

Personnel and Finance Committee

2:30 – 4:30 pm, Thursday, June 8, 2023

Present: Pete Aube- Chair, Patty Thielen, Mike Kilgore, Kim Berns-Melhus, Jim Manolis

Absent: Rick Horton

Staff present: Eric Schenck, Sadie Mathison

Guests: Amy Kay Kerber

Introductory Remarks and Roll Call—Pete Aube, Chair

Pete thanked Kim for inviting Brendan to be her alternate.

Manager's Financial Report (MFR) 6/6/23 FY23 Overview and Closeout— Eric Schenck

Eric shared the MFR with the group and walked through the budget and funds remaining for FY23.

Grant Amendment for Northern Landscape Planning--\$15,000

Eric explained how this grant, which was originally \$10k, has evolved and there is a need to increase the grant amount by \$15,000 to complete the work. The group deferred to Eric to make the decision on this grant as well as the other proposed expenditures.

Grant to SFEC for Field FMG Training Workshop--\$19,500

SFEC has proposed this grant amount to jump-start this training workshop which will occur in fall. Reflecting support for the grant expressed during the last Council meeting, the committee endorsed staff recommendation to proceed.

EC Landscape Plan Printing, Office Equipment, & Misc.--\$15,000

2024 Legislative Session, Timeline, MFRC and DNR Coordination & Collaboration--Patty Thielen & Amy Kay Kerber

Patty introduced the topic by reminding the group that Eric approached her last year to discuss an increase to the MFRC appropriation. As MFRC is a unique case, Patty asked Amy Kay to explain the process and timeline to the committee.

Amy Kay began by giving a high-level explanation of how the legislative process works for the DNR. In even years there is a legislative session for policy and bonding. This involves minimal-fiscal impact policy

decisions. Things have not been happening on a normal schedule over the past few years. Sometimes supplemental/emergency budgets are considered in an even year for various reasons. Odd years are budget years with minimal policy provisions considered by the legislature.

The process begins when stakeholders or staff members bring forward needs to reach program goals. Division of Forestry leadership consider these then make recommendations for proposals. Proposals are elevated to DNR leadership who then recommend proposals that move on to the Governor's office. Budget items are reviewed by Budget and Management as well. Then the legislative process of working with legislators and senators and presenting testimony begins.

The first step sometimes starts 2-years in advance. Simple budget increases usually start a year in advance. At this time, policy proposals have been collected and DNR leadership will be reviewing them very soon for next year. Mid-May would be a time for MFRC to work with Amy Kay to express their requests. DNR will work on proposals ready to present to DNR leadership over the summer. They will get word in August as to what will move forward and needs development. In mid-September those proposals will be finalized and submitted. By October they will get clear indication about whether the Governor will approve the proposals. There is a lot of back and forth to make sure all the pieces are there. Policy proposals are approved in February.

Amy Kay needs MFRC to do their work so that she has their legislative requests in her hands by September. Policy/budget requests are the same timeline.

Patty announced that MFRC will be receiving an additional \$43 thousand for FY24 and \$63 thousand for FY25 to cover increased operating expenses. Eric indicated he was unaware the DNR had submitted such a request to MMB for consideration by the legislature.

Pete explained the Council's need to increase funding for the Landscape Program. This year Council asked the Governor for funding to support informational needs. Since the request was not successful, Pete asked for guidance on future requests.

Amy Kay explained that 24-25 is a biennium. We are starting over with a new budget. The Council's request was never introduced as a bill. Unless we have an emergency request, our budget request would line up for 2025. The Council has some flexibility to make requests outside of the DNR process, but Patty and Amy Kay need to be kept in the loop so that they can either support it or not get in the way of it inadvertently.

Amy Kay indicated that the legislature is currently out of sync and she is unable to predict what the legislature is going to do next year. She and Patty will keep MFRC in the loop if there are opportunities.

The Council can use the proposal that they have already prepared to present in the next cycle OR if there is a supplemental budget opportunity.

FY24 and FY25 Budget Review & Discussion—Eric Schenck

Eric presented a budget spreadsheet (amounts highlighted below) to ask for the committee's guidance as he develops the FY24 and 25 budgets. He used as an example the hiring a Policy Analyst and the effect that will have on the budget. He asked the group for direction. Several members suggested that MFRC place a hold on hiring a Policy Analyst.

There was a request that going forward, when creating budgets, that the dollar amounts be in the appropriate buckets, especially program by program. Further committee requests included a comparison with previous years, and fixed costs be presented separately from non-fixed.

Appropriations FY24 \$906K(+\$49K) and FY25 \$926K (+69K)

RAC Informational Needs—FY 24 \$50K and FY25 \$70K

Policy Analyst Position—FY24 (6 mo.) \$42.5K and FY 25 \$85K

Budget Spreadsheet—Proposed FY24 and FY25

FY25 Landscape Budget Proposal (89A.06 Subd. 3.) \$180K

Eric stated that he strongly supports investing in the Landscape Program to achieve goals of MFRC's strategic plan especially related to climate and carbon. If the committee believes this is timely and a priority, it needs to be sure that DNR partners are onboard, as well as the other Council members. He added that SWCD's can play an administrative role that is valuable to the MFRC Landscape Program goals.

DNR has expressed concerns about the dollar amount for the Landscape Program proposal. MFRC needs to meet with a team from DNR to discuss and find consensus on how to move forward.

The meeting went over time and the final subject was not discussed.

Resolution—Meeting Statutory & Sustainable Forest Management Needs for Landscape Forest Planning

Other/Adjourn