

FISCAL UPDATE Article

Fiscal Services Division



May 15, 2017

NATURAL RESOURCE COMMISSION MEETING

Meeting. The Natural Resource Commission met on May 11, 2017. The following items were discussed.

New Commissioners. Two new commissioners were sworn in by Director Chuck Gipp. The two commissioners are Laura Hommel from Eldora and Tom Prickett from Glenwood.

Legislative Session. Director Gipp discussed legislation passed during the 2017 Legislative Session, which made the following changes to the Department's funding:

- A reduction to the General Fund Operations appropriation in the Department of Natural Resources (DNR) reduced the \$12.9 million appropriation to \$11.5 million for FY 2017 in <u>SF 130</u> (FY 2017 Budget Adjustment Act). The Act also allowed the DNR to use up to \$1.0 million from the Open Spaces Account in the Resource Enhancement and Protection (REAP) Fund to pay for operations and maintenance at the State parks.
- A second reduction for FY 2018 reduced the General Fund Operations appropriation to \$11.3 million in <u>SF 510</u> (FY 2018 Agriculture and Natural Resources Appropriations Act). The Act allowed the DNR to use up to \$288,000 from the Open Spaces Account in the REAP Fund to pay for operations and maintenance at the State parks.
- There was a discussion of <u>HF 631</u> (Natural Resource License Fee Increase Bill), which would have allowed the DNR to increase fishing and hunting licenses through the administrative rules process. The Bill passed the House but did not pass the Senate. The Bill remains eligible for debate next year.

Operations Changes. Director Gipp also discussed how the Department will be handling the decrease in appropriations. Changes include:

- State park seasonal help will be reduced from 240 employees to 150 employees.
- If a State park has 1.00 FTE position that is a permanent position and the person employed in that position retires or resigns, that State park will be closed.
- The Springbrook Education Center at Springbrook State Park has been closed. Activities at the Center included teaching young adults how to hunt and fish.
- There is a hiring freeze at the DNR on positions funded with General Fund or Fish and Game Protection Fund moneys. If an employee quits or retires, the vacated position will not be replaced.
- Further projections will be available when insurance costs and salary increases have been determined.

Honey Creek Resort Update. A semi-annual update was provided by Sherry Arntzen, DNR Executive Officer, on Honey Creek Resort, which is being managed by Delaware North Companies (DNC) Parks and Resorts, Inc. Also in attendance were Derek Zwickey, Regional Vice President, and Walt Kochansky, Honey Creek Resort General Manager, from DNC. The following items were discussed:

- For year-to-date FY 2017, total revenue was reported at \$787,000, compared to the budget of \$1.0 million.
- Delaware North Companies will be making an investment of \$2.5 million to complete various projects and improvements. These include temporary housing for seasonal employees; upgrades to the conference center; a remodel of the gift shop, which will include an espresso bar; and the construction of a wedding pavilion, a spa, and an outdoor swimming pool.
- The DNR will complete several deferred maintenance projects, which include staining exterior wood at the lodge, staining wood in the great room, replacing doors, completing fence work, replacing the first floor subfloor, and installing new waterpark restroom partitions. The total estimated cost of the projects is \$253,000, and the cost of the remaining work is estimated at \$177,000.

Land Purchased. The following land acquisitions were approved:

- Iowa River Corridor Wildlife Management Area in Iowa County. Eighty-five acres were purchased for \$70,000 from the Iowa Natural Heritage Foundation. Funding included \$35,000 from the Wildlife Habitat Stamp and \$35,000 from the National Audubon Society. The land is connected to public land on three sides and will be used for public hunting.
- Iowa River Corridor Wildlife Management Area in Iowa County. Forty-five acres were purchased for \$100,000 from the Iowa Natural Heritage Foundation. Funding included \$55,000 from the Wildlife Habitat Stamp and \$45,000 from the National Audubon Society. The land is bottomland timber and is adjacent to public lands.
- North Raccoon River Wildlife Management Area in Greene County. Fifty-three acres were purchased for \$167,000 from a private landowner. Funding included \$125,250 from the federal Pittman-Robertson fund and \$41,750 from the Wildlife Habitat Stamp. The land has upland and bottomland woodlands, three open grassland areas, and a three-acre bottomland field. The land borders the North Raccoon River and will be used to improve water quality and wildlife habitat.
- Oxford Junction Wildlife Management Area in Jones County. The DNR accepted a conservation easement adjacent to the Wildlife Management Area for 85 acres. The easement allows the property to be enrolled into the Conservation Reserve Program.

Next Meeting. Additional information on this meeting and other Natural Resource Commission meetings is available at the <u>DNR</u> website. The next meeting will be on June 7 and 8 in Tama County. It will include a tour of the Tama County Conservation Board Nature Center.

STAFF CONTACT: Debra Kozel (515)281-6767 deb.kozel@legis.iowa.gov