

MICHIGAN NATURAL RESOURCES TRUST FUND

BOARD OF TRUSTEES MEETING

Minutes of December 3 (2:30-4:30 PM) and December 4 (9:00 AM), 2013
Lansing Community College West Campus
5708 Cornerstone, Lansing

The Michigan Natural Resources Trust Fund (MNRTF) Board of Trustees “Long-Term Strategy” round-table discussion meeting commenced at 2:33 PM, December 3, 2013

The following Board members were present:

Brad Canale
Keith Charters
Keith Creagh
Sam Cummings
Erin McDonough

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

Chairperson Cummings stated that in the past the MNRTF Board held an evening meeting in advance of the regular Board meeting. The evening meeting was used for applicants to express concerns about how their application scored or to provide new information in support of their proposed project. In the past few years, there have been fewer concerns from applicants and meetings have been very brief. The Board agreed to forego the evening meeting this year and have a general discussion on the “long-term strategy” of the MNRTF in a round-table type format.

Chairperson Cummings asked Board members and attendees to introduce themselves.

PUBLIC APPEARANCES.

Mr. Jason Washler, Village of Muir – 13-015, CIS Trail Spur and Pedestrian Bridge, Village of Muir

Mr. Jason Washler, representing the Village of Muir, made some comments in support of the CIS Trail Spur and Pedestrian Bridge project (13-015). The CIS Trail will link from Ionia to Owosso and through the Villages of Lyon and Muir. It will also improve the investment that was made last year to the Island Park development project and the trail will connect to this park.

A letter of support for the project was sent from Lieutenant Governor Brian Calley. In addition, over three years ago, eight other local agencies have provided funding for the project. A total of

\$3.3 million has been raised for this \$3.5 million project. The village has requested a grant from the MNRTF in the amount of \$200,000.

The MNRTF grant will complete the project. This will secure \$2.85 million in federal funds that were awarded in a grant. If the MNRTF grant is not received, the federal grant could be lost.

Mr. Steven Peruski, Special Advisor for Representative Pam Faris – 13-121, Clio City Park Restrooms, City of Clio; and 13-036, R. Williams Nature Park Improvements, Davison Township

Mr. Steven Peruski, Special Advisor for Representative Pam Faris, made some comments in support of the Clio City Park Restrooms project, City of Clio (13-121); and the R. Williams Nature Park Improvements project, Davison Township (13-036).

The City of Clio's application is for restroom facilities replacement. There is a trail head of a 12-mile trail system that connects to the restroom location. This restroom replacement would greatly benefit trail users. In addition, the park is used by many residents, city schools and community groups.

The restrooms are not ADA-accessible at the present time and with replacement, would be made accessible.

The project would also provide an outdoor drinking fountain. This is not available at the present time.

The R. Williams Nature Park Improvements project submitted by Davison Township would include a nature trail, outdoor classroom/overlook structure, parking lot and other improvements.

SUMMARY OF SUCCESS – MNRTF 1976-2012.

Highlights of Program Accomplishments

At this point, Mr. Steve DeBrabander, Manager, Grants Management Section, Finance and Operations Division, DNR, provided a PowerPoint highlighting aspects of the MNRTF since its existence in 1976.

Over the past years, the MNRTF has focused on public access for all abilities, public access to water being a priority and improving the quality of life. More than a thousand public parks have been acquired or developed with the assistance of the MNRTF. In addition, ball fields, tennis courts, restrooms and other recreation facilities have been developed.

The MNRTF has provided over \$164 million in assistance for trails. These include snowmobile trails, trails connecting communities, lake-to-lake equestrian trails, non-motorized trails (statewide) and ORV trails. Michigan is the "trail state" with over 11,000 miles of trails. The

MNRTF continues to provide assistance for trail development, with this aspect being a Board priority.

One project that the MNRTF played a major role in funding was the Motz Park in Clinton County, which won the Da Vinci Award for universal accessibility.

Highlights of MNRTF-assisted projects include:

- The 250,000-acre Kamehameha Conservation Easement in the central portion of the Upper Peninsula. This was in partnership with The Nature Conservancy.
- Tip of the Keweenaw Peninsula, which include 6-1/2 miles of Lake Superior frontage, including the mouth of the Montreal River.
- Top of Brockway Mountain project, which was just recently acquired by Eagle Harbor Township.
- Detroit Riverwalk.
- International Dark Sky Park – Headlands.
- Saugatuck Dunes.
- Silver Beach County Park in St. Joseph.
- Globe Building in Detroit. When completed, visitors will be able to experience a number of outdoor recreation activities. This is scheduled to be completed in 2014.
- Northeast State Trail, from Alpena to Mackinaw City.

From 1976 to the present, the total number of MNRTF-assisted projects is 2045. Every county, with the exception of Oscoda County, has received local grant assistance. Grants Management Section did receive an acquisition application this year, and if the Board recommends this project tomorrow, local units in all counties of the state will have received grant assistance.

The MNRTF has allocated \$989 million in both acquisition and development grants since its inception in 1976. Tomorrow, if the Board awards \$11 million or more in funding, the MNRTF will go over the \$1 billion mark.

The \$989 million in grants breaks down as follows:

- Local development grants - \$172,970,286
- State development grants - \$30,697,710
- Local acquisition grants - \$316,437,354
- State acquisition grants - \$469,733,628

Total for development grants is \$203,667,996 and for acquisition grants is \$786,170,982.

Recreation benefits of MNRTF-assisted projects include:

- Economic

- Healthy lifestyles
- Reduction in crime
- Place making
- Community identities

Mr. DeBrabander further stated that a couple of things have happened recently that will impact the MNRTF's future. These include:

- The MNRTF's \$500 million Constitutional cap was reached in May 2011.
- This year, the MNRTF Board has passed a resolution and moved forward with a new investment strategy for the MNRTF.

Comments made were:

- We cannot under emphasize the partner value of the MNRTF.
- Wondered if the MNRTF was involved in or sponsoring studies in the success of the program.
- Make sure it is mentioned that it is oil and gas money that have been the source of the fund.

OPERATING AS A FOUNDATION 2014 AND BEYOND.

Financial and Budget (as needed)

Clarifications and Discussions of 2013 Availability, Awards and Use of Stabilization Reserve to Fund "Gap"

Chairperson Cummings reviewed the resolution that the Board discussed and passed regarding the MNRTF investment strategy. We are no longer the beneficiary of the reserves and are limited to the earnings on the \$500 million corpus. As a result, the MNRTF Board is acting more as a "foundation" and it needs to see how it can best manage its resources for perpetuity of the program. The resolution passed uses a 2.5 percent of the corpus formula (investment income and other income, including interest on operating cash) in determining what is available for grants each year. The other 2.5 percent will be put in the Stabilization Reserve.

The Board discussed a less conservative approach to the Stabilization Reserve for this year in order to provide for transition.

The Board also discussed working with Department of Treasury to come up with an investment asset allocation on how the MNRTF can achieve its goals. The MNRTF needs a minimum of five percent to meet its goals.

At this point, Mr. Joe Frick, Assistant Chief, Finance and Operations Division, DNR, outlined the MNRTF Financial Report. The investment income balance is \$13,979,505. This represents 2.5

percent investment earnings (\$559 million). This is \$500 million of the corpus plus \$59 million of money retained in reserve.

The Constitution and statute requires that at least 25 percent is spent for acquisition. The maximum amount that can be spent for development is 25 percent. In addition, a portion of the revenue is allocated for operating costs (staff, expenses, Payment in-lieu of Taxes (PILT), etc.).

Mr. Frick stated that there were a high amount of lapses and withdrawn acquisition and development projects this year. The money from lapsed projects needs to be legislatively reauthorized to be spent. The DNR will be making this request when the 2013 MNRTF Bill is prepared.

Using this formula, there will be \$26.3 million available for acquisition and \$5 million for development projects.

Mr. Frick outlined balances of the Stabilization Reserve. The beginning balance was \$59.1 million. Eighteen million dollars was added in investment income (last year the investment income was \$50 million. Using the 2.5 percent formula, \$12.5 million was added to the growth reserve.

Balances in the Stabilization Reserve for 2013 include:

- Unawarded amounts from prior years - \$23.6 million (\$18.2 acquisition; \$5.3 development).
- Revenue not yet allocated - \$14.2 million (\$10.6 million acquisition; \$3.5 million development).
- Total of Stabilization Reserve (amounts that could be awarded in 2013) - \$37.9 million (\$28.9 acquisition; \$8.9 development projects).

Using the new 2.5 percent formula, there will typically be \$11.4 million total available for grants - \$7.8 million for acquisition and \$3.6 million for development.

Mr. Tom Bailey, Executive Director, Little Traverse Conservancy asked if the growth reserve is vulnerable to legislative tampering and has there been an attempt to calculate growth and future earnings. Mr. Frick responded there will be inflation with the PILT and administrative costs. If there was no growth at all, eventually the purchasing power for grants would go down. The only thing that we would be able to pay for would be taxes. The answer to the other question is there is Constitutional protection for the MNRTF funds – both the reserve and Stabilization Fund. There is, however, always the possibility of the Legislature trying to target this money, as it would be sitting in a reserve fund.

TARGETED GRANTS APPROACH.

Strategic Goals of DNR and State: Access and Connectivity

Overcoming “Grant Cycle” Limitations

Multi-Year Grant Discussion

Mr. DeBrabander outlined aspects of the “Refining the Vision for a New Era” which the Board, staff and other interested parties were involved in developing. This is one of many planning documents that have been completed over the last year or two, among them the Governor’s Blue Ribbon State Park Committee, Trails Plan, and State Comprehensive Outdoor Recreation Plan (SCORP). What is hoped in this meeting today is how to tie in these other plans with MNRTF priorities and goals.

At this time, most any type of outdoor recreation project is eligible for local units of government and the DNR to apply for funding. Through the scoring criteria used to evaluate applications, this determines which projects score well and likely get funded by the Board. To get more goal-driven, some land strategy objectives have been approved. For example, regarding “access to public land” there is a very specific criterion. There is also a specific criterion for “access to water”. These are two examples of criteria.

The MNRTF could be tailored to score criteria more specifically to help achieve these goals.

Chairperson Cummings stated that given the MNRTF’s limited resources, how can it be evolved to be more strategic and provide more impact for economic development, access, etc., what metrics can be used, how can we be more strategic and how can we use greater leverage and partnerships.

Mr. Canale responded the MNRTF scoring criteria can lead and drive outcomes as we move into this foundational set as to how we can maximize resources of the MNRTF and to bring more efficiency to allocation of capital across the state for these purposes. There are a lot of things that have been put in place by an excellent strategic plan by the DNR. We have the framework to make some excellent progress and contributions.

Part of this is how we start to think a little differently about driving the outcomes by setting program priorities that would receive attention, as an example, completing the statewide trail. The MNRTF could provide a certain amount for it and other sources would contribute the rest. There would be an end point. Also, it is important that we become more proactive instead of reactive. Mr. Canale would like to see that a standard be set statewide that communities look down the road and prioritize their projects.

Mr. Canale further stated that we need to know how the activities of the Board and its partners ultimately create value going forward—local tax base increases, job creation, quality of life, corporation relocations, etc.

Discussion ensued between Board members and attendees on comments/suggestions raised by Mr. Canale including:

- Partnerships
- Match issues
- Possible community foundation donations to the MNRTF
- Trustee grants
- Possibly using Land and Water Conservation Fund funds for match
- Client purchase power at risk – possibly 75/25 cap removed
- Should be cautious about regionalizing where there may or may not be needs
- Possible elimination of payments in-lieu of taxes (PILT)
- Data needed of priorities across the State of Michigan

Chairperson Cummings outlined action items for further discussion. These include:

- Conduct another strategy discussion meeting in mid-2014, with a couple of working groups involving members of communities.
- Setting priorities two to three years out following strategic initiatives.
- Come up with solutions for local match issues (subcategory of how to engage with foundations and local units of government).
- Gap analysis – where are we now and where are the biggest gaps.
- Look at the existing scoring system to make sure it is not so overbearing that the Board does not rule out itself or staff recommendations.

Mr. Canale expressed his thanks to the staff for their presentation of the MNRTF program and work over the past years.

**MOVED BY MR. CHARTERS, SUPPORTED BY MS. McDONOUGH, TO
ADJOURN THE LONG-TERM STRATEGY MEETING. MOTION PASSED
WITHOUT DISSENTING VOTE.**

The meeting was adjourned at 4:40 PM.

The regular meeting of the MNRTF Board of Trustees commenced at 9:05 AM, Wednesday, December 4, 2013.

The following Board members were present:

Brad Canale
Keith Charters
Keith Creagh
Sam Cummings
Erin McDonough

Also in attendance were various staff members of the DNR and other interested parties.

I. ADOPTION OF MINUTES FOR MEETING OF OCTOBER 23, 2013.

Chairperson Cummings called for the adoption of the minutes for the October 23, 2013 MNRTF Board meeting.

MOVED BY MR. CHARTERS, SUPPORTED BY DIRECTOR CREAGH, TO APPROVE THE MINUTES OF THE OCTOBER 23, 2013 MNRTF BOARD MEETING. MOTION PASSED WITHOUT DISSENTING VOTE.

II. ADOPTION OF AGENDA FOR MEETING OF DECEMBER 4, 2013.

Chairperson Cummings called for the adoption of the agenda for the December 4, 2013 MNRTF Board meeting.

MOVED BY MR. CANALE, SUPPORTED BY MR. CHARTERS, TO ADOPT THE AGENDA FOR THE DECEMBER 4, 2013 MNRTF BOARD MEETING. MOTION PASSED WITHOUT DISSENTING VOTE.

III. INTRODUCTIONS.

Mr. DeBrabander introduced himself and Grants Management staff: Mr. Jon Mayes (Unit Manager, MNRTF), Ms. Janet Liesman (MNRTF Financial Analyst), Ms. Linda Harlow (Administrative Assistant to staff and Board), Ms. Christie Bayus (Grant Coordinator), Ms. Jule Stafford (Grant Coordinator), Ms. Tamara Jorkasky (Grant Coordinator), and Ms. Michelle Ballard (Account Technician, Marine Safety/LWCF/Recreation Passport Programs). Mr. DeBrabander also introduced Mr. Joe Frick (Assistant Division Chief, Finance and Operations Division).

The Board members introduced themselves.

IV. PUBLIC APPEARANCES.

Representative Michael McCready – 13-129, Holly Recreation Area Land Initiative, Wildlife Division, DNR

Representative Michael McCready made a presentation in support of the Holly Recreation Area Land Initiative acquisition project, submitted by Wildlife Division, DNR (13-129). This is for the acquisition of a 291-acre parcel (Camp Tamarack) on Young Lake that is within the Holly

Recreation Area. Representative McCready expressed the fact that his daughter attended the camp and had a good time.

Representative McCready also expressed his appreciation for the work that the Little Traverse Conservancy does in the northern portion of the state.

Representative Wayne Schmidt – 13-059, Maple Bay Park and Natural Area Improvements, Grand Traverse County

Representative Wayne Schmidt made a presentation in support of the Maple Bay Park and Natural Area Improvements development project submitted by Grand Traverse County (13-059). He thanked the Board and Mr. Glen Chown of the Grand Traverse Land Conservancy for their past assistance and funding for the acquisition of the park and natural area.

The park has had a great impact on the surrounding communities with Acme Township working with Grand Traverse County. In addition, the park has improved the economy in the area, as well as providing water access and trails.

The project has been a partnership between the State of Michigan, Grand Traverse County and the Conservancy.

Mr. Joel Mikkelsen, Member, Oceana County Parks Commission – 13-137, Hart-Montague Trail State Park Reconstruction, Parks and Recreation Division, DNR; and 13-026, Hart-Montague Trail State Park Reconstruction of Segment B, Oceana County

Mr. Joel Mikkelsen, Member of the Oceana County Parks Commission, made a presentation in support of 13-137, Hart-Montague Trail State Park Reconstruction, Parks and Recreation Division, DNR; and 13-026, Hart-Montague Trail State Park Reconstruction of Segment B, Oceana County. The trail is over 22 miles long. The DNR will be removing existing surfacing and widening the trail on the north half of the trail (11.3 miles). Oceana County will be removing the existing surfacing and widening the south half of the trail (11.3 miles).

The trail was the first paved bicycle trail in the state, as well as the first rail-trail state park in Michigan.

Mr. Mikkelsen stated that it makes more economic sense to fund both of these projects at the same time so the entire trail could be resurfaced. He urged the Board to fund both of the projects.

Ms. Ann Barnette, DDA Director, Village of Milford – 13-006, Central Park Public Restroom Development, Village of Milford

Ms. Ann Barnette, DDA Director for the Village of Milford, made a presentation in support of the Central Park Public Restroom Development project, Village of Milford (13-006). The project is for permanent public restrooms in Central Park that would include universal design.

Mr. Randall Fernandez, Assistant City Manager, City of Marysville – 13-115, Marysville City Park-Chrysler Beach Recreation Improvement

Mr. Randall Fernandez, Assistant City Manager, City of Marysville, made a presentation in support of the Marysville City Park-Chrysler Beach Recreation Improvement project, City of Marysville (13-115). Development will include a fish cleaning station, playground equipment, picnic area and remodel the bathroom facilities.

V. OLD BUSINESS.

Funding Amounts Available for Grant Awards

Mr. Frick outlined the funds that will be available in 2013 for grants. The figure of \$13,979,000 is based upon the new sustainable funding model, 2.5 percent of the investment income balance. Other income in the amount of \$459,709 includes interest on operating cash. The total 2013 revenue is \$14,439,214.

From this total, \$3,609,804 is for development, and \$7,867,469 for acquisition projects. Balances from the prior year, reauthorization of lapses and withdrawn grants not lapsed brings the totals to \$26,372,515 for acquisition and \$5,228,907 for development projects.

Lapsed money must be legislatively reauthorized.

If funds from the Stabilization Reserve are also used for grants, amounts available would be \$28,964,638 for acquisition and \$8,956,579 for development projects.

Mr. Frick outlined the estimated 2013 investment balance. The beginning balance was \$559,180,212 (\$500,000,000 corpus and \$59,180,212 Stabilization Reserve). The MNRTF is no longer receiving oil and gas revenues. Using the investment and spending plan approved by the Board, \$12,500,000 will be put in the Growth Reserve (retroactive). The current 2013 Growth Reserve deposit is \$12,812,500.

The investment income balance is \$18,033,010 – this is down from \$60 million from last year.

The balance of the Stabilization Reserve is \$37,921,217, with a minimum Stabilization Reserve target of \$52,531,250.

Chairperson Cummings stated that the target of the Reserve is 10 percent of the corpus plus earnings, which is currently below this amount. At the last Board meeting, a resolution was approved for a transitional amount to be awarded, due to the fact that a new spending policy was adopted this year and applicants were not aware of this fact until after they had submitted their applications.

Director Creagh responded that Mr. Frick's presentation highlights the need to look at this formula relative to the 75/25 allocation. This may give the Board a little more flexibility to address priority needs.

Discussion ensued on the potential to use some or all of the unawarded amounts for development grants from prior years (\$5.4 million) from the Stabilization Reserve for grants this year. Mr. Canale suggested that part of the money be used this year and then have the "smoothing" effect take place next year. Chairperson Cummings also agreed with this concept. Mr. Charters also supported this.

The Board supported allocating \$2 million from the Stabilization Reserve for grants this year.

**2013 MNRTF Acquisition and Development Applications – FINAL STAFF
RECOMMENDATIONS AND BOARD ACTION**

Mr. DeBrabander outlined the staff final recommendations for the Board. The Board has received lists of all ineligible and withdrawn, Small Acquisition Grants Initiative (SAGI), Small Development Grants Initiative (SDGI), development and acquisition applications. Applications identified on the lists are in highest score order.

Acquisition Projects

MOVED BY MR. CANALE TO APPROVE FUNDING FOR ALL ACQUISITION APPLICATIONS SUBMITTED, WITH THE EXCEPTION OF 13-131, OLD MOORING PLACE ACQUISITION, DNR, PARKS AND RECREATION DIVISION. THIS WILL BE CONSIDERED AS A SEPARATE PROJECT. SUPPORTED BY MS. McDONOUGH.

RECOMMENDED APPROVED ACQUISITION PROJECTS ARE:

- 13-020, CITY OF EAST TAWAS - \$406,300**
- 13-032, CITY OF MARQUETTE - \$1,440,000**
- 13-123, DNR, FOREST RESOURCES DIVISION - \$500,000**
- 13-128, DNR, WILDLIFE DIVISION - \$1,800,000**
- 13-100, SPRINGFIELD CHARTER TOWNSHIP - \$99,900**
- 13-065, CITY OF PONTIAC - \$370,000**
- 13-118, GARFIELD CHARTER TOWNSHIP - \$270,000**
- 13-129, DNR, WILDLIFE DIVISION - \$3,030,000**

13-057, VILLAGE OF BARAGA - \$185,000
13-124, DNR, FOREST RESOURCES DIVISION - \$700,000
13-126, DNR, FOREST RESOURCES DIVISION - \$100,000
13-017, MERIDIAN CHARTER TOWNSHIP - \$99,200
13-064, NEW BUFFALO TOWNSHIP - \$150,000
13-106, ST. CLAIR COUNTY - \$296,000
13-107, CITY OF BOYNE CITY - \$48,600
13-111, CITY OF MANISTIQUE - \$26,400
13-112, CITY OF MANISTIQUE - \$125,000
13-113, CITY OF MANISTIQUE - \$102,300
13-043, BERRIEN COUNTY - \$114,500
13-125, DNR, FOREST RESOURCES DIVISION - \$1,000,000
13-028, MARATHON TOWNSHIP - \$98,600
13-089, PEAINE TOWNSHIP - \$155,300
13-084, CITY OF NORTON SHORES - \$146,800
13-104, SPRING LAKE TOWNSHIP - \$94,900
13-132, DNR, PARKS AND RECREATION DIVISION - \$180,000
13-133, DNR, PARKS AND RECREATION DIVISION - \$40,000
13-027, CITY OF DETROIT - \$3,431,300
13-050, CLINTON TOWNSHIP - \$134,800
13-097, CITY OF FRANKENMUTH - \$721,800
13-086, PENINSULA TOWNSHIP - \$626,800
13-007, THOMAS TOWNSHIP - \$39,700

Discussion ensued regarding the Old Mooring Place Acquisition project (13-131). Director Creagh stated that there was general support for the purchase of this project, but there seems to be local conflicts about the use of the property. DNR staff and others have talked about the ability to put in a boat launch. He would like to take this issue as a separate motion and make it contingent upon the agreement of use patterns, both of the Haserot Beach and the Old Mooring property. Part of the strategic vision says that there should be a local agreement and it really is a local land use rather than an environmental issue.

**MOVED BY MR. CANALE, SUPPORTED BY MR. CHARTERS, TO APPROVE
13-131, OLD MOORING PLACE ACQUISITION, DNR, PARKS AND RECREATION
DIVISION, SUBJECT TO ISSUES REGARDING LOCAL CONFLICT USES
BEING RESOLVED, AND CONTINGENT UPON THE AGREEMENT OF USE
PATTERNS, BOTH OF THE HASEROT BEACH AND THE OLD MOORING
PROPERTY.**

**A LOCAL RESOLUTION BY THE TOWNSHIP SHOULD BE PASSED
INDICATING THAT THE TOWNSHIP HAS CAREFULLY CONSIDERED
THE BEST WAY TO RESOLVE THE USE CONFLICTS AT THE HASEROT BEACH
SITE AND THE BOAT LAUNCH WILL BE INSTALLED AT THE LOCATION THAT
BEST MEETS THE GOAL WITH CONSIDERATION GIVEN TO ANTICIPATED**

LONG-TERM MAINTENANCE COSTS. MOTION PASSED WITHOUT DISSENTING VOTE.

ACQUISITION PROJECT 13-131, OLD MOORING PLACE ACQUISITION, DNR, PARKS AND RECREATION DIVISION WAS PASSED IN THE AMOUNT OF \$2,500,000.

MOTION PASSED FOR ALL ACQUISITION PROJECTS WITHOUT DISSENTING VOTE.

Director Creagh stated that the DNR will work with the township on the resolution.

Development Projects

MOVED BY MR. CANALE, TO RECOMMEND THE FOLLOWING DEVELOPMENT PROJECTS:

- 13-003, CITY OF BELLEVILLE - \$120,700**
- 13-010, CITY OF BATTLE CREEK - \$300,000**
- 13-036, DAVISON TOWNSHIP - \$220,500**
- 13-142, CITY OF MUNISING - \$200,000**
- 13-093, CITY OF ST. LOUIS - \$161,000**
- 13-037, VILLAGE OF JONESVILLE - \$296,000**
- 13-137, DNR, PARKS AND RECREATION DIVISION - \$300,000**
- 13-077, MUSKEGON CHARTER TOWNSHIP - \$300,000**
- 13-070, CITY OF FLINT - \$225,000**
- 13-053, CITY OF MARQUETTE - \$296,000**
- 13-022, CITY OF ALPENA - \$245,000**
- 13-138, DNR, PARKS AND RECREATION DIVISION - \$282,000**
- 13-141, CITY OF MUNISING - \$194,100**
- 13-038, MIDLAND COUNTY - \$300,000**
- 13-069, OSHTEMO CHARTER TOWNSHIP - \$300,000**
- 13-034, CITY OF WAKEFIELD - \$112,500**
- 13-139, DNR, PARKS AND RECREATION - \$300,000**
- 13-039, LINCOLN TOWNSHIP - \$144,700**
- 13-116, VILLAGE OF CENTRAL LAKE - \$162,500**
- 13-026, OCEANA COUNTY - \$300,000**
- 13-119, REPUBLIC TOWNSHIP - \$172,200**
- 13-092, SAGINAW COUNTY - \$280,000**

MOVED BY MS. McDONOUGH, TO RECOMMEND THE FOLLOWING DEVELOPMENT PROJECTS:

- 13-099, ARENAC COUNTY - \$126,100**
- 13-136, DNR, PARKS AND RECREATION DIVISION - \$300,000**

13-014, HAMBURG TOWNSHIP - \$125,400
13-080, VILLAGE OF MIDDLEVILLE - \$300,000
13-049, WAYNE COUNTY - \$300,000
13-052, CHARLEVOIX COUNTY - \$300,000
13-127, DNR, FISHERIES DIVISION - \$295,000
13-015, VILLAGE OF MUIR - \$200,000
13-046, CITY OF BENTON HARBOR - \$300,000
13-071, KENT COUNTY - \$250,000
13-042, ALLEGAN COUNTY - \$300,000
13-087, CITY OF HARBOR BEACH - \$27,000
13-051, CITY OF CLAWSON - \$50,000
13-075, MENOMINEE COUNTY - \$18,700
13-056, CITY OF BESSEMER - \$45,000
13-011, COLDSPRINGS TOWNSHIP - \$30,900
13-041, ZEELAND CHARTER TOWNSHIP - \$50,000
13-033, OAKLAND COUNTY - \$37,700
13-040, HOLLAND CHARTER TOWNSHIP - \$50,000
13-001, BROCKWAY TOWNSHIP - \$36,700
13-029, ATTICA TOWNSHIP - \$50,000

SUPPORTED BY MR. CHARTERS.

MOTION WAS AMENDED BY MR. CHARTERS , SUPPORTED BY MR. CANALE, TO INCLUDE THE FOLLOWING DEVELOPMENT PROJECT:

13-115, CITY OF MARYSVILLE - \$239,900

MOTION AND AMENDED MOTION WAS APPROVED WITHOUT DISSENTING VOTE:

**TF05-136, Hermansville to Escanaba Trail Corridor – American Transmission Company –
CONVERSION REQUEST FOR UTILITY EASEMENT ALONG GRANT-ASSISTED DNR
RECREATION CORRIDOR – FINAL BOARD ACTION**

Chairman Cummings stated that this request was presented to the Board at the October 23, 2013 meeting and a motion was made to act on this at the December 4, 2013 meeting, due to the request for more information on implementation.

Implementation on process was circulated to the Board members.

Ms. McDonough commented that at the October meeting, it was discussed whether or not this was a deviation from the Board's criteria for doing this type of project.

**MOVED BY MR. CANALE, SUPPORTED BY DIRECTOR CREAGH, TO
APPROVE THE CONVERSION REQUEST FOR UTILITY EASEMENT ALONG**

THE GRANT-ASSISTED DNR RECREATION CORRIDOR AT THE HERMANVILLE TO ESCANABA TRAIL CORRIDOR (TF05-136). MOTION PASSED WITHOUT DISSENTING VOTE.

MOVED BY MR. CHARTERS, SUPPORTED BY MS. McDONOUGH, TO MOVE THE BALANCE OF FUNDS NOT RECOMMENDED FOR 2013 DEVELOPMENT PROJECTS TO THE STABILIZATION FUND. MOTION PASSED WITHOUT DISSENTING VOTE.

VI. NEW BUSINESS.

Update on MNRTF Staff Activities

Mr. DeBrabander outlined various MNRTF staff activities that have occurred since the Board's last meeting. He thanked Grants Management for all their hard work reviewing/scoring applications. Director Creagh also thanked Mr. DeBrabander for his leadership.

- The new Grants Management database is almost complete for 2014 application submittal. Applications will be submitted on line electronically via a web portal. This new database has been a huge undertaking, and Ms. Jule Stafford has taken the lead in the development.
- Staff will be conducting training for submittal of grant applications on line at nine recreation grant workshops around the state.
- Interviews will be conducted next week for a new Grant Coordinator. This new coordinator will fill the vacant position which was formerly held by Ms. Shamika Askew-Storay.
- Our partnerships in recreation – Michigan Recreation and Park Association, Michigan Townships Association, Michigan Municipal League, and Michigan Association of Counties – have published announcements of the upcoming recreation grant workshops in their publications. Announcements have also been placed on the website. Grant workshops will be: January 14 (Baraga), January 14 (Kalamazoo), January 15 (Marquette), January 15 (Lansing), January 16 (Newberry), January 23 (Traverse City (Acme), January 28 (Gaylord), February 3 (Chesterfield Township), February 5 (Canton Township).
- Grants Management and all of Finance and Operations Division will be moving on December 13. All staff will have new phone numbers. A handout with staff's new phone numbers was provided on the meeting registration table.

Election of Chairperson and Vice-Chairperson for 2014

MOVED BY MR. CHARTERS, SUPPORTED BY MS. McDONOUGH, TO REAPPOINT CHAIRPERSON CUMMINGS AS CHAIRPERSON AND APPOINT MR. CANALE AS VICE-CHAIRPERSON FOR 2014. MOTION PASSED WITHOUT DISSENTING VOTE.

2014 Board Meeting Dates – BOARD APPROVAL

Discussion was conducted regarding the necessity of having an evening meeting on December 2, 2014.

It was suggested for the February 19, 2014 meeting, that the Board add as an agenda a strategy discussion. This will be added for the February meeting.

MOVED BY MS. McDONOUGH, SUPPORTED BY MR. CANALE, TO APPROVE THE 2014 MICHIGAN NATURAL RESOURCES TRUST FUND BOARD MEETING DATES, WITH THE EXCEPTION OF THE EVENING MEETING OF DECEMBER 2, WHICH WILL NOT BE SCHEDULED.

2014 BOARD MEETING DATES ARE AS FOLLOWS:

**FEBRUARY 19 - LANSING
APRIL 16 - LANSING
JUNE 18 - TRAVERSE CITY AREA
AUGUST 20 - HARRISON TOWNSHIP
OCTOBER 22 - LANSING
DECEMBER 3 - LANSING**

MOTION PASSED WITHOUT DISSENTING VOTE.

VII. STATUS REPORTS.

DNR Real Estate Report – State Acquisitions

Mr. Jon Mayes outlined the DNR Real Estate report for Mr. Steve Sutton, Manager, Real Estate Services Section, Finance and Operations Division, who was not in attendance. Two MNRTF acquisitions were approved by the Natural Resources Commission for acquisition. These were:

- **Highland Recreation Area, Oakland County** – Highland Township acquired this property from the DNR in August of 1999 for a leaf composting facility. The parcel was conveyed with a deed restriction requiring the township to offer the property back to the DNR at fair market value when the property ceased to be used as a composting

facility. The purchase will incorporate the parcel back into state ownership and consolidate the boundary of Highland Recreation Area.

- **Kal-Haven Trail State Park, Van Buren County** – This acquisition provides for additional recreation opportunities in southwestern Michigan. The parcels are in proximity to the Kal-Haven Trail State Park and its 1,380 feet of frontage along the Black River to develop Michigan’s first Blue Water Trail park. This will provide both rustic and modern recreational vehicle camping along the Black River and the state’s growing state trail system.

MNRTF Financial Report

Mr. Frick stated that staff will be preparing the 2013 MNRTF Annual Report. The report will reflect the new sustainable strategy.

In upcoming meetings, we will be focusing on the upcoming year and projections as to how much is appropriated for PILT.

He asked the Board if they would like Department of Treasury representatives invited to the February meeting to provide updates. Chairperson Cummings thought this would be very beneficial.

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

Director Creagh stated that there has been some conversation about capturing data using metrics. He would like to have a conversation with the Board regarding collecting the right measures and metrics as the Board looks at strategic investment.

He stated that there are some foundations that are interested and he would like staff to further investigate this for integration and have the MNRTF support some of the data collection.

Chairperson Cummings asked if this was a way that the MNRTF could begin to build a relationship with the Council of Michigan Foundations. Director Creagh responded it could, and if Chairperson Cummings was agreeable to this, he will ask Mr. DeBrabander and his staff to investigate this.

IX. ANNOUNCEMENTS.

The next meeting of the Michigan Natural Resources Trust Fund Board is scheduled for 9:00 AM, Wednesday, February 19, 2014, Lansing Community College West Campus, 5708 Cornerstone, Lansing.

X. ADJOURNMENT.

**MOVED BY MR. CHARTERS, SUPPORTED BY DIRECTOR CREAGH,
TO ADJOURN THE MEETING. MOTION PASSED WITHOUT DISSENTING
VOTE.**

The meeting was adjourned at 10:30 AM.

Sam Cummings, Chairperson
Michigan Natural Resources Trust Fund
Board of Trustees

Steven J. DeBrabander, Manager
Grants Management Section
Finance and Operations Division

DATE