

MICHIGAN NATURAL RESOURCES TRUST FUND

BOARD OF TRUSTEES MEETING

Minutes of February 20, 2008
Lansing Community College West Campus, 5708 Cornerstone, Lansing

The meeting of the Michigan Natural Resources Trust Fund (MNRTF) Board of Trustees commenced at 9:15 AM.

The following Board members were present:

Bob Garner
Dennis Muchmore
Lana Pollack

Mr. Torre was not in attendance due to a prior commitment. Mr. Charters joined the meeting via telephone after "Public Appearances."

Also in attendance were various staff members of the Department of Natural Resources (DNR) and other interested parties.

Chairperson Garner introduced the Board members to the audience. Mr. Muchmore is a new member of the Board, who is filling the term of the late Sam Washington. Mr. Muchmore is the Executive Director of the Michigan United Conservation Clubs.

I. ADOPTION OF MINUTES FOR THE MEETINGS OF DECEMBER 4 AND 5, 2007.

MOVED BY MS. POLLACK, SUPPORTED BY MR. MUCHMORE, TO APPROVE THE MINUTES OF THE DECEMBER 4 AND 5, 2007 MNRTF BOARD MEETINGS. PASSED.

II. ADOPTION OF AGENDA FOR MEETING OF FEBRUARY 20, 2008.

MOVED BY MR. MUCHMORE, SUPPORTED BY MS. POLLACK, TO APPROVE THE AGENDA OF THE FEBRUARY 20, 2007 MNRTF BOARD MEETING. PASSED.

III. PUBLIC APPEARANCES.

Mr. Dick Benkert, Director, Parks and Recreation, Delta Township – 07-006, Delta Trails Development – Sharp Park

Mr. Dick Benkert, Director of Parks and Recreation for Delta Township, stated that the township's application submitted in 2007 was passed over for funding, even though they received a high ranking in the criteria process. The township's main problem in the Board's decision was that the township never found out why they were passed over. Not knowing why the township was not funded puts them in a difficult position. The township is not able to provide citizens with answers to the process.

The township asked Grants Management staff several times if they had received any kind of explanation as to why the project was passed over.

The township knows they can resubmit their application for this project and try and refine it, but unless they are made aware of the shortfalls that must be corrected, they have no real way to improve it.

Chairperson Garner informed Mr. Benkert that decisions are made by the Board and not the staff. The Board constitutionally has latitude in selecting the projects for funding. There are criteria established for points that are used when scoring projects, and Delta Township's project did score very well.

In his position as chair, Chairperson Garner did not make the motion or support the list of recommended projects for 2007, so he cannot answer Mr. Benkert's question as to why the township's project was not recommended for funding.

Ms. Pollack responded that there are many great projects that are presented to the Board for possible funding. Sometimes recommendations have to be balanced, even though there is nothing wrong with the other projects. This doesn't make the ones not recommended feel much better, but that is how the system works.

Ms. Pollack further stated that the Board will be discussing MNRTF selection process criteria today. She feels the Board should look at geographic balance or more urban or impoverished areas in their recommendations. In any event, the Board should be transparent and everyone should know about it. It falls to the Board to not be arbitrary.

Chairperson Garner was surprised that Delta Township's project was not recommended in 2007. Every cycle seems to exhibit some surprises. The Board has never been this transparent. Projects that did not appear to have much of a chance for funding have made presentations at the Board's December evening session meeting to further explain their need for funding or to provide more information. He encouraged the township to come back with their project in 2008 and make the Board aware of how important it is to the township.

Chairperson Garner also added that he does not see any major changes in the criteria for 2008 as it has already been published. There could be some changes for the 2009 cycle.

Mr. Don Jandernoa, Chairman, Green View Point Park Restoration Committee – 07-042, Green View Point Park Improvements-II, Ionia County

Mr. Don Jandernoa, Chairman of the Green View Point Park Restoration Committee, made a presentation in support of 07-042, Green View Point Park Improvements-II, which was submitted for funding by Ionia County last year. He provided the Board with photographs of the park for their information.

The park was named after Governor Fred W. Green who used to commute to Lansing from Ionia. In 1926, Ionia County purchased 4-1/3rd acres for \$200.00. This site provides a panoramic view of the Grand River, 140 feet below the entry level. The park was dedicated in honor of Governor Green in 1927. It thrived until the 70s, when it was neglected and nature took over.

In December of 2005, the MNRTF Board approved a grant for \$147,600 for the park. As a result of this grant, donations of cash, in-kind contributions and volunteer labor quadrupled.

Blueprints from Pierce Stocking Drive, Overlook #3, in the Sleeping Bear Dunes National Park were borrowed for the overlook in Green View Point Park. In addition, fully treated timbers set in concrete and composite deck and rail lumber were used, which is reported to last a lifetime with no maintenance. Double unit durable restrooms were purchased at a \$5,000 discount and which are identical to the ones used in the Michigan Department of Transportation's roadside parks.

All supporting timbers are fully treated and set in concrete. Steps, landings and handrails are composite lumber that is reported to last for a lifetime with no maintenance. After cutting access roads into the lower park hillside, 182 feet of fully treated retaining wall timbers were installed.

The Green View Point Park Restoration Committee has established the Ionia County Park Maintenance Endowment Fund. This fund is managed by the Ionia County Community Foundation. At this time, contributions total \$35,636. The minimum goal for this fund is \$100,000, which will provide \$5,000 annually for park maintenance. The dream goal is \$1 million which would provide \$50,000 annually for both of Ionia County's parks.

Ionia County will be presenting a grant request for approximately \$200,000 to complete the park. The application will include funding to install a fishing deck, well and drinking fountain, 58-foot pedestrian bridge over the East Ravine, picnic table shelter and historical marker.

Mr. Mark Brochu, Director, St. Clair County Parks and Recreation – Michigan Recreation and Park Association Update

Mr. Mark Brochu, Director of St. Clair County Parks and Recreation, made a presentation on behalf of the Michigan Recreation and Park Association (MRPA), as currently the Executive Director position is vacant. He thanked the MNRTF Board and Grants Management staff for their great work in the past few years to make the grant process as open as possible. As a result of this openness, it has allowed applicants to better understand how the process works and given them a better understanding as to what projects the Board would like to fund. This allows applicants to submit applications that have a reasonable chance of being funded.

Mr. Brochu stated that in the November 7th letter sent out by Grants Management staff, announcing the upcoming MNRTF Board meetings on December 4th and 5th, it was stated that "applicant comments should be directed at providing information related to your project that may not have been available during the staff review." At the December 4th meeting, Chairperson Garner also suggested that higher scoring projects should not "sell their projects a second time." At the December 5th meeting, Mr. Brochu made a few comments that many grant applicants were concerned that applicants that spoke at the December 4th evening meeting may "leap frog" over higher scoring projects that chose not to speak.

Mr. Brochu stated that MRPA members had a concern with the Board using their discretion and cutting substantial dollars off of highest ranking DNR projects so that the Board can go farther down the list. Chairperson Garner responded that ever since he has been a Board member, cuts have been made in DNR projects.

Mr. Brochu further stated that unsuccessful applicants wanted to know why they were not funded in the last cycle. In the case of lower scoring projects, staff was able to advise them on how to improve their score. In the case of high scoring projects that are passed over, no one seems to be able to tell them how to improve their chances for next year, but always invited to resubmit.

On behalf of MRPA members, it is respectfully asked of the Board to consider the following:

1. Identify any new areas of Board emphasis or interests that affected last year's project awards.
2. Clarify the purpose of the "last chance" presentation meeting. Currently, the common wisdom now is that all projects should do a presentation and not risk being "leap frogged."
3. If the "last chance" presentations are allowed in 2008, consider limiting the time allotment to a total number of minutes per project rather than per speaker.
4. Consider limiting presentations to only new information.
5. If new criteria may be used in 2009, MRPA would like to participate in any work group that assists staff in developing new scoring procedures. This would be similar to the assistance they provided to Grants Management staff when the Community Recreation Plan guidelines booklet was revised a couple years ago—representation included a township, city and county official.
6. MRPA would like to advocate for its members to have the flexibility of naming parks after people that make significant contributions. They would like the Board to "open the door" for local units of government to do this.

Mr. Brochu concluded by stating that MRPA respects the considerable time and effort that the Board takes in deliberating what projects to fund. It is impossible to satisfy everyone. MRPA thanks the Board members for their service and their service to Michigan's parks. He also thanked the Board for funding St. Clair County's Camp Woodsong acquisition in 2007.

At this point, Chairperson Garner introduced Mr. Dennis Fedewa, Chief Deputy, DNR; Mr. James Wood, Manager, Grants Management, DNR; and Ms. Linda Harlow, Assistant to the MNRTF Board, to the audience. Mr. Wood introduced the Grants Management staff.

Mr. Rich Bowman, Director of Government Relations, The Nature Conservancy

Mr. Rich Bowman, Director of Government Relations for The Nature Conservancy (TNC), made a presentation on a draft investment strategy for the MNRTF. He introduced Mr. Dennis McGrath, the newly appointed Assistant State Director of the Michigan TNC.

Mr. Bowman wanted to provide the Board with an update of where TNC was with proposed constitutional changes to the MNRTF. TNC would like to see two things changed in the MNRTF:

- 1) The ratio of spendable to saved income is up to one-third spent and two-thirds going into the corpus. TNC would like to see these ratios “flip-flopped.” The Board would have the discretion to spend up to two-thirds and would have to save at least one-third; and
- 2) None of the purposes in the constitution, which are the acquisition of lands or rights in land, development of recreational facilities, payment in-lieu of taxes and administrative costs will be changed, but would give the Board the authority to issue, when they felt it was appropriate for work they wanted to do, bond services by the revenue stream from part of the MNRTF income. Both the bonds themselves and the expenses related to the bonds could be issued by the Board.

At this time, there are bill sponsors in both the House and Senate and bills are being drafted. There is support from the Speaker of the House, Senate Majority Leader and TNC is in the process of having discussions with the Governor. TNC has been in discussions with all of the groups that were involved with Proposal A in 2002, where the cap on the corpus was increased from \$300 million to \$500 million. All those groups have expressed interest/support depending on what the final legislation says.

Two bills will be running simultaneously, both the bill to put the constitutional changes on the ballot, and also the implementing language. Normally what the legislature would do is put the question on the ballot and does the implementing language if the question passed. We want to do these at the same time and have them tie-barred together so that everyone knows upfront what the changes would be. It is anticipated that the bills will be coming back from Legislative Services around the first of March.

Mr. Bowman asked for the Board's continued input in the process. He is not here today to ask for the Board's support as they have not seen the bills. If a member of the Board or DNR staff to work with TNC to review the bills, it would be appreciated.

Chairperson Garner stated that Ms. Pollack and Mr. Muchmore are located in Lansing and he's sure they would be happy to work with TNC in the review.

Chairperson Garner stated he just wants to make sure that whatever we get into, as far as changes, we can win. If we can't, we have severely cracked what has been the most important alternative funding measure for conservation in the state. Putting this at risk is always a difficulty for him.

Ms. Pollack asked if the goal was to get this on the 2008 ballot. Mr. Bowman responded that the goal was to get it on the August primary ballot. There are two reasons for this: 1) it is believed that the 2008 general election ballot is going to be a mess and we don't want this to get lost; and 2) it is not believed that this will take a lot of educational outreach, but to the extent it does, TNC does not want to compete with presidential candidates.

Ms. Pollack asked if this was passed, when it would take effect. Mr. Bowman responded that it would take effect after the 2008 grant cycle. Additional revenues would be for the 2009 cycle.

Mr. Fedewa asked if Mr. Bowman has discussed the proposal with the Citizens Committee for State Parks. Mr. Bowman responded TNC would like to discuss this with them, and they are on the TNC's list. He met with the Michigan Recreation and Park Association yesterday, and will also be attending their Board meeting on March 7th.

Ms. LuAnne Kozma, Michigan Director, Defense of Place – Jean Klock Park Conversion Issue

Ms. LuAnne Kozma, Michigan Director for Defense of Place, made a presentation to the Board regarding the proposed conversion of a portion of Jean Klock Park in the city of Benton Harbor. In 2006 the MNRTF Board approved the conversion, which took park land out of the park and substituting replacement lands mostly inside a privately-owned golf course. Since the park had received federal Land and Water Conservation Funds in the past, it was necessary to send the conversion package to the National Park Service, who denied the entire conversion package last October. The Park Service pointed out that there was no evidence that the state complied with the National Environmental Policy Act (NEPA) and that the deal gave the entire park to a private entity in perpetuity.

Ms. Kozma asked if the Board had been provided this information, in particular, the rejection letter and a memo explaining the rejection letter, any instructions advising the MNRTF Board as to what to do next, or a copy of the letter that Benton Harbor residents recently sent to the DNR Chief and to the Department of Environmental Quality (DEQ) Chief demanding that an environmental impact statement be prepared for the entire Harbor Shores project and citing numerous violations the state has made regarding NEPA and following environmental justice laws.

The National Park Service also rejected the entire mitigation plan by saying that none of the replacement lands were viable recreation sites. This is exactly what the MNRTF Board approved in 2006, which is why anything new being proposed must pass a public process starting with the city, and with the DNR and the MNRTF Board. There is \$1.7 million worth of state and federal funds invested in this park.

Ms. Kozma also pointed out that, via a map provided to the Board, there was a lot more asphalt on the beach than in the previous plan. The dunes would be obliterated with the golf course. This is a very important matter that should be of grave concern to the MNRTF Board.

The citizens of Benton Harbor have not gone through a public process of any kind to develop a community recreation plan, and at this time do not have a current plan. The MNRTF Board gives grants only to communities that have current plans and mitigation parcels are supposed to meet all DNR grant requirements as if it was new park land.

The recent letter that residents gave to the DNR and DEQ demands that the state follow the NEPA and not discriminate against them. Benton Harbor is 94% African-American.

Ms. Pollack asked who was drafting the new lease and if Ms. Kozma had seen a copy of it. Ms. Kozma responded she did not know who was drafting it and she had not seen a copy. Chairperson Garner added that it appears that there a number of contingencies here, and if these contingencies are not lived up to or modified with the approval of the Board, they will need to follow up on this.

Ms. Pollack asked that staff provide the Board with the letter from the National Park Service denying the conversion, the draft lease, and the letter written by Benton Harbor citizens to the heads of DNR and DEQ. She wanted this information within five working days. Chairperson Garner stated that two weeks might be a more reasonable time frame. Ms. Pollack wanted a date-specific time frame.

Ms. Kozma added that the letter from Benton Harbor residents was sent about two weeks ago to the chiefs of DNR and DEQ. It was signed by about 8 to 10 residents, including a current city commissioner, one resident commissioner, as well as had an attached certified copy of a petition signed by about 1,500 individuals in the city, which represents about 10% of the population.

Mr. Muchmore asked what the position of the mayor and the city council was regarding the Jean Klock Park conversion. Ms. Kozma responded she did not know. Mr. Muchmore stated that it would be good for the Board to inquire about their position. These positions are elected by the people of Benton Harbor and he's a little bit more prone to see what the people who get elected to represent the people are saying.

Ms. Kozma added that a television station which was partly produced by the city has been airing a video since Thanksgiving where they are saying that the conversion would not touch the dunes. There is a lot of misinformation going on in the city, and some citizens are doing a lot to dispel propoganda and expose the truth.

Mr. Muchmore added that there is a process in the city of Benton Harbor for dealing with the city council and the mayor, and if they are misleading people, there is a process that they have to abide by. He feels this would be important for the Board to know. He is not interested in circumventing their process, but merely as what the Board could do in response to what the Board is being told about MNRTF money that has been invested. He is not interested if there is a feud going on locally as that is not relevant to the issue at hand.

At this point, Mr. Charters joined the meeting via telephone.

IV. OLD BUSINESS.

Meeting Location for August Board Meeting

Chairperson Garner stated that Natural Resources Commissioner Madigan had suggested that the MNRTF Board and Natural Resources Commission (NRC) have their meetings in Munising. It was later discovered that the NRC meeting location that is to be held in Munising is in July. The MNRTF Board does not have a July meeting.

MOVED BY MS. POLLACK, SUPPORTED BY MR. MUCHMORE, TO CHANGE THE MNRTF BOARD'S AUGUST 20, 2008 MEETING LOCATION BACK TO LANSING. THE MEETING WILL BE AT THE LANSING COMMUNITY COLLEGE WEST CAMPUS, 5708 CORNERSTONE, LANSING, MI. PASSED.

Naming Policy Update

Mr. Fedewa provided the Board with a briefing of the proposed naming policy. The Board had been provided with a draft MNRTF Board naming policy and is not being asked to take any action on the policy today.

The DNR and the Natural Resources Commission (NRC) have been working on a NRC naming policy and a DNR partnership policy. Several boards and commissions were involved in the discussions and asked for their input. At the last NRC meeting, the Commission adopted its policy on naming rights and the Director signed the DNR partnership policy.

Mr. Fedewa stated that the Board has been provided with a draft revised MNRTF Board Policy 92.3 for discussion purposes. The existing policy was somewhat negative in nature and prohibitive. We want to encourage public participation in public recreation, either at the state or local level. The revised Board Policy 92.3 is consistent with the DNR partnership policy and the NRC naming policy that were just approved. The revised Board policy is believed to provide clear direction for local units of government and the DNR to follow. The policy recognizes that facilities constructed with MNRTF assistance have a useful life span, whereas there is a clear distinction between naming rights for land that has no finite life span.

The revised Board policy requires that a local unit of government provide a public review process and a formal adoption of the governing body for proposed site names. That would be part of the submittal for the MNRTF Board for its consideration. The policy recognizes the differences between perpetual and limited-term names. It recognizes the differences between MNRTF grants to local units of government versus DNR-owned sites.

Highlights of the policy include:

- The policy applies to the naming by a grantee of land that was acquired as a result of the awarding of a MNRTF acquisition grant or improvements made to a development grant.
- The policy does not apply to naming of lands or improvements that were not funded by the MNRTF.
- Does not apply to land or improvements that were formally named for an individual or a private-sector entity by the grantee prior to receiving MNRTF funding.
- Does not apply to the naming of locally funded improvements made to land acquired through the MNRTF. If the MNRTF acquired the land and the local unit wanted to put a building on it and use their own money for it, it would be a local decision as to naming the improvement.

Ms. Pollack asked if the last highlight Mr. Fedewa mentioned referred to just the facility and not the whole park. Mr. Fedewa responded that is correct.

Mr. Fedewa stated that there are two categories for naming: local units of government and DNR. Both of these entities would come before the Board, but they have different procedures or guidelines.

Mr. Fedewa further stated that it had to be distinguished what is the naming right in perpetuity and what is something less than perpetuity. As a result, a 25-year span was proposed. Any period greater than 25 years or in perpetuity, the financial commitment of the local unit of government would have to exceed the total financial commitment made by the MNRTF associated with the land, including both acquisition and development. This means that if a local unit wanted to name a park that had a MNRTF acquisition contribution and also had a MNRTF development contribution, they both have to be considered in their entirety. The private contribution would have to exceed the amount that the MNRTF has contributed. This parallels what is in the NRC and DNR policies.

Chairperson Garner asked how this policy would have worked in the case of the Fred Meijer trail. Mr. Fedewa responded that in that case, it goes through multiple jurisdictions. The short answer would be if it was within a county. The acquisition contribution alone would not be considered. The contribution would be pooled with the development portion.

Mr. Fedewa stated that a facility (playground, shelter, dock, etc.) is different than land. In this case, the financial commitment by the local unit of government must be greater than 50% of the total financial commitment made by the MNRTF associated with the development. After 25 years from the date of funding by the MNRTF, a MNRTF-assisted facility, may be named by the grantee without approval by the Board.

In certain instances, such as a trail, the land and facility may be determined by the MNRTF Board as inseparable. In these instances the naming of either the land or the facility will require a financial commitment by the private-sector entity that exceeds the total financial commitment made by the MNRTF associated with both the land and development.

Naming of land for a period less than 25 years shall require a financial commitment by the private-sector entity or local unit of government based on a percentage of the financial commitment made by the MNRTF associated with the land, including both acquisition and development.

Mr. Muchmore asked if there was a definition section that goes with the policy. He questioned what definition "private-sector entity" was given. Mr. Fedewa responded that "private" would be anything not public. It could be an individual or a corporation. Mr. Muchmore wondered if the term "private-sector entity" would include any kind of non-governmental agency, and if so, he would need to know what is meant by "non-governmental agency" in this context. He would suggest that a definition section be included in the policy.

Ms. Pollack wanted the public to know that without MNRTF funding, in many cases, acquisition and development projects would never be achieved. If a private name is put on these MNRTF-assisted projects after five to ten years, the public's awareness of the

MNRTF program is diminished. Chairperson Garner stated there is a mandate for all projects assisted with MNRTF that a plaque must be put in place on the entrance to the site to make the public aware of the MNRTF's contribution.

Ms. Pollack also stated that why make the private-sector entity wait five years. What is the point in making them wait? Mr. Fedewa responded that if the donation is less than 100% of the MNRTF contribution, they can have up to 25 years without coming before the Board.

Mr. Fedewa continued by outlining other guidelines of the policy.

- Any funding received by the grantee from an individual or private-sector entity resulting in the award of naming rights must be dedicated in its entirety, by endowment or other means, to the acquisition, development or operation of properties or facilities to be available to the public for recreational purposes.
- The grantee will not name or attach a name to natural or cultural resources, including streams, rivers, lakes, waterfalls or other geological features or historic sites or structures.
- Naming of grant-assisted lands or facilities shall not be granted by the MNRTF Board if the so-named individual or entity has demonstrated values that are incompatible with those of the state of Michigan or the broad spectrum of Michigan residents.
- Grantees must demonstrate that the public was notified and received an adequate opportunity to comment on the proposed name and that the grantee has addressed all comments received during the opportunity for public comment.
- Grantees are required to execute a written agreement with any private-sector entity that results in the awarding of naming rights and will provide evidence of this to the MNRTF Board at the time of making application for naming.
- Grantees are required to include a supporting resolution of the highest governing body of the local unit of government.

The procedure for the naming of lands and facilities managed by the DNR is detailed in the DNR policy and Board Policy 92.3 is consistent with this policy. If there is going to be a naming or partnership opportunity, it will be dealt with by the divisions. There will be a standing work group to discuss and make recommendations to the Director and/or NRC.

There are a number of steps that the DNR must consider for DNR facilities, one of which is coming before the MNRTF Board if there are MNRTF contributions to get their input before it is sent to the Director for final recommendation.

Ms. Pollack asked how the enforcement of the naming policy would take place. Would someone go out and take down the sign after a certain term of years? Mr. Fedewa responded that the grantee would come before the Board and agree to do this. If they do not, any subsequent grant they may apply for, staff would investigate to make sure

they have abided by their agreement regarding any naming rights. In addition, this would also be built into the post-completion inspections that are performed on all sites every five years.

Mr. Muchmore asked if the naming policy had anything to do with the scoring system. Mr. Fedewa responded it is not an established criterion for scoring. Mr. Muchmore wondered how this would impact the points an applicant would receive if they disagree with the naming process. Mr. Fedewa responded this is a good point to bring up, and the Board may wish to consider when the MNRTF criteria are revised.

Chairperson Garner said the Board has taken a very hard line on naming. At this point in time, more private and public partnerships are needed and we have to do something more to allow for more. Mr. Fedewa also mentioned that there are several conservancies that are interested in being able to solicit foundations and do fund-raisers. Naming rights could be based on their fund-raising contributions.

Mr. Muchmore asked about other funding contributions, such as match provided, that are put into projects, and wondered if this was being put into the criteria as part of financial contribution for naming rights. Mr. Fedewa responded that right now it is just the MNRTF contribution. Mr. Muchmore asked if in-kind contributions would be included. Mr. Fedewa responded that would be part of the analysis that the naming work group would consider.

Mr. Charters asked what about naming where there have been no financial contributions, but meritorious award, such as Hoffmaster State Park, for example. Mr. Fedewa responded that he feels there is a clear distinction between someone who is honored with a naming of a facility through a lifetime of public service versus an individual or corporation that wants an exclusive naming right through a purchase. That is covered in the Board, DNR and NRC policies. If it is not clear on this issue, it will be revised to make sure it is.

V. NEW BUSINESS.

2008 Recreation Grant Application Package

Ms. Deborah Apostol, Unit Manager, Recreation Grants Unit, Grants Management, DNR, outlined the 2008 recreation grant application package for the Board. In early January flyers announcing the availability of grant applications were sent out to approximately 1,800 local units of government. Applications and supporting forms were made available on the DNR's website in mid-January. The Board has received a hard copy of the application and materials.

Most communities now download the application and supporting documents on the web, which saves printing and mailing costs from the MNRTF. The forms are in a fillable format in Microsoft WORD. It has been expressed by communities that the fillable format is much appreciated.

In January and February, Grants Management staff conducted outreach and grant workshops around the state to help applicants prepare their applications and to answer other questions they may have about the grant program. Meetings were held in Southeast Michigan (Michigan Townships Association Statewide meeting), Cadillac

(Regional meeting) Traverse City (Michigan Recreation and Park Association Conference), Flint (Regional Trails Conference), Alpena, Manistique and Lansing. For all meetings and sessions combined, there were over 350 participants.

At the workshops held in Alpena, Manistique and Lansing, Ms. Cindy Burkhour, "Access to Recreation" Initiative Manager, also was in attendance to answer questions regarding this program. She provided an overview of universal access and how applicants can incorporate universal access concepts into their project.

Between now and April 1, staff will continue to review community recreation plans for communities submitting plans for the first time and those whose plans have expired. Local units whose recreation plans are approved by April 1 are eligible to apply for funding this year. In addition, staff will meet on a one-on-one basis with community and DNR representatives to review potential projects and provide direction to improve the quality of their applications.

An internal administrative calendar for the 2008 grant cycle will soon be finalized providing due dates for MNRTF grant actions. Written preliminary evaluations with staff's feedback will be sent to each applicant in mid-summer. The applicant will then have an opportunity to provide additional information by October 1. In addition, staff will conduct site visits to all local acquisition projects and most of the development projects.

One aspect of the 2007 grant cycle that received widespread approval by the MNRTF Board, applicants and other interested parties was the posting of scores on the internet. Preliminary scores will be posted in mid-summer and the final scores and rankings in late fall. This practice will be continued in 2008 so that the entire process is open and transparent to all.

MNRTF Selection Process Criteria Discussion

Ms. Apostol commenced the discussion. As a result of comments and questions from Board members at recent meetings and discussions between Board members and staff, staff was asked to evaluate certain aspects of the MNRTF selection criteria. Board members have indicated an interest in discussing the factors used in scoring applications that address the need for the project, as well as the scores applied to projects in urban areas. Today staff is beginning a series of discussions with the Board with the intention of bringing additional information back to continue the discussions in April, June and August.

If the Board desires to make any major changes to the criteria, a decision by the October Board meeting would allow ample time to print materials and notify applicants for the 2009 application cycle. To facilitate this process, staff could put together a work group of community representatives and staff to bring ideas and proposals to the Board for discussion.

Ms. Apostol further stated that Linda Hegstrom, Grant Coordinator, Grants Management, DNR, has prepared a PowerPoint presentation for the Board's information. Since the December 2007 Board meeting, she has spent considerable time researching these topics and evaluating the applications received by the MNRTF in the last five years.

At this point, Ms. Apostol went over the current 13 scoring criteria and points system as published in the 2008 application materials. The current criteria are as follows:

- Need for the Project (10-50 points)
- Applicant History (10-50 points)
- Site Quality (10-50 points)
- Project Quality (10-50 points)
- Protection and/or Use of Significant Natural Resources (0-50 points)
- Use of Inland Water Resources (0-50 points)
- Hunting, Fishing and Other Wildlife-Related Opportunities (0-50 points)
- Opportunity to Provide Access (0-50 points)
- Population Served by the Project (0-40 points)
- Financial Need of the Applicant (0-40 points)
- Local Match (0-40 points)
- Oil and Gas Impacted Areas (0-40 points)
- Special Initiatives of the MNRTF Board
 - Trailways (0-70 points)
 - Hunting lands or hunting related recreation facilities (0-65 points)
 - Acquisition of winter deeryards, wildlife corridors and buffers (0-45 points)
 - Urban areas (0-30 points)
 - Universal access (0-30 points)
 - No entrance fees (0-15 points)

Ms. Hegstrom proceeded with the PowerPoint presentation. The presentation provided graphs indicating:

- Types of projects requested, dollar amounts awarded and locations of the state.
- Need for the project
- Applicant history scores
- Site and project quality scores
- Significant natural resources
- Inland water access
- Hunting, fishing and other wildlife opportunities
- Population served by the project
- Funded applications by population served by the project
- Unfunded applications by population served by the project
- Financial need
- Local match percent by income categories
- Effect of local match points on funding success

Ms. Hegstrom stated that the state has seven urban areas (Detroit, Grand Rapids, Lansing, Kalamazoo, Flint, Saginaw and Traverse City) which are 80% of the state's population. She briefly went over the Michigan Metropatterns for these urban areas.

Suggestions for criteria revisions for 2008 to fund more development projects in low income/urban areas include:

Changes to Current Criteria:

- Need for the Project, Applicant History and Site Quality/Project Quality – **Add factors to award underserved communities and redevelopment over new construction**
- Financial Need – **Use median household income**
- Local Match – **Sliding scale to award lower income communities more points**
- Urban Areas – **Combine urban area boundaries with Michigan Metropattern categories (GIS)**
- Universal Access – **Provide Access to Recreation funding to cover one-half of local match only**
- **Deletion of Protection/Use of Significant Natural Resources**
- **Deletion of Inland Water Resources**
- **Deletion of Hunting, Fishing and Other Wildlife Opportunities**
- **Deletion of Opportunity to Provide Access**
- **Population Served by the Project**
- **Oil and Gas Impacted Areas**

Suggested Addition of New Criterion:

- **Small Project Request – award points to projects under \$125,000 total project cost**

Discussion ensued regarding 2008 criteria.

Chairperson Garner would like to establish a workgroup of Board members to discuss the criteria. He does not feel there is any way to have definitive criteria changes for 2008, but possibly 2009.

Chairperson Garner appointed Ms. Pollack and Mr. Muchmore to serve on the workgroup for criteria changes. It was suggested that they meet at least once before the April Board meeting to come up with a timetable for the possible criteria changes. Mr. Charters will be the alternate. Mr. Muchmore will be the chair.

Mr. Charters stated that he agrees that we would be looking at criteria changes for 2009 rather than 2008. Chairperson Garner agreed, but there are some smaller changes that could be made, such as using median income rather per capita, and would not be a disservice to anyone. If anyone is interested in when the workgroup will meet, and have an interest in attending, contact Mr. Wood. He would like to hold these meetings in an open fashion if at all possible.

At this point, Ms. Pollack asked what the status was of Keweenaw County's project (TF05-078, Gratiot River County Park Addition). It was her understanding that there was some question about the appraisal. She wondered why this was not listed on the agenda for discussion. Mr. Wood responded that as far as the status of the project, appraisals are under review and there are some issues with those that staff is trying to get worked out with the county. The fair market value of the property has not officially been established.

Ms. Pollack wondered about a list that the Board had received in the past identifying grants that were still outstanding and what progress had been made in terms of them being completed. Mr. Wood stated that the Board will be provided with a status of all open local projects at their April meeting.

Ms. Pollack was concerned about when the Board gets a proposal that has a suggested appraised value and then the DNR changes the appraised value, she wants to see what the transparency is and what is happening. Mr. Wood responded that it is difficult to discuss an appraisal issue openly before the appraisal is complete, but as a rule the DNR does not change the value. The local unit of government provides an appraisal and that appraisal is reviewed by the DNR to make sure that the appropriate standards have been followed and all necessary issues have been addressed. This has been a difficult project. The county has provided several appraisals that have had several issues. Staff believes they have an appraisal before them that should be generally acceptable, with a couple of corrections. The appraiser is aware of these issues and concurs with the DNR.

Ms. Pollack is concerned about taking so long to agree on an appraisal. She feels something is wrong with the system somewhere. It should not take three years to get an agreed upon appraisal that is costing the applicant money. Chairperson Garner stated that DNR employees have been particularly good at getting things accomplished when the local units were not quite cooperative. Ms. Pollack just feels we need transparency for all parties.

VI. STATUS REPORTS.

DNR Real Estate Report

Mr. Wood responded that the Board has received the DNR real estate report in their materials. No further discussion.

Local Projects Completion Report

Mr. Wood responded that the Board has received the local projects completion report in their materials. Six local development projects have been completed.

MNRTF Lump Sum and Line Item Department Projects

Mr. Wood responded that the Board has received this report in their materials. A status report of all open projects will be provided to the Board in April.

VII. OTHER MATTERS AS ARE PROPERLY BROUGHT BEFORE THE BOARD.

Chairperson Garner stated that at the last meeting, the Board had not chosen a vice-chairperson for 2008.

MOVED BY MR. MUCHMORE, SUPPORTED BY MS. POLLACK, THAT MS. POLLACK BE APPOINTED VICE-CHAIRPERSON OF THE MNRTF BOARD FOR 2008. PASSED.

At this point, Mr. Fedewa provided the Board with an update on Section 29 tax credits. The trigger of the volume of gas that has been extracted has been reached, but the reports do not come in to Forest, Mineral and Fire Management Division until March or April. He will not be able to provide the Board with a final accounting until that information has been identified.

VIII. ANNOUNCEMENTS.

The next meeting of the Michigan Natural Resources Trust Fund Board is scheduled for 9:00 AM, Wednesday, April 16, 2008, at Lansing Community College West Campus, 5708 Cornerstone, Lansing, Michigan.

IX. ADJOURNMENT.

**MOVED BY MS. POLLACK, SUPPORTED BY MR. MUCHMORE, TO
ADJOURN THE MEETING. PASSED.**

The meeting was adjourned at 12:15 PM.

Bob Garner, Chairperson
Michigan Natural Resources Trust Fund
Board of Trustees

James Wood, Manager
Grants Management

DATE