

Susan Thornton, Director

MINUTES

Monday, February 25, 2013

5:30 p.m. – 8:30 p.m.

State Office Building, Room 5

St. Paul, MN 55155

Members Present: Jeff Broberg, Tom Cook, Sen. Gary Dahms, Sen. Kari Dziedzic, William Faber, Rep. Dan Fabian, Nancy Gibson, Bonnie Harper-Lore, John Herman, Rep. Leon Lillie, Norman Moody, Rep. John Persell, Sen. David Tomassoni, Rep. Paul Torkelson, Rep. Jean Wagenius, Sen. Torrey Westrom

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

Members Absent: Sen. John Hoffman

Co-Chair: Nancy Gibson

1. Approve agenda for LCCMR meeting for February 25, 2013

Co-Chair Gibson called the meeting to order at 5:50 p.m.

MOTION: Commissioner Moody moved to approve the agenda for today's meeting – motion prevailed.

2. Approve the minutes for February 18, 2013

MOTION: Commissioner Broberg moved to approve the minutes for February 18, 2013 – 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 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.

4. Election of Commission Co-Chairs and Co-Vice Chairs (Co-Chair of Feb. 25 meeting will switch to Senate rotation after elections)

Members discussed elections of the Executive Committee and nominations.

MOTION: Commissioner Moody moved to elect Sen. Tomassoni, Rep. Wagenius and Nancy Gibson as chairs of the LCCMR – motion prevailed.

MOTION: Commissioner Cook moved to elect Sen. Dahms, Rep. Torkelson, Jeff Broberg as vice-chairs of the LCCMR – motion prevailed.

Commissioner Tomassoni requested to continue to have Commissioner Gibson as chair for the remainder of the meeting.

5. Discuss 2013-2014 calendar and potential issues for overviews and evaluation and site visits

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Susan Thornton reviewed the calendar and suggested one more poll of members to check their availability for different dates in September and October.

6. Presentation Jim Nobles, Office of the Legislative Auditor

Jim Nobles (Director, Office of the Legislative Auditor) and Cecile Ferkul (Deputy Director, Office of the Legislative Auditor) gave an overview on "direct and necessary costs" related to the ENRTF and recommended that they should be documented and justified.

7. Continue development of ENRTF 2013 Request for Proposal (RFP) to be issued by LCCMR (remaining ENRTF FY15 dollars available - \$29,460,000)

Mike Banker reviewed the draft ENRTF 2013 Request for Proposal (RFP). Susan Thornton explained the history of the eligible and ineligible expenses. (See Attachment #1)

MOTION: Commissioner Broberg moved to edit page 13 "Eligible and Ineligible Expenses" with the following edits: Change title to "Guidance on Allowable Expenses" and state that a percentage estimated for administrative expenses is not allowed and must be specifically justified and documented.

Members discussed ineligible expenses and creating two categories in the draft 2014 Request for Proposal. One category would be "Prohibited Expenses" and would include: a) Any expenses incurred before the project is authorized, before July 1, 2014, or before LCCMR approval – whichever is latest; b) Fund raising; c) Taxes, except sales tax on goods and services; d) Insurance, except title insurance; e) Attorney fees, except for acquisition and clearing title to land; f) Lobbyists or political contributions; g) Advertising and marketing expenses; h) Loans, grants, or subsidies to persons or entities for development; i) Bad debts, late payment fees, finance charges, or contingency funds; j) Interest or investment management fees; k) Directors or officers salary, including executive director; l) Merit awards and bonuses; s) Memberships (including subscriptions and dues); t) Publications, periodicals, and subscription fees; u) Employee worksite parking; v) Entertainment, gifts and prizes, food, refreshments, and decorations; w) Conference attendance and associated costs and fees; and x) Out of state transportation and travel expenses. The second category would be "Ineligible Unless Justified and Documented" and would include: m) Office rental fees (including storage space rental); n) General operations, overhead, and other indirect expenses, including office maintenance, office utility expenses, and office materials and supplies that cannot be clearly justified and documented as direct and necessary to the specific project; o) Communication expenses incurred for telephone calls, web access, postage, and similar services; p) Purchase of communication devices such as pagers, cell phones, or smart phones; q) Purchase of computers; and r) Purchase of audiovisual equipment.

AMENDMENT: Commissioner Dziejcz moved to amend to move "d. Insurance, except title insurance" to the category "Ineligible Unless Justified and Documented". Commissioner Broberg accepted the amendment to his motion.

Discussions continued regarding categories of expenses and various options.

AMENDED MOTION: Commissioner Broberg amended his motion to place three categories under "Guidance on Allowable Expenses": 1) "Eligible Expenses"; 2) "Generally Ineligible Expenses – Unless Explicitly Approved" (No broad allocations for costs in either dollars or percentage allowed); and 3) "Prohibited Expenses". Also, move to "Generally Ineligible Expenses – Unless Explicitly Approved" items: e) Attorney fees, except for acquisition and clearing title to land; w) Conference attendance and associated costs and fees; and x) Out of state transportation and travel expenses. – motion prevailed.

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MOTION: Commissioner Wagenius moved to adopt the 2014 Request for Proposal as amended.

Commissioner Gibson discussed changing the order of the funding priorities and move category "G. Environmental Education" earlier in the list of funding priorities "a – g".

RENEWED MOTION: Commissioner Wageinus renewed her motion to adopt the 2014 Request for Proposal as amended and to have staff reorder the funding priorities as discussed.

Commissioner Persell asked about the nitrates language under "b. Water Resources" and why nitrates were emphasized and not phosphates in surface waters. He recommended phosphates be added into the statement if it is meant to be included in "other contaminants".

AMENDMENT: Commissioner Harper-Lore moved to amend to revise "d. Aquatic and Terrestrial Invasive Species" to add language for restoration and education, to adding language regarding the use of BMPs, restoring land after control and education about all invasive species threats – amendment prevailed.

AMENDMENT: Commissioner Dahms moved to amend the list of funding priorities to exchange the order of "d. Land Acquisition" with "g. Environmental Education" – amendment prevailed.

Members discussed removing the word "deep" from B-5.

RENEWED AMENDED MOTION: Commissioner Wagenius restated her motion to adopt the 2014 Request for Proposal as amended and request staff to make the changes discussed, requested and amended in order to publish the RFP – motion passed as amended (unanimously).

8. Other business (as needed)

Next meeting March 11, 2013

The March 11, 2013 LCCMR meeting will be canceled.

9. Adjourn

Meeting adjourned at 8:30 p.m.


