

GOVERNING BOARD SPECIAL MEETING
OREGON DEPARTMENT OF GEOLOGY AND MINERAL INDUSTRIES

January 10, 2020
1:00 p.m.

Portland State Office Building
Suite 965

Public Meeting Agenda

The Board makes every attempt to hold strictly to the sequence of the distributed agenda. Times and topics may change up to the last minute. This agenda is available on the DOGAMI website: www.oregongeology.org.

- 1:00 p.m. Item 1: Call to Order** – Chair Laura Maffei
- 1:05 p.m. Item 2: Introductions** – Chair Laura Maffei and staff
- 1:10 p.m. Item 3: Approval of Annual Director’s Evaluation Written Document** – Chair Laura Maffei
Board Action: The Board will be asked to take an action on this item
- 1:15 p.m. Item 4: Review Agency’s Draft 2nd Year Budget and Proposed MLRR Fee Increase** – Dania Ballard, Chief Financial Officer, Sarah Lewis, MLRR Program Manager and Bob Houston, Interim Legislative Coordinator
Board Action: The Board will be asked to take an action on this item
- 2:35 p.m. Item 5: DOGAMI Strategic Plan Update** – Amira Streeter, Policy Advisor Governor’s Office
Briefing: The Board will not be asked to take an action on this item
- 2:50 p.m. Item 6 Public Comment**
Three minutes limit per person unless otherwise specified at the meeting by the Chair
- 3:00 p.m. Item 7: Board Adjourn**

PLEASE NOTE

AGENDA

The Board meeting will begin at 1:00 p.m. and proceed chronologically through the agenda.

PUBLIC TESTIMONY

If you wish to give testimony on any item scheduled on this agenda, please sign up on the sheets provided on the day of the meeting and you will be called to testify by the Board Chair. The Board places great value on information received from the public. Persons desiring to testify or otherwise present information to the Board are encouraged to:

1. Provide written summaries of information to the Board (7 sets);
2. Limit testimony to 3 minutes, recognizing that substance, not length, determines the value of testimony or written information;
3. Endorse rather than repeat testimony of other witnesses; and
4. Designate one spokesperson whenever possible when groups or organizations wish to testify.

THANK YOU FOR TAKING TIME TO PRESENT YOUR VIEWS

If you bring written materials to the meeting, please provide seven (7) copies. If you have questions regarding this agenda, please contact Lori Calarruda at (971) 673-1537 or you may email her at lori.calarruda@oregon.gov

REASONABLE ACCOMMODATION OF DISABILITIES

Reasonable accommodation, such as assisted hearing devices, sign language interpreters, and materials in large print or audiotape, will be provided as requested. In order to ensure availability, please contact the Director's Office at (971) 673-1555 at least 72 hours prior to the meeting to make your request.

Staff Report and Memorandum

To: Chair, Vice-Chair, and members of the DOGAMI Governing Board

From: Laura Maffei, Governing Board Chair

Date: January 7, 2020

Regarding: Agenda Item 3 – Approval of Annual Director’s Evaluation Written Document

The Board will take action on the Director’s Annual Evaluation written document.

Proposed Board Action: Approve the Annual Director’s Evaluation written document, based on the Board’s approval motion to accept Annual Director’s Review/Evaluation at the September 9, 2019 Board meeting.

Staff Report and Memorandum

To: Chair, Vice-Chair, and members of the DOGAMI Governing Board

From: Dania Ballard, Chief Financial Officer

Date: January 8, 2020

Regarding: Agenda Item 4 – Review Agency’s Draft 2nd Year Budget and Proposed MLRR Fee Increase

Attached are the Agency’s fiscal year 2021 proposed budget summaries for the Geological Survey and Services (GS&S) Program and the Mineral Land Regulation & Reclamation (MLRR) Program and proposed MLRR Fee increase summary.

Proposed Board Action: To be determined.



TO: Board of Directors

FROM: Dania Ballard, Bob Houston, Sarah Lewis

DATE: January 07, 2020

SUBJECT: Proposed FY21 Budget and Fee Increase

Board Governance

The Board has a duty to provide guidance related to operational decision-making and to affirm the Agency is appropriately managing its financial resources. Four key areas of responsibility include:

- The Board reviews all proposed budgets;
- The Board periodically reviews key financial information and audit findings;
- The Board is appropriately accounting for resources; and
- The Agency adheres to accounting rules and other relevant financial controls.

In addition to operational communication, this memo will include topical areas of discussion related to these objectives with the expectation of inquiry and follow up as needed to support Board governance.

Fiscal Year 2021 Proposed Budget

The attached budget summaries identify DOGAMI's proposed budget for the second year of the current biennium.

The Geological Survey and Services (GS&S) budget summary includes overall GS&S and administrative costs of the agency. Two options are presented. GS&S Option 1 supports existing operations. GS&S Option 2 adds proposed supervisory/management positions to Option 1.

The Mineral Land Regulation and Reclamation (MLRR) budget summary and fee increase summary include operational costs to achieve a 6-month beginning balance to start the 25-27 biennium. Two budget summary options are included. The MLRR Option 1 provides current operational support and a Natural Resource Specialist 4 limited duration position. This position is distributed as a 60% Chemical Processing Lead (100% cost recovery, not part of the fee increase or program costs) and 40%

MLRR to support operations. The MLRR Option 2 adds a permanent Natural Resource Specialist 2 for MLRR field inspections in addition to Option 1.

The total agency fiscal year 2021 proposed budget below:

	GS&S Option 1	GS&S Option 2
GS&S/Agency Administration		
GF	\$2,857,146	\$3,104,829
OF	\$1,308,461	\$1,308,461
FF	\$2,902,495	\$2,902,495
MLRR		
OF	\$2,212,365	\$2,344,303
Totals		
GF	\$2,857,146	\$3,104,829
OF	\$3,520,826	\$3,652,764
FF	\$2,902,495	\$2,902,495
Total:	\$9,280,467	\$9,660,088

Recommended Motions

To be determined

ATTACHMENTS:

FY21 Proposed Budget Summary, GS&S/Administration & MLRR

MLRR Proposed Fee Schedule Summary

FY21 Other Fund
MLRR Budget

	FY20 LAB	CSL ASK FY21 Budget	Variance		CSL + Positions FY21 Budget	Variance
Beginning Balance:						
0025 - Beginning Balance	370,374	254,702	(115,672)		254,702	(115,672)
0030 - Beginning Balance Adjustment	-	-	-		-	-
Total Beginning Balance	370,374	254,702	(115,672)		254,702	(115,672)
Revenue:						
0050 - General Fund Appropriation	-	-	-		-	-
0210 - Non Bus Lic & Fees	1,893,307	1,645,792	(247,515)		1,645,792	(247,515)
0410 - Charges for Services	2,401	130	(2,271)		130	(2,271)
0605 - Interest and Investments	6,532	17,455	10,924		17,455	10,924
0705 - Sales Income	-	-	-		-	-
0975 - Other Revenue	11,000	-	(11,000)		-	(11,000)
0995 - Federal Funds	-	-	-		-	-
1010 - Transfer In - Intrafund	-	-	-		-	-
1020 - Transfer In - Indirect Cost	-	-	-		-	-
1248 - Transfer In - Military	-	-	-		-	-
1330 - Transfer In from Energy Dept.	-	-	-		-	-
1340 - Transfer In from DEQ	129,500	153,255	23,755		153,255	23,755
1543 - Transfer in from State Library	-	-	-		-	-
Total Revenue	2,042,739	1,816,632	(226,107)		1,816,632	(226,107)
Operating Transfer Out:						
2010 - Transfer Out - Intrafund	-	-	-		-	-
2020 - Transfer Out - Indirect Cost	-	-	-		-	-
2340 - Transfer Out to DEQ	(7,500)	-	7,500		-	7,500
Total Operating Transfers	(7,500)	-	7,500		-	7,500
Total Available Revenue for Ops	2,405,613	2,071,334	(334,279)		2,071,334	(334,279)
Expenditures:						
Personal Services Total	1,215,959	1,726,475	510,517	42% \$1,494,654 direct \$231,821 indirect (indirect never considered and never fully recovered) NRS4 new position (\$146k) Seasoned staff new top step	1,858,413	642,455
<i>Breakdown - Direct Costs</i>						53% \$1,608,876 direct \$249,537 indirect (indirect never considered and never fully recovered) NRS4 new position (\$146k) NRS2 new position (\$114k) Seasoned staff new top step
<i>Breakdown - Indirect entries</i>						
Services & Supplies						
4100 - Instate Travel	32,350	35,000	2,650		35,000	2,650
4125 - Out of State Travel	-	-	-		-	-
4150 - Employee Training	36	7,500	7,464		7,500	7,464
4175 - Office Expenses	15,758	15,758	-		15,758	-
4200 - Telecomm	42,086	22,493	(19,593)		22,493	(19,593)
4225 - State Gov't Svc Chg	-	-	-		-	-
4250 - Data Processing	39,473	39,947	475		39,947	475
4275 - Publicity & Publications	1,861	1,861	1		1,861	1
4300 - Professional Services	49,521	150,000	100,480		150,000	100,480
4315 - IT Professional Services	-	-	-		-	-
4325 - Attorney General	29,125	50,000	20,876		50,000	20,876
4375 - Employee Recruitment	3	-	(3)		-	(3)
4400 - Dues & Subscriptions	310	1,000	691		1,000	691
4425 - Facilities Rent	39,860	41,000	1,141		41,000	1,141
4450 - Fuels & Utilities	5,721	6,500	780		6,500	780
4475 - Facilities Maintenance	5,703	6,000	298		6,000	298
4525 - Medical Supplies & Services	-	-	-		-	-
4575 - Agency Related S & S	-	-	-		-	-
4600 - Intra agency Charges	-	-	-		-	-
4650 - Other Services & Supplies	16,374	16,374	-		16,374	-
4650 - INDIRECT Cost Allocation	-	63,968	63,968	indirect never considered and never fully recovered	63,968	63,968
4675 - Undistributed (S&S)	-	-	-		-	-
4700 - Expendable Prop (\$250-\$5000)	2,415	7,000	4,586		7,000	4,586
4715 - IT Expendable Property	3,398	12,000	8,603		12,000	8,603
Total Services & Supplies	283,988	476,401	192,413	68% increase	476,401	192,413
Capital Outlay						
5200 - Technical Equipment	-	-	-		-	-
5550 - Data Processing Software	9,489	9,489	-		9,489	-
5600 - Data Processing Hardware	-	-	-		-	-
5900 - Other Capital Outlay	-	-	-		-	-
Total Capital Outlay	9,489	9,489	-		9,489	-
Total Expenditures - LAB	1,509,435	2,212,365	702,930		2,344,303	834,868
Est. Budget with Salary Pot	1,509,435	2,212,365	702,930		2,344,303	834,868
Accounts Receivable Balance						
Ending Balance (R+ OT-E)	896,178	(141,031)	(1,037,209)		(272,969)	(1,169,147)

FY21 General Fund
GSS Budget

	FY20 LAB	CSL ASK FY21 Budget	Variance	FY18 Actuals	CSL + Positions FY21 Budget	Variance	
Beginning Balance:							
0025 - Beginning Balance	-						
0030 - Beginning Balance Adjustment	-						
Total Beginning Balance	-						
Revenue:							
0050 - General Fund Appropriation	2,534,180	2,842,146	307,966	12% increase	3,104,829		
0210 - Non Bus Lic & Fees	-						
0160 - Charges for Services	-						
0605 - Interest and Investments	-						
0705 - Sales Income	-						
0975 - Other Revenue	-						
0995 - Federal Funds	-						
1010 - Transfer In - Intrafund	-						
1020 - Transfer In - Indirect Cost	-						
1248 - Transfer In - Military	-						
1330 - Transfer In from Energy Dept.	-						
1340 - Transfer In from DEQ	-						
1543 - Transfer in from State Library	-						
Total Revenue	2,534,180	2,842,146			3,104,829		
Operating Transfer Out:							
2010 - Transfer Out - Intrafund	-						
2020 - Transfer Out - Indirect Cost	-						
2340 - Transfer Out to DEQ	-						
Total Operating Transfers	-	-			-		
Total Available Revenue for Ops	2,534,180	2,842,146			3,104,829		
Expenditures:							
Personal Services Total	1,622,450	1,824,811	202,362	12% increase	2,072,494	450,045	247,683 difference
Breakdown - Direct Costs							1 PEMD top step program manager
Breakdown - Indirect entries							2 supervisors
							refocus of current WOC supervisors to FF/OF
							28% Increase
Services & Supplies							
4100 - Instate Travel	5,159	20,000	14,841	41,104	20,000	14,841	
4125 - Out of State Travel	3,725	5,000	1,275	10,132	5,000	1,275	
4150 - Employee Training	1,333	15,000	13,667	34,010	15,000	13,667	
4175 - Office Expenses	6,398	15,000	8,602	95,401	15,000	8,602	
4200 - Telecomm	43,260	45,000	1,741	56,216	45,000	1,741	
4225 - State Gov't Svc Chg	61,190	198,000	136,811	129,847	198,000	136,811	
4250 - Data Processing	463,525	150,000	(313,525)	222,805	150,000	(313,525)	
4275 - Publicity & Publications	-	-	-	1,320	-	-	
4300 - Professional Services	3,272	75,000	71,728	122,035	75,000	71,728	
4315 - IT Professional Services	-	4,500	4,500	2,398	4,500	4,500	
4325 - Attorney General	2,665	10,000	7,335	18,371	10,000	7,335	
4375 - Employee Recruitment	139	500	361	-	500	361	
4400 - Dues & Subscriptions	742	3,500	2,758	3,403	3,500	2,758	
4425 - Facilities Rent	135,694	200,000	64,306	183,700	200,000	64,306	
4450 - Fuels & Utilities	-	-	-	854	-	-	
4475 - Facilities Maintenance	-	-	-	694	-	-	
4525 - Medical Supplies & Services	-	-	-	39	-	-	
4575 - Agency Related S & S	-	-	-	1,120	-	-	
4600 - Intra agency Charges	-	-	-	-	-	-	
4650 - Other Services & Supplies	131,535	125,000	(6,535)	203,738	125,000	(6,535)	
4650 - INDIRECT Cost Allocation	-	-	-	(70,487)	-	-	
4675 - Undistributed (S&S)	-	-	-	-	-	-	
4700 - Expendable Prop (\$250-\$5000)	3,706	4,000	294	3,628	4,000	294	
4715 - IT Expendable Property	2,555	115,000	112,445	169,118	115,000	112,445	
Total Services & Supplies	864,896	985,500	120,604	1,229,449	985,500	120,604	
Capital Outlay							
5200 - Technical Equipment	-	-	-	14% increase	-	-	14% increase
5550 - Data Processing Software	46,835	46,835	1		46,835	1	
5600 - Data Processing Hardware	-	-	-		-	-	
5900 - Other Capital Outlay	-	-	-		-	-	
Total Capital Outlay	46,835	46,835	1		46,835	1	
Total Expenditures	2,534,180	2,857,146	322,966		3,104,829	570,649	
estimated Salary Pot	39,391	39,391			39,391		
Est. Budget with Salary Pot	2,573,571	2,896,537			3,144,220		
Ending Balance (R+ OT-E)	-	(15,000)			-		

Increase

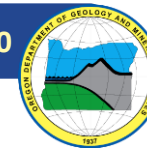
322,966

13% increase

increase

570,649

22% increase



MLRR Fee Schedule	Mining: Aggregate, Coal, Placer, Metal Mine Operating Permit 900 active permits			Exploration Permit 15 active permits			Oil & Gas (O&G) – 100 active permits Geothermal (Geo) – 30 active permits		
	Current Fee Last Updated 2015	CSL	CSL & NRS2 Included for AGG	Current Fee Last Updated 1991	CSL	CSL & NRS2 Included For AGG	Last Updated 1991 & 2007	CSL	CSL & NRS2 Included For AGG
Application Fee	\$1,750	\$2,000	\$2,000	\$400	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000
Annual Renewal Fee	\$850 (base fee)	\$1,460 (base fee)	\$1,675 (base fee)	\$300	\$1,460	\$1,675	\$1,500 (1 st year)	O&G: \$1,160 Geo: \$2,725	O&G: \$1,185 Geo: \$2,785
	\$0.0095 (\$/tons)	\$0.015 (\$/tons)	\$0.0175 (\$/tons)				\$500 (2 nd yr. to closure)		

Mining permit renewal fee schedule scenario comparisons (average annual tonnage: 95,000 tons):

- **Current** renewal fee schedule: [base fee (\$850) + production fee ($\$0.0095 \times 95,000 \text{ tons of rock} = \902.50)] = **\$1,752.50**
- **CSL**: [base fee (\$1,460) + production fee ($\$0.015 \times 95,000 \text{ tons of rock} = \$1,187.50$)] = **\$2,885**
- **CSL & NRS2 included**: [base fee (\$1,675) + production fee ($\$0.0175 \times 95,000 \text{ tons of rock} = \$1,377.50$)] = **\$3,337.50**

Current Service Level (CSL) includes 1 NRS4 LD position distributed as 60% Chemical Processing Lead (100% cost recovery, not part of the fee increase or program costs) and 40% MLRR operations.

Current Fee Challenges:

- Current fee **revenue/staffing does not** fully support delivery of **program services** including:
 - timely correction of **compliance issues**;
 - site inspections that proactively address **on-site problems**; and
 - staff support for the **Chemical Process Mining** (Calico-Grassy Mountain) permit/regulatory process
- By **Spring 2021**, fee revenue **will not** support current service levels, **requiring staff reductions**

Increased Fee Goals:

- Fulfill **regulatory responsibilities**
- Meet stakeholder **service delivery expectations**
- Achieve **Application Fee parity** across Mining, Oil & Gas, and Geothermal Programs
- Prevent **permit-related delays** and **environmental impacts**
- Six-month **program reserve**; full share of **agency indirect costs**

Staff Report and Memorandum

To: Chair, Vice-Chair, and members of the DOGAMI Governing Board
From: Amira Streeter, Natural Resources Policy Advisor - Governor's Office
Date: January 7, 2020

Regarding: Agenda Item 5 – DOGAMI Strategic Plan Update

Amira Streeter, Natural Resources Policy Advisor - Governor's Office will provide an update on the Governor's Office Strategic Plan for DOGAMI.

Proposed Board Action: The Board will not be asked to take an action on this item.