

MINUTES

NATURAL RESOURCES COMMISSION

OCTOBER 11, 2007

LANSING CENTER
333 E. MICHIGAN
LANSING

PRESENT FOR THE NRC

Keith Charters, Chair, Traverse City
Hurley Coleman, Saginaw
John Madigan, Munising
J. R. Richardson, Ontonagon
Frank Wheatlake, Big Rapids (arrived late)

PRESENT FOR STAFF

James Riley, Legal Counsel
Rebecca Humphries, Director
Dennis Fox, Chief of Staff
Dennis Fedewa, Chief Deputy
Mindy Koch, Resource Management Deputy
James Ekdahl, UP Field Deputy
Other DNR Staff

COMMITTEE OF THE WHOLE

Chairman Charters called the Committee of the Whole meeting of the Natural Resources Commission (NRC) to order at 3:00 p.m.

PERSONNEL

Director Humphries welcomed **Pat Spitzley** back to the DNR. She began this week as Chief of the Office of Legal Services. Pat has a great deal of experience in the natural resources arena, having worked with both the DNR and the Department of Environmental Quality. Her background in science, community relations and outreach provides her with a solid understanding of our issues and our constituents. Pat most recently worked with Governmental Consultant Services, Inc. as liaison between clients, the legislature and the Granholm administration. She has a Bachelor of Science in biology and chemistry from Central Michigan University and a law degree from the Michigan State University College of Law. **Director Humphries** said that Pat will be a tremendous asset in dealing with our legal issues and acting as our liaison with the Attorney General.

ASSOCIATION OF FISH AND WILDLIFE AGENCIES (AFWA) AWARDS

Outstanding Achievement in the Field of Conservation Law

The DNR's Commercial Fisheries Enforcement Unit, Law Enforcement Division, was honored with the Association of Fish and Wildlife Agencies' "Outstanding Achievement in the Field of

Conservation Law Enforcement.” This Unit was formed in response to the 2000 Consent Decree that regulates a shared Great Lakes resource between the state and the Indian tribes in Michigan. The Unit maintained a highly professional working relationship with Michigan’s Indian tribes since its inception. Present to receive this award for the unit were: Lt. Dave Davis, Staff Sergeant Richard Bonner, Corporal Steve Huff, Corporal Larry Deslover, Corporal John Morey, Corporal Shannon VanPatten, and Retired Corporal John Casto. **Director Humphries** congratulated this group and thanked them for a job well done.

Ernest Thompson Seton Award

Director Humphries presented the Ernest Thompson Seton Award, as presented to the Michigan DNR at the AFWA Conference, for their outstanding approach and measures to address bovine tuberculosis in deer in the state. Elaine Carlson, Glen Matthews, Lt. Dave Davis and Dr. Steve Schmitt were present to receive the award.

MICHIGAN STATE UNIVERSITY, DISTINGUISHED ALUMNI AWARD – DIRECTOR HUMPHRIES

Chairman Charters excused **Director Humphries** from the remainder of the NRC meeting as she was one of five individuals to receiving the Michigan State University Distinguished Alumni Award. This is the highest recognition given by the MSU Alumni Association. He congratulated her on this accomplishment.

Mindy Koch replaced **Director Humphries** at the head table.

PIGEON RIVER COUNTRY STATE FOREST CONCEPT OF MANAGEMENT

Annamarie Bauer, Forest, Mineral and Fire Management Division, reviewed the status of the Pigeon River Country State Forest Concept of Management as follows:

- The public comment period closed September 15;
- Comments were provided to subcommittee chairs;
- Responses to some comments have been completed;
- Steering committee will meet October 15 to develop a final draft;
- The final draft will be provided for Director’s action at the NRC meeting in November;
- 97 separate comments were received.

LAND USE ORDERS OF THE DIRECTOR

Ron Olson, Chief, Parks and Recreation Division, reviewed details of the following Land Use Orders of the Director on the Agenda for Action:

- Order to regulate unlicensed motorized devices in Michigan State Parks and Recreation Areas, Land Use Orders of the Director, Amendment No. 16 of 2007: This order prohibits the use of some unlicensed motorized devices capable of transporting youth and, in some cases, adults in Michigan state parks and recreation areas. Devices prohibited include battery operated children-sized vehicles that will only be permitted on the lots themselves.
- Repeal of Order to regulate Tippy Dam campground boating access site 51-22, Manistee County, Land Use Orders of the Director, Amendment No. 17 of 2007: Due to the designation change from boating access site to a recreation area, certain Land Use Orders of the Director applicable solely to Tippy Dam Boating Access Site should be repealed, eliminating duplication within the Order and Land Use Orders applicable to state recreation areas now apply at Tippy Dam Recreation Area.

INLAND TRIBAL UPDATE

Jim Ekdahl reported that meetings are scheduled across the state to explain and educate staff and the public on the provisions of the 2007 Inland Tribal Consent Decree. He encouraged anyone who wishes to attend the scheduled meetings. More information can be found on the DNR website at: http://www.michigan.gov/dnr/0,1607,7-153-10364_44983---,00.html . Mr. Ekdahl congratulated staff who worked on the negotiations of this Consent Decree.

ISLAND LAKE SHOOTING RANGE DECISION

Jim Riley, Office of the Attorney General, reported that the State had been dismissed from the Island Lake Shooting Range lawsuit. However, the trial proceeded. The Court recently ruled in favor of the concessionaire on all accounts stating that the noises generated by shooting range were not nuisance under common law nor considered a nuisance under the Green Oak Township ordinance. The shooting range is also protected from nuisance claims under the Michigan shooting range statute. The case, at the trial court level, has ended and it is uncertain whether any appeal will be filed.

DIRECTOR'S ACTION ITEMS - DISCUSSION

Director Humphries withdrew Sale of Dedicated State-owned Land, Traverse City Management Unit – Grand Traverse County, Land Transaction Case #19990072.

Commissioner Madigan noted that State Forest Land Exchange, Crystal Falls Management Unit – Iron County, Land Transaction Case #20070093 was a good transaction and indicates that the land consolidation process is working.

ASSOCIATION OF FISH AND WILDLIFE AGENCIES' ANNUAL CONFERENCE

Chairman Charters attended the commissioners' meetings at the Association of Fish and Wildlife Agencies' Annual Conference. The purpose of attending was to garner support on Michigan's hunting and fishing license package. **Carol Bambery** was present from the Association and as a member of the National Rifle Association. **Chairman Charters** said that, of the states present at the conference, Michigan was the only state where the cost of the resident deer license was as low as \$15.

SAM WASHINGTON'S PASSING

Sam Washington, former Executive Director of the Michigan United Conservation Clubs (MUCC), passed away on Wednesday, October 10. **Chairman Charters** said that one of the many accomplishments Mr. Washington achieved was bringing the DNR and MUCC into a working partnership to address the many common issues relative to management of the natural resources in Michigan. He was a good friend and will be greatly missed.

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The Committee of the Whole meeting adjourned at 3:40 pm. and the Public Appearances portion of the NRC meeting convened at 4:10 p.m. **Dennis Fedewa** replaced **Director Humphries** in her absence.

Chairman Charters recognized and welcomed the Michigan State University "Conservation Education" class led by **Shari Dann**. The class consists of nine seniors in various education-related majors.

PUBLIC APPEARANCES

Bryan Burroughs, Michigan Council of Trout Unlimited
Tom Barnes, Michigan Association of Timbermen
Warren Suchovski

Bryan Burroughs, Executive Director, Michigan Council of Trout Unlimited, commented on the proposed Statewide Trout, Salmon, Whitefish and Lake Herring Regulations, FO-200, which Trout Unlimited (TU) had submitted comments. He said that TU appreciated the compromise made to allow for continued research. He remains concerned, however, with fish mortality on the Hurricane River. He said that TU remains committed to restoring coaster brook trout to a fishable population. Membership of the Michigan Council is approximately 7000. **Chairman Charters** encouraged Mr. Burroughs and the members of TU to remain very active in legislative contacts relative to the hunting and fishing license fees package as they have been in the past.

Tom Barnes, Michigan Association of Timbermen, invited the NRC and staff to attend its meeting in Lansing on October 17 where there will be discussions in how the Michigan timber industry can be more globally competitive. Discussion ensued relative to the various forest industry educational programs. **Commissioner Coleman** said that the DNR has a strong role in the timber industry. Concentration will be given to education in the urban areas and the impacts of that industry on Michigan's economy.

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Commissioner Wheatlake arrived at 4:21 p.m.

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Warren Suchovski commented on the master logger certification program in Michigan – a national program that has approval through the American Loggers Council. He stressed the need to develop a comprehensive plan for the logging process and identified the various aspects of this program.

PARTNERS IN CONSERVATION AWARD – MICHIGAN CHAPTER OF SAFARI CLUB INTERNATIONAL (SCI)

Mindy Koch presented the Partners in Conservation Award to the Michigan Chapter of Safari Club International. **DuWayne Schuler, President of the Michigan Chapter of Safari Club International**, received the award on behalf of SCI, which is one of three chapters in the organization, as well as one of the largest and most active Safari Club International chapters in the world.

The Michigan Chapter is active in the Michigan Involvement Committee (MIC), a group comprised of chapters throughout the state. The Michigan Chapter, through the MIC and its own efforts, fund a variety of large and small projects that have benefited the Department of Natural Resources. One of these benefits included a donation of multiple in-car video systems for our conservation officers' patrol vehicles. These video systems have proven to be invaluable to our officers. Since their introduction, not a single case has been lost.

The SCI have provided grants to graduate students pursuing advanced degrees in wildlife and related fields at Michigan-based institutions for higher education.

Annually, the Michigan Chapter of SCI sponsors and participates in the Michigan Hunter Safety Program and the National Safe Hunter's Competition. The SCI is the founding member of Michigan Sportsmen for Youth, and has sponsored "Youth Day" at Hoffmaster State Park since

1994. A donation of \$25,000 was made to the Outdoor Discovery Center in Holland, Michigan, as well as many other worthwhile projects.

Ms. Koch thanked the group for all their hard work and for investing in conservation.

Mr. Schuler said they are pleased to participate in this program and are honored to receive the recognition. They identify needs and try to fill those needs.

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The Public Appearances portion of the meeting adjourned at 4:45 p.m., and the Regular Meeting of the NRC convened immediately thereafter.

APPROVAL OF MINUTES – SEPTEMBER 13, 2007 NATURAL RESOURCES COMMISSION MEETING

Commissioner Coleman made a motion, supported by Commissioner Richardson, for approval. Motion unanimously carried.

DIRECTOR'S ACTION ITEMS

All Director's Action items on the Agenda were approved **except the Sale of Dedicated State-owned Land, Traverse City Management Unit – Grand Traverse County, Land Transaction Case #19990072**, which was withdrawn.

COMMITTEE REPORTS

NRC Policy Committee on Finance and Administration

The NRC Policy Committee on Finance and Administration meeting convened at 10:30 a.m. on October 11, 2007 in Lansing. Commissioners Wheatlake and Richardson were present for the Committee. Commissioners Charters, Madigan and Coleman were also present. See attached for the complete Minutes.

NRC Policy Committee on Wildlife and Fisheries

The NRC Policy Committee on Wildlife and Fisheries meeting convened at 1:15 p.m. on October 11, 2007 in Lansing. Commissioners Madigan and Charters were present for the Committee. Commissioners Coleman and Richardson were also present. See attached for the complete Minutes.

COMMISSIONERS' REPORTS

Commissioner Wheatlake has a new hunting dog and is looking forward to a good hunting season.

Commissioner Richardson recently returned from a business trip in Colorado and noted that Michigan is a great place to fish. He also attended a Ruffed Grouse Society meeting in Marquette.

Commissioner Madigan attended a Ruffed Grouse Society meeting in Marquette, and reported that a meeting of the UP Habitat Work Group will be held on Sunday, October 21, 2007, in Cornell, Michigan.

Chairman Charters reported that he has hunted 17 days so far, and intends to do much more.

COMMITTEE ASSIGNMENTS

Vice Chair, Natural Resources Commission

Chairman Charters announced that **Commissioner Wheatlake** is appointed Vice Chair of the Natural Resources Commission, with the Governor's concurrence.

NRC Policy Committee on Parks and Recreation

Chairman Charters announced the establishment of the NRC Policy Committee on Parks and Recreation. **Commissioner Coleman** will Chair this Committee and **Commissioner Brown** will be a Committee member. This Committee will deal with various issues related to DNR parks and recreation programs. **Commissioner Coleman** will work with **Mindy Koch** and Parks and Recreation Division Chief **Ron Olson** to develop a charge for that Committee.

The meeting adjourned at 5:01 p.m.

NRC Policy Committee on Finance and Administration

Committee Chair Frank Wheatlake called the meeting to order at 10:30 a.m. on October 11, 2007 in Lansing. **Chair Wheatlake and Commissioner Richardson** were present for the Committee. **Commissioners Charters, Madigan and Coleman** were also present.

INVESTMENTS UPDATE

Woodrow Tyler and Paul Nelson, Department of Treasury, presented the natural resources related trust funds investment report update through August 31, 2007. They reported that, effective June 30, 2007 all equities were liquidated and converted to common cash. Treasury is looking for opportunities to reinvest into the equities market.

Commissioner Wheatlake noted that Proposal P has allowed the DNR to increase the usage of the corpus of these funds.

AUDIT UPDATE

Tomia Stevens, Internal Audit, reported on the following pending audits for the DNR:

Federal Audit: US Fish and Wildlife Service (USFWS), Audit of Federal Assistance Grants administered by the DNR for the period of October 1, 2002 – September 30, 2004. The USFWS is still waiting to hear back from the Washington DC office regarding the program income portion of the Audit.

Waterways Program Audit for audit period October 1, 2004 through part of 2007. Auditors will be ending field work on October 12 and a draft report of findings and recommendations is expected by the end of October.

Single Audit (Financial Audit of the DNR) for audit period covering October 1, 2005 through September 30, 2007. An entrance meeting is scheduled for October 18 at which time the DNR will receive details and timelines of this audit.

FUNDS REVIEW

Dennis Fedewa, Chief Deputy, and Sharon Schafer and Jane Shultz, Budget and Support Services, reviewed the following funds, the projections through 2010, and reviewed 2006 expenditures by category in each fund. It was also noted that the numbers are likely to change following book closing. A 3 percent annual inflation rate was used:

Game and Fish Protection Fund – General Purpose: It is projected that fund balances will be at a deficit for 2008 with the deficit projection of \$16.4 million by Fiscal Year 2010, assuming no increased revenue. **Director Humphries** stated that cuts in these programs increase the risk of further reducing revenues.

Forest Development Fund: This fund balance projection indicates a negative fund balance beginning in Fiscal Year 2008. The current market place is volatile and staff can only speculate based on what is occurring now leaving it difficult to project. **Lynne Boyd, Chief, Forest, Mineral and Fire Management Division**, reported that timber sales are up this year. Although bids decreased for a period of time, once the new bid process was put in place, bids increased. However, the Sleeper Lake fire this summer created delays in marking of about 2000 acres of timber. She noted that even with the reduction of funding and the staff time spent fighting the Sleeper Lake fire, she is proud of what staff has accomplished. **Director Humphries** noted that the Michigan DNR was denied financial assistance by the Federal Emergency Management Agency (FEMA) for the funds spent fighting the Sleeper Lake fire, and the DNR currently does not

have authority to pay the bills incurred during that fire. She does not believe it is appropriate to fund fire protection on the backs of timber harvesting, and a new solution is needed. Discussion ensued.

Jim De Clerck, Saginaw Field and Stream Club, recommended that a listing be developed of what has been lost over the past few years due to budget reductions so this information can be discussed with the public.

Park Improvement Fund: This fund balance projection indicates a negative fund balance beginning in Fiscal Year 2009 and takes into consideration an increase in some camping fees beginning in Fiscal Year 2008. Parks and Recreation Division has been managing the structural deficit. **Dennis Fedewa** said the Parks and Recreation Division has been operating in a structural deficit mode. Consequently, the infrastructure continues to degrade, impacting operation. **Ron Olson, Chief, Parks and Recreation Division**, said that increased extra activities in the parks have slightly increased revenue, but parks are being managed with 10 percent less staff than in 2004. Infrastructure improvement needs are becoming critical in many areas.

Game and Fish Trust Fund: The Fund corpus increases approximately \$1 million per year. Declining oil and gas revenues affect this fund.

Deer Range Improvement Fund: Revenues are slightly decreasing to this fund due to decreased license sales. This fund can be controlled some through deer habitat purchases.

Turkey Fund: Revenues are down slightly but are expected to rebound to this due to some changes in the turkey regulations.

Waterfowl License and Fee: The fund's revenue is from a portion of the waterfowl licenses and management of daily waterfowl units. The DNR has four years in which to spend any capital outlay authority.

Wildlife Resource Protection Fund – Report All Poaching (RAP): 35 cents from every hunting and fishing license goes into this fund and is used for the "Report All Poaching" program and to log wildlife diseases throughout the state. Reductions will need to occur to keep this fund stable. Discussions are being held on how to address the RAP program in off hours.

Youth Hunting and Fishing Education and Outreach: Revenue is expected to decline.

Fisheries Settlements: These funds are utilized for fisheries habitat mitigation.

CONSOLIDATION OF THE OFFICES OF INTERNAL AUDIT, HUMAN RESOURCES AND ACCOUNTING

Under Governor's Executive Orders 30, 31 and 32, consolidation of administrative functions (audits, human resources and accounting) will occur. These consolidations were to take effect October 1, 2007 and are still in progress. There are still uncertainties on when and how all of the consolidations will occur. In the meantime, reporting of these employees within the Departments remain the same until this issue is finalized.

Dennis Fedewa said that the DNR is in dire need of long-term, stable funding.

FY 2008 BUDGET

Dennis Fedewa reported that State government is operating under a continuation budget through October. One-twelfth of the Fiscal Year 2007-2008 budget has been appropriated through

October. The Department of Management and Budget has indicated that there will likely be no fee increases approved and Chairman Charters and Director Humphries were both told that the chance of increased hunting and fishing license fees is not good. When they met with Representative Dillon and Senator Bishop recently, both Legislators were sympathetic, but were unsure how to resolve the problem. **Chairman Charters** said that, if November 1 arrives with no resolutions, the only answer will be layoffs. He also noted that options are diminishing.

Dennis Fedewa noted that there is a continuation budget in effect through the end of October. Because there is not a full year's budget available or expenditure authority, the DNR cannot proceed in issuing grants for the long term. This is difficult because the timing of issuing some of the grants, such as those used to groom snowmobile trails, for instance, is critical now. He reiterated that this is because the Legislature has not issued the spending authority rather than the DNR just not issuing the grants.

Commissioner Wheatlake urged everyone to contact their Legislators.

The meeting adjourned at 11:50 a.m.

NRC POLICY COMMITTEE ON WILDLIFE AND FISHERIES

The NRC Policy Committee on Wildlife and Fisheries meeting convened at 1:15 p.m. on October 11, 2007 in Lansing. Commissioners Madigan and Charters were present for the Committee. Commissioners Coleman and Richardson were also present.

Doug Reeves, Wildlife Division, shared a story about his nephew. This gentleman, who is from a western state, chose to hunt in Michigan while on leave from the armed services. He harvested squirrels, grouse, and woodcock and was extremely complimentary of the great hunting that Michigan offered.

Al Stewart, Wildlife Division, outlined the proposed spring turkey hunting season changes. The DNR recommends that areas AA, B, and A be combined into one area designated A; move the border of areas F and E so that entire counties are included; and add Bois Blanc Island into area J. **Mr. Stewart** outlined the proposed season dates: open April 21 and close May 31 in the General Hunt (48,890 licenses); open April 21 and close May 4 for Private Land Hunt (65,000 licenses); and open May 5 and close May 31 for Guaranteed Hunt (Unlimited licenses). The DNR is proposing 48,183 square miles open to spring turkey hunting, the most ever.

Commissioner Madigan asked why turkeys are expanding in Unit M. **Mr. Stewart** said mild winters, artificial feeding, naturally expanding range, and game birds being released in the UP may all be contributors.

Rodney Clute, Wildlife Division, discussed the proposed changes to the disease control permit. First, he explained the three different deer control permits that are currently available (Deer Management Assistance Permit, Deer Damage Control Permit, and Disease Control Permit). Next, he outlined the proposed changes to the disease control permit, which include: 1) issuing permit to any landowner who may request one, which may result in an on-site visit; 2) Shooters will be listed on the permit; 3) Permittee must return postcard portion of the kill tag within 24 hours of shooting a deer.

Todd Grishke, Fisheries Division, reported that Fisheries Division has four orders up for action: Special fishing regulations for coolwater species on select lakes; exotic species regulations, Fume Lake fishing closure, and the banning of dip net fishing. **Mr. Grischke** then reviewed the seven orders "For Information Only" in October and Action in November. These orders included: Statewide Trout, Salmon Regulations; Special Hook Size Fishing Regulations; Designated Trout Streams; Statewide Coolwater Regulations; Protection of Sturgeon, Muskellunge, and Walleye; Sturgeon Regulations; and Fish Disease Control.

Kurt Newman, Fisheries Division, provided an update on Lake Erie Walleye. Walleye are managed under multi-jurisdiction in this area, which includes Michigan, Ontario, New York, Pennsylvania, and Ohio. In 2006, the lake-wide harvest was 5.9 million fish. The effort was 3.9 million angler hours. The walleye population is highly variable and seems to have declined in 2006. Therefore, Kurt may be back in spring 2008 to discuss potential harvest restrictions after the 2007 data is compiled.

Mike Bailey, Wildlife Division, presented a brief summary of the 2007 elk hunt season thus far. The first segment of the early season was August 25-29, 2007. The hunt resumed September 15-18, 2007. There were 55 permits available (40 antlerless, 15 any elk). Fifty-four hunters actually hunted. During the August hunt nine bulls, 20 cows, and one calf (female) were taken. During September, six bulls, 10 cows, three calves were harvested for a season total of 49 elk. The next hunt is scheduled December 11-18.

The meeting adjourned at 2:30 p.m.