

**Department of Environment  
& Natural Resources**  
Fee Changes  
Grant Consultation  
Report on Aviation Activities

Joint Legislative Commission on Governmental Operations  
Subcommittee on NER and Transportation  
October 19, 2010

**Department of Environment and Natural Resources  
Division of NC Aquariums**

**Name of Fee:** Pier Fishing Admissions Fee

**Purpose of Fee:** Pier fishing admission fees collected at the NC Aquariums' educational fishing pier at Nags Head will support pier programs, employees, exhibits, operations and pay debt.

**Current Pier Fees:** NA

**Revenue Currently Generated by Piers:** None

**Proposed Fee:**

<b>FEES</b>	<b>CATEGORIES</b>
\$12	Adult fishing, 13 years old and over, max. of two rods per 24-hour period
\$2	For each rod over two per 24-hour period
½ fee	Youth fishing, ages 12 years old and under

**Projected Total Annual Revenue:** \$756,000 (assumes 60,000 adults pay the daily fishing fee and 6,000 youth pay ½ the adult fee)

**Rationale for Fee:** It is planned that the operation of this and any future piers will be supported by receipts generated at the facility. All existing fishing piers on the North Carolina coast charge a fee for fishing using prevailing local market rates. The pier at Nags Head is under construction and is expected to open in May 2011, at which time the fishing fee will be collected.

**Who Pays:** Adults will pay \$12 for two rods for a 24-hour period. Adults will be charged two dollars for each rod over two. Children age 12 and under will pay half the adult fee to fish and for each rod over two.

**Number Affected by Fee:** an estimated 60,000 adults and older youth will pay the adult fee of \$12 for a 24-hour period and an estimated 6,000 youth under 13 years old will pay \$6 to fish in a 24-hour period.

**Inception Date of Fee:** January 1, 2011 (The pier facility is new as is the fee)

**Date of Last Fee Change:** NA

**Environment & Natural Resources Report to October 2010 Governmental Operations Commission on Grants for FY 2010-11**

				FY 2010-11	
Division	Official Grant Title	Grant Description	Funding Entity	Amount	FTE
1 Soil & Water Conservation	Contribution Agreement by and between the Div. of Soil & Water Conservation & the Natural Resources Conservation Service	Funds will be used to accelerate the implementation of State and Federal conservation efforts in local soil & water conservation districts. Thirty-two part-time temporary positions will assist agricultural landowners with conservation plans and BMPs.	USDA - Natural Resource Conservation Service	\$ 600,000	0
2 Marine Fisheries	NC Marine Aquatic Resource Education	Funds will be used to create the NC Marine Aquatic Resource Education Strategic Plan which will outline how to educate anglers on ethical angling practices and protection of marine sport fish habitat.	US Fish & Wildlife Service	\$ 110,000	0
3 Forest Resources	Federal Economic Recovery/ Stimulus Funds	"Keeping Sediment in Check with BMPs, Bridgemats, and Stream restoration. The Project will (1) implement forestry BMPs to improve forest roads and install erosion control structures, (2) purchase portable bridgemats for loggers to borrow when crossing streams during logging, and (3) restore a degraded stream.	USDA Forest Service - ARRA	\$ 275,000	0
4 Forest Resources	Restoring and Sustaining Longleaf Pine Ecosystems in North Carolina	Funds will help expand DFR's seedling nursery, seed orchard management, seed collection, and tree improvement capacity for longleaf pines. Efforts will include prescribed burning; producing seeds for longleaf pine ecosystem restoration; planting 1,000 acres of longleaf pine; identifying, inventorying, and mapping existing longleaf pine stands; and forming partnerships, developing plans, and implementing priority actions.	USDA Forest Service	\$ 2,200,000	4

## FY 2009-10 STUDY OF STATE AIRCRAFT: RECOMMENDATIONS & ACTIONS

### 1. Program Evaluation Division's (PED) Recommendations

- Eliminate unnecessary aircraft in the Divisions of Forest Resource and Marine Fisheries within the Department of Environment & Natural Resources (DENR).
- Consolidate the location of Forest Resources aircraft and close five hangars.
- Consolidate all passenger aircraft (Commerce, DOT, & AHEC) into one Aviation Division.

### 2. Summary of PED Recommendations and NCGA Actions (S.L. 2010-31)

	PED		NCGA	
<i>DENR, Division of Forest Resources</i>				
Aircraft for Elimination	20		Not less than 10	
Pilots for Elimination	9		4	
Mechanics for Elimination	5		2	
Hangars Closed	5		2	
<b>Recurring Savings - Aircraft</b>	<b>\$1,011,809</b>		<b>\$469,817</b>	
<b>Nonrecurring Savings - Aircraft</b>	<b>\$2,628,500</b>		<b>\$1,500,000</b>	
<b>Recurring Savings - Hangars</b>	<b>\$26,060</b>		<b>\$13,060</b>	
<i>DENR, Division of Marine Fisheries</i>				
Aircraft for Elimination	3		3	
Pilots for Elimination	0		0	
Mechanics for Elimination	N/A		N/A	
<b>Expected Recurring Savings</b>	<b>\$11,570</b>		<b>\$25,218</b>	
<b>Expected NR Savings</b>	<b>\$190,000</b>		<b>\$35,000</b>	
<i>Department of Commerce</i>				
	<b>PED Recommendation</b>		<b>NCGA</b>	
	<b>Eliminate</b>	<b>Consolidate</b>	<b>Eliminate</b>	<b>Consolidate</b>
Aircraft	0	2	0	2
Pilots	1	3	1	3
Mechanics	1	1	1	1
<b>Expected Recurring Savings</b>	<b>Not provided</b>		<b>\$300,000</b>	
<b>Expected NR Savings</b>	<b>\$0</b>		<b>\$0</b>	

### 3. General Assembly Actions – Special Provisions

#### *Department of Commerce*

- Directs that the use of State aircraft for economic development purposes shall take precedence over all other uses, except in cases of emergency or disaster response.

#### *Department of Environment & Natural Resources*

- Directs Forest Resources to provide maintenance for Marine Fisheries' aircraft.
- Directs DENR to report on aviation activities and implementation of eight management practices recommended in the PED report, as well as to report on the recommendations of a Conklin & de Decker report currently being conducted.
- Directs DENR to purchase software for the tracking of flights and maintenance of all aircraft in the Department from funds available through the sale of eliminated aircraft.

This presentation will outline actions the Division of Forest Resources (DFR) has taken to address aviation requirements as set forth in North Carolina Session Law 2010-31 (Senate Bill 897). This includes aviation report requirements and aviation budget reduction requirements.

**Aviation Report requirements.**

**SECTION 13.16.(b) The Division of Forest Resources of the Department of Environment and Natural Resources shall perform aircraft maintenance using its mechanics for all aircraft of the Division of Marine Fisheries, except for a particular instance when this would be impracticable. The Division of Forest Resources shall develop a process to establish priorities for the aviation maintenance needs of all the aircraft in both the Division of Forest Resources and the Division of Marine Fisheries.**

- DFR has a signed MOU with DMF to perform aircraft maintenance on all DMF aircraft.
- DFR currently uses a spreadsheet program to monitor aviation maintenance needs and establish priorities. DFR is in the process of purchasing aviation software that will handle this duty in the future.

**Section 13.18.(a) (1) Describe the uses of the State aircraft fleet within the control of either the Division of Forest Resources of the Department of Environment and Natural Resources or the Division of Marine Fisheries of the Department of Environment and Natural Resources;**

Current DFR aviation fleet.

	Number of Aircraft	Certified Employees	Temporary Pilots
Patrol/Scout	12	9	3
Single Engine Air Tankers (SEAT)	4	3	1
Support aircraft for SEAT Program	1	0	1
Lead Plane	2	1	0
Helicopters	5	3	1
CL-215	1	0	0
Total	25	16	6

**Section 13.18.(a)(2) Describe the progress of the Department of Environment and Natural Resources in implementing the eight management practices that were recommended by the Program Evaluation Division of the General Assembly in its report entitled "Selling 25 Underutilized Aircraft May Yield Up to \$8.1 Million and Save \$1.5 Million Annually" (Report 2010-04), based upon its study of the State's aircraft fleets, as authorized by Section 14.6 of S.L. 2009-451.**

**Eight Management Practices**

- 1) Electronic flight logs
- 2) Inventory Tracking
- 3) Electronic maintenance records
- 4) Electronic tracking, forecasting, and scheduling maintenance
- 5) Maintenance costs
- 6) Integrated electronic maintenance and flight information
- 7) Operating costs per aircraft
- 8) Long-term aircraft replacement plan

Management practices 1-7 can be addressed by the purchase and implementation of appropriate aviation software. DFR has taken the lead to work with DENR Division of Marine Fisheries, Information Technology Services and the Department of Transportation's Division of Aviation to select the aviation software to electronically monitor flight logs, maintenance records, scheduling, inventory tracking, aircraft costs and maintenance costs. In addition, DFR has met with the State Highway Patrol and NCDOT. Neither of these agencies' aviation software programs is suitable to meet the complete needs of DFR. DFR is in the process of purchasing aviation software that will handle this duty in the future.

Management practice eight recommends a long-term replacement plan. The Conklin & de Decker report will provide recommendations on replacement aircraft and DFR will use this report to develop a long range replacement plan. Current and future budget predictions will be incorporated into the plan.

**SECTION 13.18.(b) The Department of Environment and Natural Resources shall include in its report under subsection (a) of this section a summary of the Conklin & de Decker report that is due to be submitted to the Division of Forest Resources in August 2010, including any recommendations included in the Conklin & de Decker report and a description of the Department's plan to implement the Conklin & de Decker report recommendations.**

The Conklin & de Decker contract has been extended to November 30, 2010 to ensure all elements of the scope of work are addressed. These elements are safety & training, aircraft fleet plan, maintenance program, infrastructure, and overall efficiencies. DFR has received the Safety and Training report and addressed the recommendations of the report as follows:

- Corrected all signage on the fuel truck and in aviation facilities
- Improved general hangar housekeeping
- Sent DFR aviation personnel to an aviation fuel management course to ensure aviation fuel is being properly managed at our Kinston facility
- Revising DFR aviation policy and procedure related to pilot currency requirements and formalized background checks
- Plans to purchase aviation software to track pilot duty time and aviation accomplishments.

In addition, a meeting was held with the U.S. Forest Regional Aviation Safety Manager to discuss developing a written Aviation Safety Management System (SMS) program.

As other elements of the report are finalized by Conklin & de Decker DFR will provide a summary on the recommendations and expected action to the North Carolina Joint Legislative Committee on Governmental Operations, the House of Representatives and Senate Appropriations Subcommittees on Natural and Economic Resources, and the Fiscal Research Division.

### **Aviation Budget Reduction Requirements**

#### **Eliminate 4 pilot positions and 2 mechanic positions**

All six positions have been eliminated.

**The Division is to reduce its aviation fleet by not less than 10 aircraft.**

#### **Status of aircraft being eliminated as of Friday, October 15, 2010**

Aircraft		Status	
Cessna L19	State N1833	P-15	In process of listing with state surplus
Piper PA 18-150	State N4138Z	P-17	In process of listing with state surplus
Snow S2C	State N1623S	N/A	In process of listing with state surplus
Beechcraft T34	Federal N93031	P-24	Returned to USFS
Cessna L19	Federal N9623Q	P-71	Returned to USFS
Cessna L19	Federal N4FS	P-13	Arkansas picked up October 11
Cessna L19	Federal N150FS	P-31	Arkansas picked up October 11
Cessna L19	Federal N64835	P-12	Maine Forest Service to take possession
Dehavilland DHC2	Federal N90721	P-22	USFS R-9 to take possession
Dehavilland DHC2	Federal De-registered	N/A	USFS R-9 to take possession
Piper PA 31-350	Federal N7854Q	P-20	Returned to USFS

**Generate \$1.5 million in one-time funds by selling aircraft. If the sale of aircraft does not bring in \$1.5 million, the Division is to manage this nonrecurring reduction.**

The state owned aircraft listed in the table above for elimination will not generate the necessary \$1.5 million. DFR will manage its entire budget to ensure we meet the required \$1.5 million one-time reduction.

**Eliminate two unnecessary aircraft hangars.**

DFR has terminated leases on two hangars in Washington and Franklin.

**How is DFR handling the pilot and mechanic reductions?**

DFR will try operating a fleet of 4 helicopters instead of the normal 5. We will retain the 5<sup>th</sup> helicopter to use as a back-up when one of the 4 main helicopters is grounded for required maintenance.

We will operate this fleet with 3 permanent pilots and 1 temporary pilot. DFR has operated 5 helicopters in the past with 5 full time pilots.

DFR will reduce full time patrol routes to 7. DFR normally operates 9 full time patrol routes and adds an additional temporary route during the spring fire season.

DFR's Chief pilot and Assistant Chief pilot will have expanded flying duties during times of high fire danger and occurrence to ensure that patrol plane needs are met.

DFR has contacted Florida (helicopters) and Minnesota (tankers) about the use of their aircraft if conditions warrant. Aircraft from these states will be available depending on their fire situation.

The use of federal aircraft and contractors will continue to be an option as it has been in the past. This is dependent upon other needs throughout the southeast and nation for aircraft in support of fire suppression efforts.