches/swimming areas, available local information, fishing/hunting, parks, adventure activities and boating. The state's cultural heritage attractions were rated the lowest of its competitive set, especially in the areas of educational value, price of admission and the cleanliness of the grounds. The state also rated low on attractions offering "something for all ages." Recommendations include improving cultural attractions' educational value, cleaning the grounds at the attractions, educating the staff on exhibits, area events and attractions and encourage them to cross-sell. Also train staff in quality customer service, basic general improvement in the areas of shopping facilities, fairs/festivals, museums, historic sites, and concerts/plays/performing arts. New tourism

products should be developed, the number and breadth of family attractions should be expanded and an effort to include "something for everyone." The availability of food and beverage also ought to be expanded and its pricing assessed. Communications should be focused on educational value, ease of access, quality and convenience of food and beverage on-site.

Arkansas is the only ValuePlus® state that scores strongly on all drivers of destination quality: scenic beauty, cleanliness, hotel satisfaction, restaurant experiences, overall destination value, weather, and friendliness of locals and affordability. However, visitors are unable to find information at their final destinations. They cannot find adequate directional signage needed to find the attractions, once they have the information.

Recommendations for these problems include, establishing comprehensive hospitality training in order to project a friendly, helpful, knowledgeable, and courteous demeanor to tourists in restaurants, hotels and attractions and to conduct citywide or regional familiarization tours to attractions and restaurants for front-line service staff to enhance cross-selling abilities. Possibly create a statewide hospitality worker attractions pass and restaurant discount program.

Although most states are experiencing declines in overall satisfaction, due to the increasing sophistication and affluence of the traveler, Arkansas has a chance to reverse this trend. A statewide cooperative effort must be conducted among public, private and non-profit partners within the tourism industry in order to accomplish its short and long-term goals.

A general discussion ensued as to why consumers return to the same state -- if it's because of the same activity or due to a new activity. Commissioners also discussed how the state could compete with other states that are able to offer more products than what Arkansas is able to offer. Mr. McWilliams noted that Arkansas is limited in the amount of money that can be invested in new attractions simply because of its population base. He further stated that the only way to drive tourism into areas that cannot support it is by low capital investment. He suggested capitalizing on the human and natural resources of the state. He also stated there are opportunities for growth.

Greg Butts noted that some of the visitors might mistakenly think they are calling and visiting a State Park when in reality they are visiting federal areas. Mr. McWilliams stated that the issue is a branding problem. He further noted there is no clear delineation, in consumers' minds, between a state and a national park or even between a national forest and a national park. He also stated that the only way to combat that is to go back to the consumer, have them identify where they visited and explain it to them. Debbie Haak agreed that it is a perception problem.

Ed McWilliams stated that the report received is syndicated research. It is only available for internal planning, research and strategy purposes. He stated that any information about Arkansas's competitors, individually and as a whole, cannot be released outside of the Department as per the terms of the contract. A document will be provided to Cranford

Johnson Robinson Woods, which includes the comp set for Arkansas. It can be released because it will be the comp set in aggregate and not by individual states. He asked that Commissioners and staff not share the report so that D.K. Shifflet could continue to provide the report at a low cost.

Ted Mullenix inquired if there was a way to figure out why people from a certain area came to Arkansas. Ed McWilliams stated that an analysis can be done by the brands they purchase and the media they watch. Another option, which was recently done for Hot Springs, is to look at what people are coming for based on activities and attractions and where else they went from the origin market and where else do other people go from the origin market to do the same things.

Marynell Branch questioned why hunting and fishing was listed in the assessment portion of things that need improvement when it received a high result on the hunting and fishing expectation. Ed McWilliams replied that the issue is not how much better Arkansas did than its competitors. What's important is the difference between the expectation and what was delivered. That amount of difference defines how much of a problem there is. The first thing to do is satisfy the customer and that it's important not to oversell to the consumer. Richard Davies noted that the report does not tell why consumers' expectations were not met. He further stated that last year's duck season was not very good and that fact may have played a role.

Ms. Branch stated that the breakdown included age and income levels and questioned if it also included race. Mr. McWilliams stated that it did not because a representative sample is chosen each month balance-based on age, sex, where people live, how many people live in the household, income, and education level. The panel is not representative of race. He further stated there is no panel in the U.S. that guarantees the race representativeness of the panel. He also stated that there is a tendency to overweight the influence of the few consumers who respond and may or may not be representative.

B. Preliminary Spring/Summer 2003 Print and Television Creative Discussion

Karen Mullikin stated that non-resident, leisure travelers are three-fourths of the target market and in-state residents are only one-fourth of the market. In the past, in-state travelers have generally been approximately one-third of the market, but research has shown the percentage dropped this year. Demographically, 30% are families and 31% couples; the rest are solo travelers or groups. Age-wise, 32% are under 35 years of age, 44% are 35-54, and the other 23% are 55+. The average household income, resident and non-resident is approximately \$56,500. The top feeder states are Arkansas - 26%, Texas - 18%, Missouri - 8%, Oklahoma - 7%, Louisiana - 6%. The largest markets are Dallas/Ft. Worth, Houston, St. Louis, Memphis, Tulsa, and Oklahoma City.

The message this year is "Relax on an Arkansas vacation," "Recharge your internal batteries with a vacation amid our spectacular, scenic, natural beauty," "Reconnect with your loved ones" and "Learn and teach your children about the world around you." All the ads also include the call to action, which is visit Arkansas.com or call 1-800-NATURAL.

Richard Davies questioned if everyone understood who is targeted and why because if they did not understand now, they would not understand the creative concepts. Commissioners discussed why certain markets were targeted and why as well as whether or not other markets would be productive, if targeted. Jim Gaston commented that the message does not need to be overly creative and needs to target the people that will come to Arkansas. He also noted that consumers want information quickly. Wade Williams questioned the timing of the ads. Ms. Mullikin replied that it is being considered. He stated that the planning cycle is taking place much closer to the travel time and questioned how that was being taken into account and if the distribution of the ads would be evened out. Ms. Mullikin stated that the media placement strategies are being looked at and they are not ready to discuss that issue at this point.

Bill Fitzgerald reminded Commissioners that although the process of the creative strategy is rewarding, fun and exciting process, it is also long and sometimes difficult. He stated that the objectives are to enrich the quality of life and to improve the economy of Arkansas by generating travel and enhancing the image of the state. He further stated that the ads could not be all things to all people and they relied on research to determine the target audience. The creative effort is based on qualitative and quantitative research, which helps to pinpoint what to show and how to talk to people as well as what images and what tone to use. A variety of sources and information is used to compile the strategy. Mr. Fitzgerald stated that four creative concepts were pitched to Richard Davies, Joe David Rice, and Nancy Clark. The present concept was chosen because it targeted consumers in a more relevant and meaningful way. He stated that people go on vacation to relax, recharge, reconnect, and to learn something new. Although the product has not changed, people have changed the way they plan their travel. He also stated that consumers are seeking more personal control and less stress in their lives. Objectives of the ads include grabbing the readers and holding their attention, a benefit and a message. They also must be memorable, show activities and beautiful scenery, identify photo locations and show geographic and ethnic diversity as well as show the state in the best light. Ads need to reflect the research, speak in the appropriate tone to the right audience, offer a VPK and direct readers to the toll-free number and web site, and identify Arkansas. Jim Gaston stated that an ad must also close the sale. Bill Fitzgerald agreed.

Mr. Fitzgerald stated that a total of six spread ads would be proposed, in September, as well as six two-thirds page ads, slightly less than last year. One overall concept with three slightly varied ads was presented to the Commission as well as two thirty-second television scripts. He noted that the photography is not final and would most likely change. Chuck Robertson explained the reasoning behind the concept and how it addressed the objectives. Commissioners discussed the concept and the message. Debbie Haak questioned the specific wording of the ad. Ted Mullenix requested that more attraction shots be used. He suggested

using an attraction shot in a scenic location as a way to keep the scenic photo and still show an attraction. Bill Fitzgerald replied that it is difficult to do that, but it would be considered. He further stated that Magic Springs is a good example, but that it is unique. Commissioners also discussed the use of the cell phone, the personal digital assistant (PDA), and the answering machine in the ads. Bill Barnes suggested a more patriotic approach and suggested the wording be more personal. He also inquired what state agency was responsible for the "Welcome to Arkansas" highway signs. Mr. Davies replied that the Highway Department is responsible for them. Mr. Barnes proposed the wording be changed to "The People of Arkansas Welcome You to Arkansas" instead. Commissioners generally agreed with the concept of the ads.

Two thirty-second television scripts were also explained to Commissioners for the concept and the message. The concept included a man tossing his cell phone into the water. Joe David Rice suggested having the person throw the phone into a trashcan or a car instead of the water. Debbie Wilson discussed a document that categorized shots by region, location, talent involved, the activity, and the season. Ted Mullenix asked that the same ratio of attractions be used in the television spots. Ms. Wilson replied that it would be done and that it's much easier to do that in television. Mr. Davies stated that it's not so much of a problem with the television commercials. Karen Mullikin interjected that there will be lots of activity and attraction footage in the new television spots.

Debbie Wilson explained how the music is chosen for the television spots. She played twelve demos from three music companies. The music is all custom and still in the demo stage, which means that synthesizers rather than instruments did most of the music. The final music will be edited to match the footage. Richard Davies noted that he thinks it's amazing the moods that can be created by the music. He reminded Commissioners to keep in mind what mood they wanted the spot to create when listening to the music. Ms. Wilson stated that the cuts would either be thirty or sixty seconds and Commissioners should listen to the style of the music in order to give direction.

Ms. Wilson stated that so many pieces were played to let Commissioners know they do not listen to just one piece of music and they do try several different things. Ms. Wilson also showed footage with the music and reminded Commissioners that the music would have to go with the footage as well as the voice over.

Wade Williams commented that the past music has become recognizable and in effect, branded. Ms. Wilson stated that it is an option to return to the older music. The general consensus among Commissioners was that they preferred the older music. Chairman Haak agreed and further stated that the music is an important part of the spot. Bill Fitzgerald stated that choosing the music is subjective and noted that the music was first used in 1994 and that music dates more quickly. Jim Gaston stated that the consumer does not hear it as often as Department or agency staff and noted his agreement with Wade Williams. Montine McNulty questioned if that meant that the music would never be changed. Wade Williams replied that it's music that was created and has become identifiable and that there is no reason to change it unless there is a reason or it has become dated. Richard Davies asked

Commissioners if they wanted to continue using a variation of the music, which would be the last two demos played. Ms. Wilson played the older music; from before last year and then demos numbered 11 and 12. Commissioners agreed that the direction of the music should be to keep it in the same style as the music used before last year.

Tourist Information Center Update

Joe David Rice stated that Governor Huckabee had announced that state-of-the-art Tourist Information Centers (TICs) that will be constructed at Dora (near Fort Smith), at Corning (near the Missouri border), and at El Dorado. He circulated copies of an article about the announcement of the Dora TIC. A copy of the architectural plans was also available to Commissioners. Mr. Rice stated the Highway Commission had been so helpful on the project that he recommended the Commission send a resolution of appreciation to Dan Flowers and his colleagues. Mr. Davies agreed.

Jane Christenson moved to approve a resolution of appreciation to Dan Flowers and his colleagues for their assistance on the Tourist Information Center Rebuilding project. Montine McNulty seconded and the motion carried.

Outdoor Writers Association of America Bid Results

Joe David Rice stated that he had accompanied Claude Legris and Fort Smith Visitor & Convention Bureau staff to Charleston, West Virginia to bid on the Outdoor Writers of America conference for 2004. Unfortunately, Fort Smith did not receive the conference; it was awarded to Madison, Wisconsin. He stated that a lot of good feedback had been received and he encouraged Mr. Legris to bid again.

Ad Agency Criteria and Questionnaire

Copies of the background information and agency selection questionnaire were distributed to Commissioners. Mr. Rice recommended that the one of the criteria be changed to "must have experience in developing integrated consumer-based marketing plans with annual expenditures of at least \$500,000" instead of \$250,000. He also suggested that interested ad agencies be limited to submissions of 50 pages. Montine McNulty asked if these were the same criteria as used last time. Mr. Rice replied that an Internet item had been added. Mr. Davies noted that these items are what will be sent to the advertising agencies.

Mike Mills moved to approve the background information and agency selection questionnaire. Jane Christenson seconded and the motion carried.

Section Reports

Research & Information Services

The section processed 32,074 requests for information during June 2002, a decrease of 17.6% from the previous year. Tourist Information Center visitation was 110,987, a decrease of 4.5% from last year's total. Requests for retirement/relocation information totaled 1,533, a 56.4% drop from June 2001. User sessions for all agency Internet sites totaled 264,961 during June.

Charles McLemore, with Alex Mitchell of Aristotle, presented the Arkansas 2001 Internet Conversion Study at the 33rd Annual Travel & Tourism Research Association conference. The Tourist Information Center rebuilding project is also progressing; with the Governor announcing plans for construction of new centers at Dora, Corning, and El Dorado. Staff members are preparing for the Spring Conversion Study as well as continuing to monitor the fulfillment process, make arrangements for FY 2003 sport and travel shows, and address brochure misrepresentation complaints.

Communications

The section had a team meeting to discuss section goals and priorities, story ideas, and photo assignments. Staff members also helped to develop and prioritize web site actions for the new fiscal year. Portions of the web site were also updated, including the Famous Arkansans section. A new cover has been designed for the media kit as well as accompanying CD jewel cases.

Jay Harrod attended the Travel Media Showcase and made contact with 19 members of the national media. Several of the writers were added to the release distribution list and most received media kits. Staff members filed releases, contributed to the e-newsletters, to ArkansasTravel.com, and to *Travelin' Arkansas*.

Group Travel

Staff member responded to 184 inquiries last month, bringing the year-to-date total to 978 requests for Arkansas group-related travel information. A Group Travel Marketing meeting was held June 4th to discuss CD-ROMs, tradeshow attendance, cooperative advertising, and sample itineraries. The section also hosted the "Exploring Southern Arkansas" familiarization tour June 18-22, 2002.

Tourism Development

All regional associations spent the allocated matching funds, except for the Arkansas River Valley/Tri-Peaks Association, which returned \$2,165. The remaining money was distributed between the other regions.

Available funding for the Arkansas Tourism Attraction Feasibility Matching Grant Program was announced to every county judge and mayor in the state. Completed applications for the first cycle are due on July 26th, September 27th for the second cycle and November 29th for the last cycle.

The 2002-2003 Fall/Winter Calendar of Events is set to print. All events can also be accessed online at Arkansas.com. Applications for entry into the 2003 Spring/Summer Calendar will be available on July 26th with the final deadline for entry set for August 23, 2002.

Marketing/Advertising Items

Big Bass Bonanza Report

Wayne Woods presented a press release regarding the third annual Arkansas Ford Dealers Big Bass Bonanza held July 12th & 13th. Montine McNulty stated that this is the first time the event was sponsored by the Arkansas Hospitality Association and it was very successful. It has become the largest amateur bass-fishing tournament in the nation with over 2,500 anglers participating, 10% of which were non-residents from nineteen states.

Media coverage was statewide and included a minimum of 30 television and radio stories in the central Arkansas market. Stories about the event also ran in several daily and weekly publications across the state.

Clay Guinn won the \$100,000 grand prize with a 6.21 pound bass caught from the Lake Dardanelle pool. Another \$113,600 was distributed in hourly prizes, place money and other awards. Arkansas Children's Hospital also received \$10,000 raised during the event.

Wal-Mart Fishing Trail Update

Shelby Woods presented a proposed plan for the Arkansas Fishing Trail, which includes having anglers purchase a special fishing license and guide at any Wal-Mart store. Special fishing licenses would be good throughout the promotion and would allow anglers to fish in all bodies of water selected for the Trail. Anglers would visit the local Wal-Mart to obtain a specific body-of-water stamp on a game card (enclosed in the guide) after fishing at the site. Each completed card would be eligible for a prize and a chance in a drawing for a larger prize. Details are still being refined for the Spring/Summer 2003 promotion. Mr. Woods conveyed his excitement for the project.

Miscellaneous

Karen Mullikin stated that Good Morning America has been contacted regarding its visit to Arkansas in the fifty States promotion. She stated that although the program will come to Arkansas, their staff does not know when or where in Arkansas nor do they know what the focus of the program will be. Ms. Mullikin stated that she had offered to send

information about what to see and do in Arkansas. She recommended putting together a package of all the things that people would like to host and ask that a cover letter from Governor Huckabee be enclosed. She also stated that agency staff would continue to follow up and assist the program. She also noted that the staff of Channel 7, in Little Rock, has also been helpful in the project. Polly Wood Crews suggested Commissioners write a letter of appreciation to the Governor.

Ms. Mullikin also noted that media coverage has continued about the Buffalo National River media event. She pointed out specific articles to Commissioners. Mr. Rice reminded Commissioners about the tourism-related articles in their folders.

Nancy Clark stated that there was a bigger carry over in the 2% fund than anticipated. As a result, \$50,000 can be reinstated to the Regional Matching Fund.

Danny Ford moved to approve reinstating \$50,000 to the Regional Matching Fund. Jane Christenson seconded and the motion carried.

Billy Lindsey mentioned that there were a number of proposed fishing changes, effecting bass as well as trout fishing. He suggested that interested Commissioners meet with Hugh Durham, Director of the Game & Fish Commission, Shelby Woods and Richard Davies and other Department staff to discuss the proposed changes. He feels that some of the changes will be beneficial, while others would not. He also stated that the Game & Fish Commission needs to be aware of the impact of the changes on the tourism industry.

Wayne Woods noted that CJRW will be producing the hunting guide, formatted like the fishing guide and hopefully available in September. He also stated that a limited amount of ads would be sold. The cover will feature deer, duck and turkey and possibly a few others. The objective is to drive the hunters to private areas and out of the wildlife management areas. Richard Davies agreed that it would be a popular piece. Wayne Woods stated that 100,000 copies would be printed. Shelby Woods stated that a market would have to be developed and promoted for private land hunting.

PARKS DIVISION

Parks Committee Meeting Report

Recreational Metal Detecting

Bill Barnes said Greg Butts had been contacted by Mr. James Beyers who is the Secretary of the Arkoma Coin & Relic Club of Siloam Springs seeking permission to use metal detectors in State Parks. He said that Mr. Butts had obtained information from the National Park Service, the U.S. Forest Service and State Park systems throughout the country on their policies on the use of metal detectors, and that most of the policies are very restrictive. Mr. Barnes said that following discussion by the State Parks Committee, a motion was made to recommend to the Commission that the existing policy be retained that

prohibits Recreational Metal Detecting in Arkansas State Parks. Mr. Barnes said it was the feeling of the Committee that there could be some serious soil disruption, and it would be a recreational activity that would require determining how it should be regulated, and it would be difficult to monitor and control. Mr. Butts' concern is if permission were given to metal detect in a specific area that some users may not remain in permitted areas and move into sensitive natural and archeological areas. Mr. Barnes said it was Mr. Butts' request, and with the agreement of the Committee, to maintain the existing policy of prohibiting the use of metal detectors in state parks.

Mr. Butts said 48 states responded to the survey. Thirty-seven states do allow recreational metal detecting but it is very restricted. The National Park Service does not permit it. The U.S. Forest Service allows it outside developed areas. The U.S. Army Corps of Engineers has a national policy that permits it, but it is left up to the local reservoir manager or district engineer to make the decision based on whether or not a cultural resource survey has been conducted. Mr. Butts believes that Mr. Beyers and his group will probably go to the Legislature to try to draft a law that allows the activity. He said state parks cannot be all things to all people and if we rule out the areas where we would not allow metal detecting, it would not leave many places for the activity.

Polly Wood Crews moved to retain the existing policy that prohibits metal detecting in Arkansas State Parks. Jane Christenson seconded and the motion carried.

Geocaching

Bill Barnes explained that Geocaching is an activity in which one places a container with various items in it (known as a cache) in a specific location and posts the global positioning coordinates on a web site. People then try to locate the cache using a GPS unit. Mr. Barnes said this has become a very popular activity. One of the problems with this is sometimes caches are placed in sensitive areas. Another is that an illegal substance or harmful device could be placed in the cache. Mr. Barnes said the Committee moved to recommend to the Commission that Geocaching be allowed and staff develop a policy on the activity. He said Mr. Butts would develop the policy that is as liberal as it can be but with controls that make sense.

Wade Williams said the Committee had been provided with information from the Geocaching web site that indicated that there are numerous caches in Arkansas State Parks. He said it is already going on and the development of a policy would allow it to be regulated. Mr. Williams suggested there be virtual Geocaching that would involve a natural object as opposed to an actual container. Greg Butts said it is important the activity be controlled so it is not conducted in sensitive or unsafe areas. Also, it would be essential that the same place not be used over and over, which could result in the creation of trails.

Ted Mullenix moved to allow Geocaching in Arkansas State Parks, and direct staff to develop a policy that establishes rules and regulations for the activity. Wade Williams seconded and the motion carried.

Senior Camping Discounts

Bill Barnes said Greg Butts had provided information on senior and disabled camping discounts in state park systems throughout the country. Most states offer some discount, however, hardly any offer the level of discount that seniors receive in Arkansas. There seemed to be a consensus on the Committee that we needed to look at discounting but were very concerned about the political fallout and how the public would perceive it. There was quite a bit of discussion about the fact that many of the Committee members feel like the real discount should be to young families. Mr. Barnes said the Committee discussed at length the possibility of eliminating the senior discount only on holidays and weekends, during the season or year-round. There was also the suggestion of changing the discount from 50% to a fixed dollar figure, such as \$5.00. Mr. Barnes said ASP has 1,795 campsites and there are 7,159 federal sites, most of which are Corps sites. In 1994, when the senior discount was dramatically changed, a significant number of seniors left the state parks and went to federal sites. At the same time, the number of state park sites rented by non-seniors increased by 9,799. The gross income to the park system went up by approximately \$104,000. Mr. Barnes said, in his opinion, when the seniors left, it opened up campsites that otherwise would not have been available to non-seniors that were paying full rate. Mr. Barnes said the subject was debated extensively during the Committee meeting. The Committee passed a motion recommending to the Commission the elimination of senior camping discounts on Friday and Saturday nights, and Holidays on a year-round basis. Mr. Barnes added that the motion barely carried. There were very valid concerns, and the Committee felt that the subject should be brought before the full Commission for discussion.

Greg Butts said 31 states do provide a senior discount. Ten give a 50% discount, but in some instances, it is only to in-state citizens and is only offered Sunday through Thursday nights. Mr. Butts said in 1993, \$7 million was cut from state parks operation budget. As a result, the day-use fee program became effective in 1994. The reduction in the senior discount was \$3 on Class A sites (\$12.00 full price), and \$2.00 on Class B sites. In 1994 camping fees were increased 50¢ and the day-use fee program commenced. Mr. Butts said ASP is still today not back to where it was in 1993 with total campsite rentals. The Commission voted in August 1994 to return the senior discount back up to 50% if the 1/8¢ Conservation Tax passed, or General Revenues were restored to the previous level. The 1/8¢ was thrown off the ballot but ASP did get its General Revenue back. Mr. Butts said adjustments need to be made but his concern is the approaching elections and the Legislative Session in 2003. The reality is most seniors could afford a reduction in the discount but the perception is the seniors campaigned in 1994 and 1996 for the passage of A-75. Their support was a result of the promise of returning the 50% camping discount. Mr. Butts believes it is something that can be eased into over time but he is not sure it is worth the potential battle that could ensue over ASP's budget during the next Legislative Session.

There will be a lot on Legislators' plates - the economy, school funding situation, what is going to happen with the interpretation on the Lakeview School lawsuit and the potential elimination of the sales tax on groceries that will reduce funding available for state agencies. Mr. Butts fears that seniors will assume that the Legislature will have to raise the state sales tax to pay for the school systems and, because the economy is down and with the probable elimination of the sales tax on groceries, reducing camping discounts will be perceived as another "increase" in seniors' cost of living. Referring to perception vs. reality, Mr. Butts said he is not sure it is worth the fight that we may go through in order to protect General Revenue, which is less than in the past, and the 1/8¢ Conservation Tax. The other possibility, which is what some other states do, is to reduce or eliminate the senior discount to out-of-state visitors. Mr. Butts said SPRTC wears both a tourism hat and a park hat, and sometimes it is difficult to wear both at the same time, but it is necessary. Mr. Butts said in our parks that are on federal property, we cannot discriminate between out-of-state visitors and Arkansans. Therefore, if we were to change the senior discount, it would also apply to Arkansans visiting Bull Shoals-White River, Lake Dardanelle, Millwood, DeGray, Daisy, Lake Ouachita, Mt. Magazine and it will include Mississippi River. Mr. Butts said he is concerned about what could happen during the Legislative Session, the promise that was made in 1994 and is this the right time to make the change.

Bud Shamburger said two or three Committee members voted for the motion so it could be discussed during a full Commission meeting. He said he is not in favor of changing the senior discount because of the promise that was made. Without the senior support, ASP would not have the 1/8¢ funds. The seniors wrote an article in the state AARP magazine and seniors returned to state park campgrounds.

Billy Lindsey said he is opposed to discounts for any group. What might be done in the future is offer the discount during the week for a given period of time throughout the year. Mr. Lindsey said ASP needs seniors during the week and in the off-season. His concern is timing of the proposal. We are coming into a Legislative Session where we will have many new legislators who were not around during the passage of A-75 or the 2% Tourism Tax. It will be a very difficult year, economically, for Arkansas. The Legislature will be scrambling, trying to make ends meet, and every agency and every department will fall under scrutiny. Mr. Lindsey said the position he would like to see the Commission take would be to put the proposal on hold until this same period next year. At that time the Commission can look at implementing it. That will give time to work with Legislators and make them aware of how important these programs are. Mr. Lindsey feels that Legislators would never ordinarily support these dedicated taxes. They supported them because it was the right thing to do. Mr. Lindsey said, though we made a promise in 1994, it can't last forever due to reductions in operational funds.

Richard Davies said there is very little disagreement as to the justification for seniors getting a discount. There is very little proof that most need it anymore. Mr. Davies said the issue for him is how we could be punished for eliminating the discount. He said he likes the idea of reciprocal arrangements with other states.

Wade Williams said when he made the motion during the Committee meeting his thinking was that a small enough piece would be taken away that it might, in reality, be under the radar of seniors. He feels there will be a lot of other issues seniors will be concerned about next year. He understands there is still the perception we are taking something away from them. If it weren't for that concern his proposed discount reduction would have been greater.

Wade Williams moved that staff develop a plan to implement at one time, or phase in over a period of years, the reduction or elimination of senior camping discounts, and report back to the Commission in May 2003 with the plan. Billy Lindsey seconded and the motion carried.

Richard Davies said there is a potential of having on the ballot in November a measure to remove sales tax from food and drug sales, and possibly from restaurant sales. The loss of A-75 revenue to state parks, should this measure pass, would be \$4 million per year. Mr. Davies said, if that happens, there may be more justification for reducing discounts next year. He said we might also look at reciprocal arrangements.

Bill Barnes said another area that was discussed during the Parks Committee meeting was the state park campground reservation policies and rules. Mr. Barnes said the Committee requested that a review of campground operation policies be done and a report be presented at the next Commission meeting.

Lake Ouachita State Park

a) Long Range Development Plan

Stan Graves said the park, which encompasses 370 acres, is classified as a recreation park. The park was established in 1955 and is leased from the US Army Corps of Engineers (COE). Mr. Graves said the area was popular long before the development of Lake Ouachita because of the springs that exist.

Mr. Graves said the plan includes renovation of the Visitor Information Center (VIC). An original restaurant burned in 1989. Because of the central location of the VIC, it was decided to move the restaurant function into the VIC; however, it has not been successful. The plan calls for moving the administrative offices into the snack bar area and that would provide more room for the gift shop. Mr. Graves said this change would enhance the operation of the park. The boat launch ramp, the marina and the day-use area are all located in the same area and that makes it very congested. The plan calls for moving the wastewater treatment plant out of this area and building a pavilion. Disbursing use, a second swimming beach will be added for day-use along with terraced picnic sites, and the existing beach will be retained for over-night guests. Mr. Graves described the improvements that have already been made to the playground. The campground areas will be upgraded with the addition of sewer hook-ups and 50-amp service. Renovations will be done at the Three Sisters Springs with barrier-free parking improvements and the addition of native landscaping. Deteriorated

floatation cells under the small docks at the marina will be removed and replaced with enclosed units as specified by COE standards. Other areas addressed by the plan include improvements to the boat ramps, the development of a dry boat storage area, and the addition of 24 covered slips at the marina. Bill Barnes said he had asked if there was a significant waiting list for boat slips. He said there is, and he is in support of adding additional slips. Mr. Barnes discussed the difference in wiring needs for houseboat slips and the resulting cost per slip increase, and the fueling requirements. He said several smaller slips could be put in the same spot and are more profitable. Greg Butts said this would be an opportunity to help the bottom line when it is needed the most. A discussion followed regarding the road connecting Highways 7 and 227.

Stan Graves said dry boat storage and cabins are proposed for Point 50. Wade Williams said the proposed boat storage area does not seem to be very conveniently located. Mr. Barnes said the ratio of wet to dry boat storage demand is 50-100 to one, therefore, he does not feel it is necessary. He also asked if it would be better to locate the wastewater treatment plan in some other area than at Point 50. Mr. Graves said the proposed facility is a long way from the lakeside and based on costs, is the most practical location. He added that moving camping to the Point 50 area had been considered but, due to the terrain, there is no lake access, which makes it not a favorable location for day-use either. Mr. Graves said Point 50 lends itself to the development of cabins. Upgrading of the campsites was discussed and Mr. Shamburger suggested that sites be enlarged. Greg Butts said the slide-outs on both sides of recreational vehicles had necessitated the taking out of trees. Mr. Butts said he had taken advantage of the Good Sam members' knowledge in clearing the area around campsites. Mr. Barnes said the demand for more and larger sites is growing and he feels, as campgrounds are improved, the number of sites should not be decreased but remain the same to accommodate future needs. Mr. Graves said that is the goal. Discussing bathhouses, Mr. Shamburger said it is tent campers who use bathhouses, not RV campers.

Mr. Graves said more cabins are needed and the plan calls for them to be located on Point 50. Also being considered is the possibility of adding cabins that would be accessible by either boat or a floating walkway. Bill Barnes said every time a state park rents a cabin, the probability exists that it is a cabin that might have been rented by private enterprise. Mr. Barnes listed the businesses in the area that have cabins and are adding additional units. Greg Butts said the cabins are running 65% annual occupancy which is very good. Mr. Butts said the demand exists for more cabins. He said if State Parks had enough money from the Legislature to run the State Park system, the need for additional revenue would not be an issue. Danny Ford said we have to manage the money we have the best way we can. It is hard to make more revenue and cabins help cash flow for parks. Mike Mills said each time a state park adds a cabin it subtracts a cabin from a private business. Mr. Mills said the state park cabin rental rates are artificially low, therefore, taxpayers subsidize them. Debbie Haak said she does feel there will be an agreement of this issue. Ms. Haak said it is the charge of Richard Davies and Greg Butts to look at what is good for State Parks and trust their judgement.

Bud Shamburger moved to approve the Lake Ouachita long-range development plan as presented. Danny Ford seconded.

Richard Davies said it is important for parks to provide a variety of experiences. Mr. Davies said he understands what both Bill Barnes and Mike Mills have said, and he is not in the position of having to make a payroll from cabin revenue. However, he felt that cabins in some of the state parks are expected by the public and have been a tradition since the 1930's.

Bill Barnes said state parks have advantages over private businesses because of the ability to make bulk purchases, plus free advertising. He said there are marketing, tax and insurance advantages that give state park cabin operations a financial advantage over what private enterprises can do. Mr. Barnes said he believes at Lake Ouachita there is a bigger demand for enhanced RV spots. He feels the funds for cabins could better be spent on other facilities. Mr. Shamburger said our state park system is one of few attractions that Arkansas can offer out-of-state visitors. He said we are using state parks as a magnet to draw people to the state, and when here they have the chance to see and use private facilities. Out-of-state visitors may visit private facilities and decide to stay there on their next visit. Mr. Shamburger said cabins in state parks are right for the whole. Mike Mills said his opposition is that almost every new park plan includes the addition of cabins. Mr. Shamburger said Mr. Mills appeals to a different market than the one that utilizes state park cabins. Richard Davies said the plan states that the Department will evaluate the feasibility and visitor demand before the construction of new cabins. Greg Butts said the plan would be revised and it will include that before new cabins are built, a new plan would be presented to the Commission.

A vote was taken and the motion carried.

Debbie Haak said it is very important that each Commissioner know what promises were made with the passage of Amendment 75. Ms. Haak requested an update on what changes have been made and what has been accomplished.

Lake Ouachita State Park

b) Removal of Structure

Stan Graves requested approval to remove a 645-sq. ft. structure that had been used as an employee residence. He said it is deteriorated and is no longer safe to occupy.

Wade Williams moved to approve removal from inventory a former employee residence Building #10.10. Bud Shamburger seconded and the motion carried.

Mississippi County - Land Sale Bid Results

Greg Butts said all but one of the parcels of land located in Mississippi County had been sold higher than the original purchase price in the late 70's and early 80's. The Commission had previously approved the sale of lands at the former state park site. Mr. Butts said the proceeds would be used to start the design of the new park on the St. Francis National Forest.

Mt. Nebo State Park - Chicken Fry Concession Operation Agreement.

Greg Butts said the Department has had for a number of years an agreement with the Dardanelle Chamber of Commerce to hold its annual Chicken Fry event at the park. Mr. Butts proposed to renew the five-year agreement, with the Chamber paying 10% of the net proceeds to the Division.

Bud Shamburger moved to approve a five-year renewal of the concession agreement with the Dardanelle Chamber of Commerce for its annual Chicken Fry at Mt. Nebo State Park. Danny Ford seconded and the motion carried.

Certificate of Appreciation

Greg Butts said Don Ross, Regional Supervisor of Region I is retiring after 32 years of dedicated service. Mr. Butts requested a Certificate of Appreciation for Mr. Ross acknowledging his outstanding contributions to the state park system.

Polly Wood Crews moved to approve a Certificate of Appreciation for Don Ross. Jane Christenson seconded and the motion carried.

Proposed 2003 Fees & Rates

Greg Butts said this is the first meeting to begin the process of establishing the fees and rates for calendar year 2003. Mr. Butts said a memo had been included with the Commissioners materials that indicates the highlights of recommended changes along with the marked-up policy directive that shows the changes. Mr. Butts said tentative approval by the Commission would be made during the August meeting. September will be the public comment meeting and final approval by the Commission. Mr. Butts said the rates for cabin and lodge rates were increased by 5% for calendar year 2002. Camping rates were increased by 50¢. It is the feeling of the staff that for 2003 that the line be held on the majority of rates for another year, other than the recommendations indicated in the marked-up copy. Mr. Butts asked the Commissioners to bring the materials on the proposed 2003 fees and charges to the August and September meetings.

Capital Improvements Quarterly Report

Stan Graves said over \$92.8 million in major renovations, capital improvements and land acquisitions are underway. Mr. Graves said \$4.1 million in projects were closed out for the quarter, April through June 2002.

Miscellaneous

Greg Butts thanked Montine McNulty and Jane Christenson for attending the dedication of the new Tournament Fishing Weigh-in Pavilion at Lake Dardanelle State Park. Mr. Butts said that on August 23rd at Old Washington Historic State Park an Open House would be held for the 1874 Hempstead County Court House, the WPA Gymnasium and the Crouch House. The new CCC statue was dedicated at Devil's Den State Park on June 30th. Mr. Butts said it was very gratifying to meet the CCC men who created Devil's Den.

Debbie Haak thanked Mike Mills for hosting the Commission meeting. Mr. Mills said it was a pleasure having the Commissioners. Ms. Haak reminded the Commissioners that they would be meeting with the U.S. Army Corps of Engineers at the August meeting in Ft. Smith. She said they are very eager to meet with the Commission. Richard Davies said to let him know prior to the meeting if there is an issue that needs to be discussed with the Corps. Ms. Haak asked everyone to read the Shifflet marketing report. Montine McNulty said she will come back with a plan on what the Arkansas Hospitality Association can do in response to some of the areas of concern raised in the report. Debbie Haak said state parks needs to make the same commitment.

Debbie Haak recognized Terri Cochran, owner of the Shady Oaks Campground in Harrison. Ms. Cochran said she had worked with the Arkansas Highway and Transportation Department (AHTD) for the past year in an effort to have a sign installed indicating the direction of her campground. She said the AHTD had refused because Highway 7 is designated as a scenic highway. Ms. Haak asked Mike Mills to discuss the problem when he meets with his Legislators, and Joe David Rice to see if he can help in some way. Richard Davies pointed out that the Shifflet report also indicated a highway signage issue.

Polly Wood Crews moved to adjourn the meeting. Jane Christenson seconded and the motion carried.

The meeting adjourned at 10:00 a.m.