

MINNESOTA FOREST RESOURCES COUNCIL

Personnel and Finance Committee Meeting

9:00 am-12:00 pm, Monday, August 14, 2023
1201 East Highway 2, Grand Rapids, MN

DRAFT Minutes

Members Present: Pete Aube - Chair, James Manolis, Kim Berns-Melhus (Zoom), Mike Kilgore, Rick Horton, and Patty Thielen

Staff Present: Eric Schenck, Sadie Mathison (Zoom)

Chair Pete Aube called the meeting to order and commented that a budget meeting like this was overdue for making program decisions and putting the MFRC budget on track. He also stated that he recommends managing the budget from an “exceptions” standpoint meaning that future P&F committee meetings will include budget topics when circumstances require or will result in a deviation from the approved budget.

Executive Director Eric Schenck provided a personnel update—Sadie Mathison is leaving effective October 2. The Committee extended its congratulations and appreciation to Sadie for her advance notice and willingness help manage the transition. Also, P&F members expressed their support for a confidential exit interview.

Position descriptions for the Program Administrator/Information Specialist and Forest Policy Analyst were included in the committee packet and a brief overview of the Program Administrator/Information Specialist PD was provided. Schenck answered questions about helping cover the position vacancies by replying that a student worker position is in the budget potentially to help with administration functions and noted that Mathison is working to complete an administrative “handbook” for staff and new hires. Schenck also stated a new hire could not be completed by Oct. 2 and it might be weeks after that date due to HR backlog and other factors. Thielen confirmed that this is a reasonable assumption. Some hybrid telework might be available for new hire, but desire to have more consistent office presence by staff going forward. Committee members deferred any further discussion or review of the Forest Policy Analyst position to a future P&F meeting, with some Council members sharing written comments regarding the PD.

Schenck presented a FY24-FY25 budget proposal in the form of a budget summary and line-item details on separate Excel spreadsheets as a starting point for discussion and changes. Schenck noted that the appropriation of \$906,000 for FY24 and \$926,000 for FY25 were increases to MFRC’s baseline that

were requested by DNR. These increases will cover increased direct cost administrative fee (\$83,434) charged by DNR and staff salary cost of living increases that are anticipated in FY24 and again in FY25.

Schenck indicated that the FY24-FY25 appropriation levels are not sufficient to fund all the goals and objectives expressed in MFRC's strategic plan. The budget proposal as presented is an attempt to provide a "best fit" compromise that provides some funding for as many priorities as possible. The budget proposal calls for delaying hire of the Forest Policy Analyst position to use some FY24 salary savings for communications, expansion of the regional landscape program, covering costs of FMG update (expected by the end of FY24), and some money in the research program to fund a small informational needs project.

P&F members asked numerous questions about the staff budget proposal, identified their concerns, offered opinions about priorities, and expressed suggestions for clarifying the budget. Below are highlights of the changes, decisions, and direction given by the P&F members that resulted in the revised budget summary attached to these minutes.

- Budget summary should be simple and easy to understand.
- Budget amounts should be summarized by the following MFRC program areas.
 - Salaries (includes salary expenses for all staff—permanent, temporary, part-time, contractual, etc.)
 - Operations (includes administrative fees, costs, rents, etc.; operating costs of equipment, training, technical assistance, etc. as well as MFRC related meeting costs of per diem, mileage, overnight, etc. incurred by Council members, alternates, and staff).
 - Site-Level Program (includes travel, meeting, publication, training, grants, etc. costs specific to the site-level program)
 - Research (includes funds for meeting cost and "contingency" funds for special project contracts, grants, etc. to address informational needs and science related publications).
 - Landscape Program (include travel, meeting, publication, training costs plus grants or contracts supporting regional committee costs such as administration, "challenge grants," resource trend & condition monitoring, plan updates, etc.).
- Budget amounts should be shown under the fiscal year in which the costs occur, with footnotes explaining which fiscal year such funds were encumbered.
- Budget summaries should include "actual" amounts spent in the previous fiscal year, amounts in the current fiscal year or biennium, and future fiscal year to clearly show expenditure trends and future fiscal priorities and/or funding needs.
- Personnel and Finance Committee will monitor and make budgetary adjustments on an "exceptions" basis on occasions when a deviation from the approved budget occurs or is needed.

In addition, the P&F committee made the following decisions regarding budget and program priorities:

- Hiring of a Forest Policy Analyst will be delay in FY25 and FY26 so salary savings can be reprogrammed to other budget priorities.
- Hiring a new Program Administrator/Information Specialist is a budget priority.
- Student worker and contracted staff will be used to help cover staffing needs when and where needed and possible.
- Budget assumes MFRC office remains in Green Hall with services provided by DNR and in some cases UMN.
- Budget supports six in-person Council meetings per year (including 2 or 3 two-day meetings) with attendance by both Council members and alternates, and six virtual (ZOOM) meetings per year by all Committees.
- Budget recognizes that annual operational costs are likely to go up, except that every effort should be made to be as cost-efficient as possible.
- Budgeted funds for Communications are included in operations budget to support MFRC Committee communication needs with funds prioritized for writing and publication support services.
- Site-Level program budget priority is to complete FMG update (including funding publication costs and support for initiating/incorporating field training and on-line training updates).
- Research budget recognizes on-going projects under grants funded with FY23 appropriations.
- Research budget includes \$50,000/year “contingency fund” to support informational needs studies, reports, etc. identified by MFRC as priorities.
- Research budget recognizes MFRC resolution calling for \$150,000 additional appropriation in FY26-FY27 for informational needs.
- Landscape program budget recognizes grants awarded with FY23 appropriations for committee administrative support, “challenge grants” and plan update (Northern Committee).
- Landscape program FY24 and FY25 budget support is intended to fund Regional Landscape Committees and the Regional Landscape Program at a stable, but modest, level to provide on-going funding for administrative support of Regional Committee meetings, “challenge grants”, and resource trend and condition monitoring.
- Proposed budget for the Landscape program in FY26-FY27 recognizes need for additional \$150,000 baseline appropriation to fully fund Regional Landscape Program and Regional Landscape Committees and includes annual funding to support one regional landscape plan update every two years.

Meeting adjourned.

