

**LEGISLATIVE-CITIZEN COMMISSION ON MINNESOTA RESOURCES**

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Susan Thornton, Director

**MINUTES**

**Wednesday, November 28, 2012**

**9:00 a.m. – 4:15 p.m.**

**State Office Building, Room 5**

**St. Paul, MN 55155**

Members Present: Al Berner, Jeff Broberg, Tom Cook, Sen. Gary Dahms, Sen. Al DeKruif, Sen. Kari Dziedzic, Nancy Gibson, John Herman, Rep. Tom Hackbarth, Norman Moody, Sen. Gen Olson, Rep. Ron Shimanski, Rep. Paul Torkelson, Elizabeth Wilkens

Staff Present: S. Thornton, M. McDonough, M. Banker, D. Griffith

Members Absent: Rep. David Dill, Rep. Tom Rukavina, Sen. Rod Skoe

**Co-Chair: Nancy Gibson**

**1. Approve agenda for LCCMR meeting for November 28, 2012**

Co-Chair Gibson called the meeting to order at 9:05 a.m.

MOTION: Commissioner Moody moved to approve the agenda for LCCMR meeting for November 28, 2012 – motion prevailed.

**2. Approve the minutes for July 11, 2012**

MOTION: Commissioner Broberg moved to approve the minutes for July 11, 2012.

AMENDMENT: Commissioner Dahms moved to correct the minutes to remove the underlined language from the motion on page 11 on July 11, 2012 draft minutes:

“MOTION: Commissioner Dahms renewed his motion to add Line 19 from the blue sheet ENRTF ID: 023-B “Conservation Grazing to Improve Wildlife Habitat on WMAs” at \$600,000 for the first year onto the allocation sheet with a contingency that all revenue generating through grazing be returned to the Environment and Natural Resources Trust Fund – motion prevailed.”

MOTION RENEWED: Commissioner Broberg accepted Commissioner Dahms amendment and renewed his motion to approve the minutes for July 11, 2012 as corrected to edit the motion for ENRTF ID: 023-B “Conservation Grazing to Improve Wildlife Habitat on WMAs” by deleting “with a contingency that all revenue generating through grazing be returned to the Environment and Natural Resources Trust Fund” – motion prevailed.

**3. Members report potential conflicts of interest regarding today’s business**

**MS 116P.09 Subd 6 Conflict of interest. A commission member, technical advisory committee member, a peer review panelist, or an employee of the commission may not participate in or vote on a decision of the commission, technical advisory committee, or peer review panel**

Alfred Berner, Jeff Broberg, Tom Cook, Sen. Gary Dahms, Sen. Al DeKruif, Rep. David Dill, Sen. Kari Dziedzic, Nancy Gibson, John Herman, Rep. Tom Hackbarth, Norman Moody, Sen. Gen Olson, Rep. Tom Rukavina, Rep. Ron Shimanski, Sen. Rod Skoe, Rep. Paul Torkelson, Elizabeth Wilkens

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relating to an organization in which the member, panelist, or employee has either a direct or indirect personal financial interest. While serving on the commission, technical advisory committee, or peer review panel, or being an employee of the commission, a person shall avoid any potential conflict of interest.

Members reported no conflict of interests for today's meeting.

Susan Thornton reviewed the meeting packet for today's meeting.

#### 4. **DNR Commissioner Tom Landwehr – Request to discuss proposed “direct and necessary” expenses**

DNR Commissioner Tom Landwehr and Denise Anderson (DNR) presented an overview of the “DNR’s Proposed Direct Support Services.

Members asked how the Lessard-Sams Outdoor Heritage Council (LSOHC) has dealt with the issue of supplant vs. supplement. Bill Becker, Director LSOHC, responded at the request of the Co-Chair Gibson that the Outdoor Heritage Fund (OHF) constitution and language does not use the word “supplant” it states “substitute”. Mr. Becker said the Council approved the “DNR shared-services request” tepidly not whole heartedly. Mr. Becker clarified that all proposers had the opportunity to request direct and necessary cost funding from the OHF.

#### 5. **Commission discussion of “direct and necessary” eligible cost expenditures for M.L. 2013 recommendations**

Members continued discussions of the “direct and necessary” eligible cost expenditures.

**MOTION:** Commissioner Dziejcz moved to approve the entire dollar amount but not necessarily approving the direct and necessary costs as proposed and let the LCCMR working group and the legislature review for final approval regarding payment of these proposed expenditures.

Member discussion:

- The LCCMR subcommittee (working group) can come back later and make changes later
- We are making recommendations for the legislature to act on – this is a work in progress to be resolved. The subcommittee can do more work with this.
- This is a temporary solution.
- This is a short term fix. It is a backdoor way to pull money out of these dedicated accounts – is this a onetime deal?
- Work plans let us adjust the expenditures in the work plans after the session.
- These work plans do not fit our criteria. We currently have a definition of ineligible costs that does not include what the DNR is requesting.
- The proposed expenditures are fixed costs – clearly not eligible.

**MOVED TO AMEND:** Commissioner Broberg moved to amend the motion to approve the requested appropriations for the DNR and their justifications for these direct and necessary and that DNR will have to document these expenses. Commissioner Dziejcz accepted the amendment.

Commissioner Olson explained that the legislature will most likely have guidance regarding eligible and ineligible expenses for appropriations during the upcoming session.

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MOTION RENEWED: Commissioner Dziejczic renewed her motion as amended by Commissioner Broberg to approve the requested appropriations for the DNR and their justifications for the direct and necessary – motion prevailed.

### **6. Discuss status of contract fiscal agent for non-state appropriations – LCCMR staff**

Commissioner Gibson reminded members of the history of the contract fiscal agent.

Susan Thornton explained that the LCCMR staff has been fact finding information for contract fiscal management as requested by the LCCMR. Ms. Thornton explained that the executive branch is responsible for being the fiscal agent for the LCCMR work plans and the LCCMR staff is to assure the work plans are in compliance. Ms. Thornton also stated LCCMR staff and LSOHC staff visited with Department of Administration and the DNR contract staff.

Susan Thornton explained that this has been stated as a legislative policy issue. Ms. Thornton said LCCMR staff and LSOHC staff are working together to ensure fairness and consistency between the expenditure and reimbursement procedure for the OHF and ENRTF.

Susan Thornton suggested the LCCMR Commission should discuss clarifying the role of the contract fiscal agent to alleviate any further confusion.

### **7. Establish LCCMR subcommittee to discuss contract fiscal agent for non-state appropriations and “direct and necessary” eligible expenses for future proposals**

Commissioner Gibson began a discussion on a LCCMR subcommittee to discuss contract fiscal agent for non-state appropriations and “direct and necessary” eligible expenses for future proposals.

MOTION: Commissioner Dahms moved to have the new LCCMR Executive Committee meet after the first of the year to appoint the members to the subcommittee on these issues – motion prevailed.

### **8. Review Environment and Natural Resources Trust Fund M.L. 2013 (FY 14-15) recommendations from July 11, 2012 and discuss the remaining dollars for FY14 available for recommendation**

Commissioner Gibson began the review of the July 2012 recommendations.

MOTION: Commissioner Moody moved to reduce the biennial LCCMR administrative budget by \$10,000 to \$990,000 as recommended by LCCMR staff – motion prevailed.

Dollars remaining for allocation total \$2,228,000 include the additional \$10,000 from the administrative budget and the adjustments made since the LCCMR allocation meeting on July 11, 2012. Susan Thornton reminded members of letters in their packets related to recommended appropriations and proposed adjustments for consideration. Ms. Thornton also reminded members that staff were instructed to work with proposers on the July allocations and to come back to the LCCMR with any significant requested adjustments for consideration

MOTION: Commissioner Broberg moved to approve the staff recommendations as follows:

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- ENRTF ID: 089-E2 "Harnessing Soudan Mine Microbes: Bioremediation, Bioenergy, and Biocontrol" increase by \$419,000 from FY2014 (new total \$838,000 (proposal requested amount) from FY14)
- ENRTF ID: 048-C2 "Search and Destroy Target Invasive Plant Species" increase by \$50,000 from FY2014 (new total \$350,000 from FY14)
- ENRTF ID: 139-I "Evaluating Lake Superior's Health in a Changing World" increase by \$200,000 from FY2014 (new total \$600,000 (proposal requested amount) from FY14)
- ENRTF ID: 050-C2 "Improving Emerald Ash Borer Detection Efficacy for Control" increase by \$200,000 from FY2014 (new total \$600,000 from FY14)
- ENRTF ID: 013-B "How Do Natural Copper-Nickel Bedrocks Influence Water Quality?" move the dollars from FY2015 of \$292,000 to FY2014 at \$292,000 (new total \$585,000 from FY14)
- ENRTF ID: 106-F "Minnesota Conservation Apprentice Academy" move the dollars from FY2015 of \$93,000 to FY2014 at \$93,000 (new total \$186,000 from FY14)
- motion prevailed

Dollars remaining for allocation total \$984,000 from FY14.

Members discussed a process for allocating the remaining dollars from FY14 as to whether to restore additional funding to recommendations or give further consideration to proposals remaining that received a hearing but not a funding recommendation to date.

MOTION: Commissioner Broberg moved to increase ENRTF ID: 058-D "Scientific and Natural Areas Restoration, Enhancement and Citizen Engagement" by \$500,000 from FY14 specifically for acquisition – motion did not prevail.

MOTION: Commissioner Dahms moved to review proposals currently having a recommended allocation and not to further review other proposals on the hearing list.

Member discussed different options as to how to proceed.

MOTION RENEWED: Commissioner Dahms renewed his motion to review proposals currently having a recommended allocation and not to further review other proposals on the hearing list.

MOVED TO AMEND: Commissioner Moody moved to amend that 3 additional projects that received a hearing but currently recommended for funding be accepted for discussion for funding – motion did not prevail. (7 – Yes / 7 – No).

MOTION RENEWED : Commissioner Dahms renewed his motion to review proposals currently having a recommended allocation and to not further review other proposals on the hearing list – motion prevailed.

Members recessed at 12:25 p.m.

Members reconvened at 1:05 p.m.

### 9. Review M.L. 2013 draft bill appropriation language and related draft work plans/budgets submitted and appropriation extension requests

- ACTION: Vote on M.L. 2013 recommendations – SUPERMAJORITY of 12 MEMBERS REQUIRED

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MOTION: Commissioner Olson moved the draft bill appropriation language with the additional changes adopted on spreadsheet titled "M.L. 2013 Environment and Natural Resources Trust Fund Recommendation as of 07/11/12 and Considerations for Remaining FY14 ENRTF Funds on 11/28/12" (Attachment #1) - motion prevailed.

MOTION: Commissioner Moody moved to increase ENRTF ID: 22-B "Enhancing Timber Sale Program Environmental and Economic Sustainability" by \$86,000 from FY14 (new total \$336,000) – motion prevailed.

MOTION: Commissioner Gibson moved to increase ENRTF ID: 058-D "Scientific and Natural Areas Restoration, Enhancement and Citizen Engagement" by \$250,000 from FY14.

MOVED TO AMEND: Commissioner Moody moved to amend the motion that the parcels purchased will be open to hunting and fishing. Commissioner Gibson did not accept the amendment. Motion withdrawn.

MOTION RENEWED: Commissioner Gibson renewed her motion to increase ENRTF ID: 058-D "Scientific and Natural Areas Restoration, Enhancement and Citizen Engagement" by \$250,000 for acquisition from FY14 – motion did not prevail.

MOTION: Commissioner Berner moved to increase ENRTF-ID: 001-A "Sustaining Lakes in a Changing Environment – Phase II" by \$500,000 from FY14 (new total \$1,200,000) – motion prevailed.

MOTION: Commissioner Torkelson moved to allocate the remaining FY14 dollars to ENRTF ID: 033-C1 "An Aquatic Invasive Species Research Center to replace an equal dollar amount recommended for FY15 – motion did not prevail.

MOTION: Commissioner Broberg moved to increase ENRTF ID: 042-C1 "Detection and Monitoring of Asian Carp Populations" by \$265,000 from FY14 (new total \$540,000) – motion prevailed.

MOTION: Commissioner Shimanski moved to increase ENRTF ID: 084-E1 "County Geologic Atlas – Part B" by \$101,000 from FY14 (new total \$1,200,000) – motion prevailed.

MOTION: Commissioner Moody moved to increase ENRTF ID: 068-D "Preserving Avon Hills Landscape – Phase II" by \$22,000 from FY2014 (new total \$772,000) – motion prevailed.

MOTION: Commissioner Broberg moved to adopt the spreadsheet titled "M.L. 2013 Environment and Natural Resources Trust Fund Recommendation as of 07/11/12 and Considerations for Remaining FY14 ENRTF Funds on 11/28/12" as amended by the motions adopted – motion prevailed.

MOTION: Commissioner Dahms moved to revise page 6 lines 44-46 from the draft bill appropriation language from "The provisions of Minnesota Statutes, section 116P.10 apply to any revenue generated as a result of this appropriation." to "Any revenue generated as a result of this appropriation must be reinvested in producing plans, conducting maintenance, or building infrastructure for new or existing conservation grazing efforts." - motion prevailed.

MOTION: Commissioner Moody moved to add language to extend the availability of M.L. 2010, Chp. 362, Sec. 2, Subd. 5a "Understanding Sources of Aquatic Contaminants of Emerging Concern" and

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M.L. 2010, Chp. 362, Sec. 2, Subd. 04h "Conserving Sensitive and Priority Shorelands in Cass County" to June 30, 2014 – motion prevailed.

MOTION: Commissioner Olson moved the adoption of the M.L. 2013 recommended appropriation language for FY14 (\$33,810,000) and FY15 (\$4,350,000) Environment and Natural Resources Trust Fund Recommendations as amended – motion prevailed (unanimous).

**10. Minnesota Landscape Arboretum request to sell 18.13 acre parcel partially acquired with ENRTF in 1999 and replace with parcel to be partially acquired with M.L. 2013 recommendation according to procedures in 116P.15**

Peter Moe (Operations Director - MN Landscape Arboretum) presented a review of the land the Arboretum is requesting to sell and the process to be used. (See Attachment #2)

Members discussed M.S. 116P.15 requirements and the application to the request.

MOTION: Commissioner Olson moved to approve the request to sell the 18.13 acre parcel partially acquired with ENRTF dollars in 1999 and replace with parcel to be partially acquired with M.L. 2013 recommendation and an additional \$505,000 to be provided by the U of MN according to procedures in M.L. 116P. 15 – motion prevailed.

**11. Adopt 2011-2012 Biennial Report outline – due January 15, 2013**

Susan Thornton reviewed the outline of the Biennial Report process.

MOTION: Commissioner Broberg moved to adopt the Biennial Report outline for completion of the report due on January 15, 2013 – motion prevailed.

**12. LCCMR Member report on discussions with DNR on working relationship**

Commissioner Gibson suggested that the Commissioner of DNR present at the next LCCMR meeting after the new appointments have been made.

**13. Discuss 2013 Calendar and RFP process**

Members discussed possible future meeting dates during the Legislative Session. A potential next meeting date is after House floor session Monday, January 28, 2013.

**14. Update on peer review for FY14-15 recommendations – LCCMR staff**

Michael McDonough reviewed the peer review process for FY14-15 recommendations.

**15. LCCMR website redesign - LCCMR staff**

Mike Banker reviewed the website redesign.

**16. Other business (as needed)**

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Commissioner Gibson and members gave recognition to all the LCCMR members retiring at the end of this year – Sen. Gen Olson, Al Berner, Sen. Al Dekruif, Rep. Tom Rukavina, and Rep. Ron Shimanski.

**17. Adjourn**

Meeting adjourned at 2:55 p.m.

  
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