

MINUTES

NATURAL RESOURCES COMMISSION

DECEMBER 7, 2006

LANSING CENTER
333 E. MICHIGAN
LANSING

PRESENT FOR THE NRC

Keith Charters, Chair
Bob Garner, Vice-Chair
Mary Brown
Darnell Earley
John Madigan
Frank Wheatlake

ABSENT FOR THE NRC

Jerry Hall

PRESENT FOR STAFF

Peter Manning, Legal Counsel
Becky Humphries, Director
Dennis Fox, Chief of Staff
Dennis Fedewa, Chief Deputy
Mindy Koch, Resource Management Deputy
Jim 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 3:05 p.m. The Committee of the Whole meeting is a working session of the NRC.

DIRECTOR'S REPORTS

Hunting Season Update

Bill Moritz, Chief, Wildlife Division, reported that preliminary harvest estimates for the 2006 Michigan firearm season indicates approximately 258,000 deer were taken of which 63 percent were antlered and 37 percent were antlerless. This estimate is based upon employee, hunter and processor observations, the number of licensees and the number of deer checked. Final deer harvest figures will be announced in July 2007. The 2006 estimate is more than seven percent higher than the 2005 estimated harvest of 241,000.

Dr. Moritz also reported that over 6000 on-line surveys had been completed by end of day Friday, December 1. Staff believes the on-line survey will create cost savings. It is only a pilot this year, and several positive comments have been received.

Alan Marble, Chief, Law Enforcement Division, reported that this has been a very safe hunting season. There were 14 reported casualties this year with two being fatal. Of the 14, nine were either accidental discharges or careless handling of firearms (self-inflicted). He also provided a list of hunting incidents for all of 2006. Staff is not aware of any incidents with hunters under the apprentice license.

Alan Marble reviewed the 2006 Apprentice License Sales through December 4, 2006. A total of 13,755 Apprentice Licenses were sold. Of that 13,755, 10,609 were sold to youth under 17 years of age. He reported that the buck harvest was good this year, and enforcement activities were up due to an increase in hunters.

Commissioner Garner noted that there were some Wisconsin/Michigan border issues this year – specifically with bringing Wisconsin deer into Michigan for processing. He also noted that antlerless deer from certain counties with less antlerless licenses are being tagged with licenses from counties with more antlerless licenses.

Doug Finley, Communications, presented an update on the Sportsmen Against Hunger Program. This Program has been in existence in the DNR for approximately one year. The program collects donations from persons buying licenses and goes toward paying for deer processing to feed the hungry. License agents ask a purchaser if they wish to contribute at the point of sale. So far in 2006, \$32,000 has been collected with additional contributions of time by the processors themselves. A contract between the DNR and Michigan Sportsmen for Hunger is pending approval soon.

Hoffmaster State Park Controlled Deer Hunt Update

Ron Olson reported that out of 120 openings, 107 hunting opportunities were taken, and 19 of those hunters did not participate. The first deer was taken just after dawn; 10 were harvested on Saturday and five on Sunday for a weekend total of 15 for the first two weekend hunts. Deer ages ranged from ½ year to 7 ½ years.

Legislative Update

Rodney Stokes, Legislative Liaison, reported on the following pending legislation:

HB 5960 – authorizes townships to regulate activities on DNR access sites on inland lakes and streams. This bill passed the Senate and was given immediate effect on December 6, 2006. The DNR supports this bill.

SB 924 – delays the sunset for annual and daily state parks motor vehicle permit (MVP) fees from January 1, 2007 to January 1, 2010. This passed out of committee without amendment on November 30, 2006. The DNR supports this bill.

SB 1408 and 1409 – clarifies the law regarding foreclosure of several oil and gas rights for delinquent taxes. The bill passed out of Committee without amendment on November 30, 2006.

SB 1499 – for the DNR to convey 76 acres at Higgins Lake in Roscommon County, known as Camp Curnalia, to the Camp Curnalia Cottage Owners Association which is an affiliate with the Michigan American Legion Organization. This bill passed out of committee without amendment and was referred to the House Committee on Regulatory Reform. The DNR supports this bill.

HB 6245 – this bill changes the dates of January 2008 to July 2008 which an existing cervidae livestock facility must comply with standards contained in “operation standards for registered privately owned cervid facilities.” The DNR supports this bill.

Director’s Action

Ron Olson stated that the Waterways Commission supports the proposed Land Use Order of the Director, Amendment No. 6 of 2007, to regulate the use of the Marl Lake Boating Access Site, Roscommon County. Marl Lake boating access site, near Higgins Lake, is a shallow water lake with a soft marl bottom and is seeing increased use as overflow from the South Higgins Lake launch. A ban on launching all motorized vessels except by electric motors, will help protect the ecological system while still providing hunting and fishing activities on Marl Lake and the Cut River.

Ron Olson commented on the proposed Land Use Order of the Director, Amendment No. 2 of 2007, amending boating access site regulations by adding nine additional access sites to the “permit required for entry list.” These sites are: Torch river bridge access site 5-23; Mullett lake village access site 16-2; Torch river access site 40-9; Chippewa lake access site 54-3; Crystal lake access site 59-17; High rollway-Thornapple access site 62-13; Maple island access site 62-17; Houghton lake east 72-4; and Quanicassee river access site 79-2.

Glenn Chown, Grand Traverse Regional Land Conservancy, reported that SB 1004 was signed into law today by Governor Granholm. This bill amends the General Property Tax Act to specify that property under a conservation easement is not subject to the “pop-up” tax when the property transfers to a new owner. **Mr. Chown** noted that this is a huge bipartisan victory for private landowners.

Chairman Charters noted that he was pleased that staff opted to auction land in the Grayling Forest Management Unit – Crawford County.

Off-Road Vehicle (ORV) Management Plan

Jim Radabaugh, Forest, Mineral and Fire Management Division, reviewed the draft updated Michigan ORV Management Plan. This issue is on the Agenda “For Information Only” and will likely be submitted for action by the NRC at its January 2007 meeting. The DNR contracted Michigan State University to update Michigan’s ORV Plan. The draft plan was received by the DNR on August 10, 2006 and comments on each of the recommendations were made by the DNR. The draft includes specific recommendations relating to: 1) the Designated ORV Trail System; 2) System Maintenance; 3) Enduro Motorcycle Events; 4) Program Administration; 5) Damage Restoration; 6) Law Enforcement; 7) Safety Education; and 3) Licensing. The draft Plan and DNR comments are available for review on the DNR web site for comments.

Jim Radabaugh reported that ORV permit sales have exceeded 2005 sales by approximately 500. In the past five years, license sales have increased by 21 percent, thus creating a need for more opportunities beyond State land. **Lynne Boyd** said that the program can be financially self-sustaining, and the Division is requesting legislative authority to spend the monies on administration of lands. The DNR is working with ORV user groups to develop additional partnerships.

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The Committee of the Whole meeting adjourned at 4:15 p.m., and the Public Appearances portion of the meeting convened at 4:35 p.m.

PUBLIC APPEARANCES

Don Dickman, Michigan Society of American Foresters (MSAF), said the SAF was founded in 1900. The Michigan membership is approximately 500 and represents various diverse areas that provide access to information and networking opportunities to prepare members for the challenges and changes that face natural resource professionals. The MSAF meets semiannually.

Pete Squibb, MSAF, and also a retired DNR wildlife biologist, read the following MSAF position statement: "The MFAS advocates the sustainable use and management of all Michigan forest resources for the good of society. To do this, white-tailed deer populations must be low enough to allow for the regeneration of forests and the development of desired plant communities and wildlife habitats."

He believes that what is good for forest health is usually good for wildlife habitat. Hunters have to be a key part in management of the deer herd. There is a growing concern of foresters across the state for the forest impacts from deer herds. The MSAF would like to assist the DNR to get additional input into the regulation-setting process as well as assist the decision-making process.

Commissioner Garner noted that the Forest, Mineral and Fire Management Division staff participate in the deer hunting regulation-setting process. Discussion ensued.

David Borgeson, Michigan Resource Stewards, reported that the Stewards support the recommendations of the Hunting and Fishing License Package Development Work Group. He discussed the longer range fiscal problems in the DNR. He also reported that the Stewards support a majority of the DNR/NRC Policies but do not support policies regarding: 1) cervid farms and big game ranches; 2) deer baiting and enforcement; and 3) chumming. He noted that the Steward opposed the Hiawatha National Forest Plan.

Chairman Charters thanked the Stewards for their support on the Hunting and Fishing License Fee package.

SHIKAR SAFARI INTERNATIONAL – OFFICER OF THE YEAR AWARD PRESENTATION

Chairman Charters said that the Shikar-Safari International Wildlife Officer of the Year Award is one of the major awards in Law Enforcement Division for recognizing outstanding performance. This honor also carries the distinction of being Michigan's Conservation Officer of the Year. The nominations are submitted by conservation officers, based on established criteria related to officer duties and personal attributes.

Mr. Gunnar Klarr, representing Shikar-Safari Club International, was present to make the award presentation for 2006.

Gunnar Klarr presented the award to **C.O. Danny Walzak**. C.O. Walzak was nominated by his peers. Among other attributes, C.O. Walzak is a firearm tactics instructor, is an expert in radio systems, and is a local waterways instructor.

RECOGNITION OF COMMISSIONER BOB GARNER

Director Humphries and Chairman Charters presented a white pine plaque to Commissioner Bob Garner. It reads as follows:

“The Michigan Natural Resources Commission and the Michigan Department of Natural Resources, are proud to honor Bob Garner for nearly eight years of passionate service as a dedicated member of the Natural Resources Commission. Your enthusiasm and lifetime commitment to Michigan's natural resources and sound scientific management is unparalleled, and your devotion to DNR staff has been second to none. Michigan's outdoor recreation heritage will continue to thrive because of your astute resource management decisions that have been based on common sense and hands-on experience. Thank you for your public service that will ensure others can follow your lead as “the ultimate sportsman. December, 2006.”

Commissioner Garner, whose term as a commissioner expires on December 31, 2006, was honored by this presentation. He said that he believes Director Becky Humphries is the best director the DNR has, had and he is proud to have had the opportunity to aid in hiring her. He thanked Chairman Charters for considering him for the NRC and said every decision he has made throughout his eight years on the NRC was to add to the public's quality of life.

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Leon Hank, Quality Deer Management Association (QDMA), reported that the QDMA strongly supports proposed hunting and fishing license fee increases. He believes that the DNR is not adequately staffed and believes restoration of DNR staff needs to occur. He thanked Commissioner Wheatlake and the Hunting and Fishing License Package Development Work Group for their efforts.

Chairman Charters said he had recently stopped into the DNR Traverse City ter where he observed that deer checked from Leelanau County were all quality bucks.

Dick Raney, American Motorcycle Association, also chair of the ORV Advisory Board, complimented staff on the development of the draft Michigan ORV Plan. He requested additional time to act on this plan.

Jenness Wiegand, Brighton Township, reported that gun noise from the Island Lake Shooting Range was very loud during the Thanksgiving holiday weekend. She does not believe the Range was built to accommodate sporting clays.

Ellen Nitz, Brighton Township, expressed concern that the level of usage of the Island Lake Shooting Range will contribute to lead pollution.

Walter Nitz, Brighton Township, requested that Island Lake Shooting Range be returned to its original usage intent – that which did not include sporting clays.

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The Public Appearances portion of the meeting was adjourned at 5:55 p.m. and the Regular Meeting of the NRC was convened at 5:55 p.m.

APPROVAL OF MINUTES – NOVEMBER 9, 2006 NATURAL RESOURCES COMMISSION MEETING

Commissioner Garner made a motion, supported by Commissioner Brown, for approval. Motion unanimously carried 6-0.

DIRECTOR'S ACTION

Director Humphries approved all Director's Action items on the Agenda.

NRC POLICY COMMITTEE REPORTS

NRC Policy Committee on Finance and Administration

Commissioner Wheatlake, Committee Chair, reported that the NRC Policy Committee on Finance and Administration met on December 7, 2006 at 11:00 a.m. at the Lansing Center, Lansing. Minutes are attached.

NRC Policy Committee on Technology, Information, Marketing and Education (TIME)

Commissioner Brown, Committee Chair, reported that the NRC Policy Committee on TIME met on December 7, 2006 at 12:30 p.m. at the Lansing Center, Lansing. Minutes are attached.

NRC Policy Committee on Wildlife and Fisheries

Commissioner Garner, Committee Chair, reported that the NRC Policy Committee on Wildlife and Fisheries met on December 7, 2006 at 1:45 p.m. at the Lansing Center, Lansing. Minutes are attached.

CITIZENS COMMITTEE FOR MICHIGAN STATE PARKS

Chairman Charters reported that **Commissioner Brown** has agreed to replace him, as representative of the NRC, on the Citizens Committee for Michigan State Parks.

COMMISSIONER REPORTS

Commissioner Garner said he has been honored to have served as a Commissioner for nearly eight years and that it will be difficult to leave the NRC. He will miss everyone.

Commissioner Earley extended his best wishes to Commissioner Garner and his family.

Commissioner Madigan said (about Commissioner Garner) that he is a true friend and is respected because he does not back down even in the face of adversity. He said it was a pleasure serving on the NRC with him.

Chairman Charters recognized the efforts of the Hunting and Fishing License Package Development Work Group, and requested that everyone recognize that the future of the hunting and fishing heritage is at stake. He said that the proposed increase is only a short-term solution, and all entities need to pull together to develop a long-term solution to the program shortfalls. He reported that a “Conservation Summit” will be held in early February with the goal of developing sustainable resource funding programs. More details on this Summit will follow.

Chairman Charters noted that **Commissioner Garner’s** role has been the conscience of Proposal G. He admired him for that.

Announcements

Chairman Charters noted that **Bob Garner** was appointed Chair of the Michigan Natural Resources Trust Fund Board at its December meeting.

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The meeting adjourned at 6:17 p.m.

**NRC POLICY COMMITTEE ON FINANCE AND ADMINISTRATION
MINUTES
December 7, 2006
Lansing Center
333 E. Michigan
Lansing**

The meeting convened at 11:05 a.m.

NRC Chairman Charters called the meeting to order at 11:05 a.m. **Commissioner Earley** was also present for the Committee. **Commissioners Madigan and Brown** were also present.

Investments Update

Joe Frick, Chief, Office of Financial Services, presented an investments update on behalf of Department of Treasury. Staff from the Department of Treasury was unable to attend.

Mr. Frick introduced **Tricia Fogel** who is an accountant in the Office of Financial Services and tracks the investments.

From September 30, 2005 to September 30, 2006, the value of the six natural resources related funds (Game and Fish Protection Fund, Game and Fish Trust Fund, MCCC Endowment Fund, Natural Resources Trust Fund, State Parks Endowment Fund and Non-Game Trust Fund) increased approximately \$42.8 million to over \$700 million. Of the \$700 million, \$531.1 is equity investments and long-term fixed income assets, and \$169 million is held in the State's common cash fund, which is invested primarily in short-term commercial paper. Additional investments of \$43.4 million were made to equities and fixed income through purchases during the period. Common cash fund balances exist in other funds that are not mentioned in this report.

For the period covering September 30, 2005 to September 30, 2006, the market value of equity investments increased \$15.7 million to \$160.3 million and fixed income investments increased by \$35.5 million to \$370.9 million as a result of purchases and increases in net market value.

The purpose of the investment funds is to generate revenue to fund DNR programs. In 2002, a constitutional amendment passed to allow the DNR to invest in the stock market. In 2004, the Department of Treasury working with the the DNR began doing just that. Over the past two years, the average return has been approximately 10 percent. However, sooner or later, a downturn can and should be expected.

Keith Charters commented that since the move to invest in equities, a positive difference has been realized and the change has been beneficial. He observed that this should be acknowledged and recognized as a DNR and Commission success story.

Committee Chair Frank Wheatlake arrived at 11:34 a.m.

Dennis Fedewa discussed the different tiered rates of return among common cash earnings on the department's constitutionally protected restricted funds and statutorily protected restricted funds.

Keith Charters inquired as to common cash earnings versus the equity earnings. He wanted to make sure the DNR is getting full credit for equity earnings and that they are not being dispersed to other state agencies. He requested that staff keep the Committee informed regularly on the status of the Common Cash accounts to ensure that the earnings are directed where intended.

Forest Recreation Fee Update

Lynne Boyd reported that the Forest Recreation Fund is projecting a \$500,000 deficit in this fiscal year. She noted that revenue is being sought to do basic maintenance on state forest campgrounds. A proposal has been presented to determine how much is needed for efforts beyond basic maintenance. State forest campground fee increases have been proposed and notification will be provided to the appropriate legislative committees for review. The Forest, Mineral and Fire Management Division supports the proposal, as does the Forest Management Advisory Committee which includes the Michigan Snowmobile Association, the American Motorcyclist Association, the Sierra Club of Michigan, timber industry representatives, academic representatives and the Michigan United Conservation Clubs. She said that the proposed fee increases are a temporary fix and that a long-term solution needs to be addressed. The legislature will have six months to review this proposal. This is a Director's Action Items that could be acted on by the Director on May 14, 2007, following discussion and review at the NRC meeting on May 10, 2007.

SELECTED FUNDS REVIEW

Game and Fish Protection Fund – General Purpose

Sharon Schafer, Chief, Office of Budget and Support Services, reported that the 2006 fiscal year ended with \$8.5 million in the Game and Fish Protection Fund. The year-end projected balance was \$6.5 million. The difference is \$700,000 more in revenue than was projected including an increase in license sales and the sale of the retail sales license system that is no longer being used by the DNR. However, the \$8.5 million is not enough to sustain a positive balance.

Bill Moritz, Wildlife Division Chief, noted that in the past years, an average license sale decline of approximately one and three quarters percent has been recognized. This year, license sales are up approximately two percent on license buyers and down approximately one percent on licenses sold. Increased participation is a positive trend.

Forest Development Fund

Sharon Schafer reported that reductions will need to occur in fiscal year 2007 to remain solvent. **Lynne Boyd** reported that there are large inventories of forest products not being sold, prices are declining, the housing market is down and expenses are rising (i.e., forest fire fighting). A reduction plan will be discussed.

Park Improvement Fund

Fiscal year 2006 ended with a \$3.7 million fund balance. Small deficits are projected in FY 2008, but can be addressed with the hope for good weather and low gas prices.

Ron Olson, Parks and Recreation Division Chief, reported that the 2006 camping season began with camping being up in May, declining in June and with camper numbers down by July. However, camping rose in late August due partially to the later school start dates and gas prices being down late in the season and the year concluded with camp nights down about 5 percent compared to 2005. He estimated that approximately six percent in savings was accomplished through innovative activities within the Division.

The meeting adjourned at 12:25 p.m.

Minutes

**NRC Policy Committee on
Technology, Information, Marketing and Education
December 7, 2006
Lansing Center
Lansing, MI**

The meeting convened at 12:50 p.m.

Commissioner Mary Brown (Chair), Commissioner Garner, and NRC Chair Keith Charters, were present from the Committee. Commissioners Wheatlake, Madigan and Earley were also present.

Presentation

Bruce Matthews and Stephanie Hussey, of the Recreational Boating and Fishing Foundation, presented information about its partnership with the DNR and the two-year pilot project, which focused on lapsed anglers in Michigan.

The meeting adjourned at 1:40 p.m.

NRC POLICY COMMITTEE ON WILDLIFE AND FISHERIES
December 7, 2006
Lansing Center
333 E. Michigan
Lansing

The meeting convened at 1:50 p.m.

Commissioner Garner (Committee Chair) and Commissioner Madigan were present for the Committee. Commissioners Brown, Earley, Charters and Wheatlake were also present for the Commission.

Water Issues in Michigan

Paul Seelbach, Fisheries Division, presented a new state process for conservation management of water resources. A group of conservation organizations have created a work group that addresses water issues. The group has created a GIS application, which will eventually be available online, for businesses, landowners, etc. to assess if an area is acceptable for drilling a well. The application takes into account water tables and impacts to those tables. At this time, existing wells are not taken into consideration but they will be added into the database eventually.

Technical updates were made to a few Fisheries Orders.

The meeting adjourned at 2:45 p.m.