



MICHIGAN NATURAL RESOURCES TRUST FUND

BOARD OF TRUSTEES MEETING

Minutes of December 13, 2023
9:00 AM

East Lansing Hannah Community Center
East Lansing, Michigan

Chair Hamp called the meeting of the Michigan Natural Resources Trust Fund (MNRTF) Board of Trustees (Board) to order at 9:00 a.m., Wednesday, December 13, 2023, and welcomed everyone to the meeting.

I. INTRODUCTIONS

The following Board members were present:

Steve Hamp, Chair; from the City of Ann Arbor, Washtenaw County
Bill Rustem; from Alaiedon Township, Ingham County
Dr. Brandy Brown; from the City of Kalamazoo, Kalamazoo County
Chris MacInnes, from the Village of Beulah, Benzie County
Shannon Lott, DNR Deputy Director; from the Village of Webberville, Ingham County

Clay Summers, Grants Section Manager, introduced himself. He also introduced: Dan Lord, Chief, Finance and Operations Division; Mike Chuff, Financial Specialist; Samantha Davis, Charamy Cleary, Merrie Carlock, Riley Millard, and Alexandria Galloway, Grant Coordinators.

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

II. ADOPTION OF MINUTES FOR MEETING OF OCTOBER 18, 2023

Chair Hamp called for adoption of the minutes for the October 18, 2023, MNRTF Board meeting.

**MOVED BY MS. MACINNES, SUPPORTED BY DR. BROWN, TO ADOPT THE
MINUTES OF THE OCTOBER 18, 2023, MNRTF BOARD MEETING.
MOTION PASSED WITHOUT DISSENTING VOTE.**

III. ADOPTION OF AGENDA FOR MEETING OF DECEMBER 13, 2023

Chair Hamp called for adoption of the agenda for the December 13, 2023, MNRTF Board meeting.

**MOVED BY MR. RUSTEM, SUPPORTED BY MS. MACINNES, TO ADOPT THE
AGENDA FOR THE DECEMBER 13, 2023, MNRTF BOARD MEETING.
MOTION PASSED WITHOUT DISSENTING VOTE.**

IV. PUBLIC COMMENT

- a. Chris Bunch, Executive Director, Six Rivers Land Conservancy; Rouge and Highland Projects

Mr. Bunch voiced support for several projects including Turtle Woods, the Highland Township acquisition, the Johnson Nature Center, and more. Six Rivers Land Conservancy has a deep interest in what happens today. Once you hit the cap in the trust fund, you have talked about behaving like a foundation and you have. You have chosen to spend 2.5% and preserve the spending power of the trust fund. Typically, you spend a little more than what Treasury recommends, but you do spend less than most foundations at 4.5% - 5%. Chris hopes that the Board will spend a little extra today. There are 38 million acres in Michigan and there will never be any more. Chris isn't sure if it's worth preserving spending power in acquisition when available land can be purchased and developed. Chris stated we should look at getting what land we can, while we can when the opportunity presents itself.

Turtle Woods should be a priority with 70 acres in Detroit. There are 40 acres of forested wetland with threatened species.

Elizabeth Stieg of the Carls Foundation expressed thanks to everyone for the work they do. Elizabeth is the Executive Director and President of the foundation, and they give across the state. They have helped with the Lake Huron Coastal Preserve, Cherry Beach, and the National Park Trust to help on the River Raisin Battlefield, just to name a few. Elizabeth again thanked the Board for their support. This Board has the ability to provide really significant dollars to projects across the state.

- b. Mark Clymer, Clark Township Supervisor; Hessel Marina Expansion Project TF23-0029

Mark Clymer distributed information to the Board. When the township initially got approval to pursue this acquisition, they set aside \$259,000 as a match for the grant to acquire this property at just under \$1M. The idea was to backfill that match with private donations, and that goal was just accomplished. The handout distributed provides a perspective as to how this acquisition fits into the community of Hessel. The community is rallying around this project.

- c. Shawn Middleton (Spicer Group) on behalf of Jeff Mikula, Director of Department of Public Works; City of Manistee's Veterans Memorial Park Renovation TF23-0126

Shawn Middleton commented on behalf of Jeff Mikula. This is the third attempt at getting funding, but this project is very important to the City of Manistee. Veterans Memorial Park is on the north side of the river in Manistee. The location of the park is important, as it provides the only access to the river on the north side of town. Improvements have not been completed at Veterans Memorial Park since 1986. The project would involve restoring existing infrastructure and would include sustainable infrastructure (lighting, vegetation, storm water runoff).

- d. Melissa Robert, Executive Coordinator, Grand Blanc Township; Cook Road/Dort Hwy Shared Use Path TF23-0125

Melissa introduced Matt Kimmer, Assistant Superintendent and Director of Park Operation. Matt explained that Grand Blanc Township is a community of approximately 40,000 residents in southern Genesee County. The Cook Road pathway is an existing pathway from the park through Grand Blanc City which connects to the Iron Belle Trail. There is another trail along the southern end of the township along Dort Hwy. This 1-mile connector would be a great opportunity to connect those two segments providing direct access to the Iron Belle Trail.

Mellisa Roberts explained without this funding this project will be unobtainable. This project has strong community support.

- e. Beth Friend, East Bay Township Supervisor; Grace McDonald Park Improvement TF23-0155

East Bay Township is located east of Traverse City. The park is community loved and well used. The grant scoring isn't very high, but we wanted to highlight a couple items. Grand Traverse County always tops the list of the top 5 growing counties. East Bay Township does allow short term rentals, so we do get a tremendous number of visitors. This project would include a warming hut next to a sledding hill to expand the winter use in addition to year-round. This warming hut would provide accessible space to grandparents and care givers. Although the grant request was for \$236,000, we are open to partial funding as well.

- f. Tyler Klifman, SEMCOG

Echoing support for the projects we have heard here today especially the projects in the metro Detroit area. Land acquisitions in our most populated communities don't come along very often and align with our regional priorities, both for conservation and recreation and access. We encourage funding for these projects, but also want to continue the conversation about how to support projects like these, addressing the unique needs of urban conservation.

- g. Daniel Defranco, Saugatuck Township Manager

Our project is to create a multimodal trail along our Blue Star Trail, connecting previously unconnected portions of a trail that would connect the City of Douglas, the City of Saugatuck, and Saugatuck Township. There is another existing trail in Lake Town which would connect our Saugatuck region with the City of Holland. The city has been championed for creating a continuous Blue Star Trail along the entire lakeshore in Allegan County connecting the City of Holland with the City of South Haven. This is the second time this project has been brought before the Board. It was presented last year by the City of Saugatuck, and we are grateful they got their portion of the trail funded. Working closely with Alex Galloway, we have been able to shave \$100,000 off the project, add sustainability elements, and accessibility elements.

- h. Kenneth Butler, Saugatuck Township Parks and Recreation Committee

Currently the Blue Star Trail is used by two large bike rides, the Holland 100 in the summertime and the Fall Harvest Ride in September. Hundreds of cyclists pass through. We are trying to connect the City of Saugatuck, to Saugatuck Township, to Lake Town, all the way to Holland. A second connector will connect the south end of the township to South Haven. We do not want the City of Saugatuck to complete their trail without this connector. Without the connector, cyclists would end up on Blue Star Highway. We can keep these people safe by keeping them on a trail.

- i. Ben Swayze, Director of the Kent County Parks District; Cannonsburg Ski Area TF23-0177

Cannonsburg Ski Area is a 272-acre ski resort, but it also has 122 acres of pristine natural recreation area which is what we would like to acquire. The property is both recreationally and naturally significant. There are currently 13 miles of high-quality mountain bike and

hiking trails that are open to the public that we want to make sure are preserved as a recreation asset. In addition, it connects to the Cannonsburg State Game Area where there are another 18 miles of mountain bike and hiking trails that are maintained by the West Michigan Mountain Bike Alliance. A property analysis performed by Dr. Warner, a professor at Calvin University, noted that the property is both ecologically significant and has high quality natural resources with plant life that hadn't been documented in Kent County since 1941. This property is located about 1.5 miles outside of the designated census urban area but is squarely in the 2020 adjusted census urban area. This asset directly serves over 600,000 people in the Grand Rapids census urban area and over 1,000,000 people in the metropolitan area.

j. Cindy Fowler, Alabaster Township Parks and Recreation; Lake Huron Coastal Preserve

This project was presented in July, and again in August. I am here to remind you of a few things as you make your decision today. First of all, our timeline has been fast. We acquired the property less than a year ago. However, we have been working on community partnerships including the Tawas Wellness Warriors and the RESA Field Center. With this grant we would make the project accessible. The ecology is rich here with wetlands, wooded area, dunes, and swales.

k. Chris Ward, Director of Oakland County Parks and Recreation

We have seen the tremendous efforts the MNRTF has made in urban areas, and we are following your lead. It can be difficult to make these urban recreational projects come together and the opportunities to preserve these high quality, untouched natural spaces are rare. The Turtle Woods project is a meaningful opportunity for us to save one of those last untouched large tracts of land in the City of Troy.

l. Glen Chown, Grant Traverse Regional Land Conservancy

Here to mention two projects and the vote on November 7, 2023, for Traverse City residents for the \$750,000 match; 87.3% of voters said yes to the Brown Bridge Quiet Area and the opportunity to leverage \$2.3M. Never has a ballot initiative passed by that high of a margin. The second project is Betsie Springs which has 6,000 feet on the Betsie River across the river from a DNR public access site. Improving the river in this area is a once in a lifetime opportunity.

m. Lori Fisher, Manager of Village of Lexington

This grant application is a collaborative effort including State and Federal funding to redevelop the entire harbor. The Federal funding would go towards the park adjacent to the harbor for infrastructure upgrades. The collaborative effort with the DNR would go towards the harbor and boat slips. This acquisition request would help connect those dots and give visitors and citizens a circular walking area.

n. Gerry Santoro, Macomb County Public Works

Macomb Township is one of the fastest growing communities in Michigan over the past 27 years. The rapid population growth makes it hard to keep up with infrastructure. The North Branch acquisition request would provide water access to the community. The county as a whole, will benefit from this acquisition. Macomb County has historically received less support from the Board than neighboring counties have received. A linear trailway would be

developed on this acquisition to connect the lower part of Macomb County along the Freedom Trail all the way up to Macomb Orchard Trail. Federal funding has been secured and earmarked specifically for this acquisition.

o. Mary Watson, Friends of the Johnson Nature Center

The Johnson Nature Center is staffed by volunteers and exists for the property of the Johnson Nature Center. Here today to speak to the heart of the project. The property is owned and operated by the local school district, who absorbed the responsibility to manage recreation in the community. The township does not have a separate parks and recreation department. We are very thankful for the support of our county. This project request is contiguous to the Johnson Nature Center property. It has remained undisturbed for about a decade and is teeming with wildlife and uncommon species of flora. This is a prime opportunity to protect and preserve the biodiversity, watershed, and footprint of the Nature Center by nearly 10%.

p. Kyle Langlois, Parks and Recreation Director; City of Sterling Heights TF23-0113

Kyle was unable to attend; however, Chair Hamp read the following into record: 'Unfortunately, I will not be able to attend the MNRTF Board Meeting on December 13, but I wanted to again express my support for project TF23-0113, which is the acquisition of property adjacent to Rotary Park in Sterling Heights. If approved, this addition of park land will link two other parcels of park property and provide significantly greater access to the Clinton River for maintenance and the ability to provide a higher level of paddle sport opportunities to our residents. The City of Sterling Heights along with other interior municipalities in Macomb County have seen a disparity in grant funding over multiple decades and projects like this that truly align with the goals of providing enhanced access to outdoor recreation do not come around very often. In turn, we would appreciate that recognition and recommendation for funding.'

V. NEW BUSINESS

a. Reinstatement of Withdrawn Projects

- TF22-0217 – Sturgeon River Corridor Acquisition (Otsego County), Grant Amount \$1,750,000

Clay Summers explained that this project was initially withdrawn due to the property being sold. However, the property has become available again and the DNR hopes to re-instate the original grant in the amount of \$1.75M. Chair Hamp explained that this project was approved by the Board last year, but the property was then pulled from the market, and now is back on the market.

Bill Rustem moved to reconsider the vote by which TF22-0217 was withdrawn.

MOVED BY MR. RUSTEM, SUPPORTED BY MS. MACINNES, TO RECONSIDER THE VOTE BY WHICH TF22-0127 WAS WITHDRAWN. MOTION PASSED WITHOUT DISSENTING VOTE.

Bill Rustem moved to reinstate the funding for TF22-0217 – Sturgeon River Corridor Acquisition.

**MOVED BY MR. RUSTEM, SUPPORTED BY MS. MACINNES, TO REINSTATE THE FUNDING FOR TF22-0127 – STURGEON RIVER CORRIDOR ACQUISITION.
MOTION PASSED WITHOUT DISSENTING VOTE.**

- b. Withdrawal of Projects – Clay Summers in the absence of Jon Mayes, Recreation Grants Unit Manager
- TF14-0187 – Showcase Trail, Parks and Recreation, DNR (Wayne County) \$1,944,089.44
 - TF17-0187 – Canadian Pacific Acquisition, Parks and Recreation, DNR (Chippewa County), \$190,939.27

Clay Summers shared the project details above for a total withdrawal of \$2,135,028.71.

Bill Rustem moved to except withdrawal of TF14-0187 and TF17-0187.

**MOVED BY MR. RUSTEM, SUPPORTED BY MS. MACINNES, TO EXCEPT WITHDRAWAL OF TF14-0187 AND TF17-0187.
MOTION PASSED WITHOUT DISSENTING VOTE.**

- c. Grant Awards Announced in the Recreation Passport and Land and Water Conservation Fund Grant Programs – Clay Summers, Grants Section Manager

Clay Summers shared exciting news in some of our other grant programs, specifically the Recreation Passport grant program and the Land and Water Conservation Fund grant program. The Land and Water Conservation Fund program received 13 applications totaling \$8.1M; the program awarded 8 local units of government and the 1 state application totaling \$6.4M. The Recreation Passport program received 47 applications totaling \$5,496,000; the program awarded 15 applications totaling \$1,977,300.

- d. Recap of Consensus Meeting Pursuant to MCL 324.1907 – Deputy Director Shannon Lott / Bill Rustem

Bill Rustem shared that consensus was reached with the legislature in the amount of funding to be made available from the MNRTF to fund acquisition projects, development projects, and administration. Recommendation for fiscal year 2024 is \$20M - \$30M. Therefore, we have some flexibility.

- e. Funding Projections and Overall Investment Fund Management Update – Lan Chen, Senior Investment Manager, Michigan Department of Treasury

Ms. Chen introduced herself and colleagues. She reviewed market performance, the portfolio, and risk analysis. She detailed market volatility regarding stocks and bond performance and equity markets.

The expectation for the next 12 months is that the portfolio will generate about \$26M of investment income. The portfolio does include a minimum \$500M target. Thinking about risk, Treasury assesses the probability of going below that amount utilizing assumptions on rate of return, risk, minimum target balance, open grants, PILT, and annual spend.

Chair Hamp thanked Treasury for their efforts and stated they are a tremendous asset.

f. Funding Available for Grant Awards – Dan Lord, Chief, Finance and Operations Division

Dan Lord restated that last years ending balance becomes our beginning balance this year. This information is preliminary, unaudited, and subject to change as we are still in the process of closing the state's books for the current fiscal year. Beyond investment earnings, other income, lapses and withdrawals, brings us to the ending investment, in essence the starting point for today's conversation.

Chair Hamp commented that the Board would like to include in grant awards for this round of funding (fiscal year 2023-2024) the \$5M in lapses and withdrawals and other income of \$2,150,000.

Chris MacInnes entered a motion to make \$32.2M available in grant awards for this round of funding (fiscal year 2023-2024).

MOVED BY MS. MACINNES, SUPPORTED BY DR. BROWN, TO MAKE \$32.2M AVAILABLE IN GRANT AWARDS FOR FISCAL YEAR 2023-2024. MOTION PASSED WITHOUT DISSENTING VOTE.

g. 2023 MNRTF Acquisition and Development Applications – FOR BOARD ACTION

Final Staff Rankings-

Mike Chuff, Financial Specialist, shared a spreadsheet of projects on-screen.

Acquisition Applications

DNR Deputy Director, Shannon Lott discussed the Village of Lexington grant application. There are a few internal DNR pieces currently in motion including an updated lease, an operating agreement, and a question on estimated value. Shannon Lott suggested we put \$300,000 into this project request to make sure the project moves forward while the DNR continues to work on the outstanding issues.

The Board deliberated on which acquisition grant projects to recommend for funding.

The Board discussed reductions and partial funding options including the Village of Lexington (TF23-0070) and Macomb County North Branch (TF23-0055).

Bill Rustem called for a motion to approve the reductions in TF23-0070 to \$300,000 and TF23-0055 to \$742,500.

MOVED BY MR. RUSTEM, SUPPORTED BY MS. MACINNES, TO APPROVE REDUCTIONS IN TF23-0070 TO \$300,000 AND TF23-0055 TO \$742,500. MOTION PASSED WITHOUT DISSENTING VOTE.

Bill Rustem called for a motion to approve project applications through a score of 355.

MOVED BY MR. RUSTEM, SUPPORTED BY DR. BROWN, TO APPROVE PROJECT APPLICATIONS THROUGH A SCORE OF 355. MOTION PASSED WITHOUT DISSENTING VOTE.

Dr. Brown called for a motion to approve three additional project applications: the City of Sterling Heights TF23-0113, Clark Township TF23-0029, and Edenville Township TF23-0054.

**MOVED BY DR. BROWN, SUPPORTED BY MS. MACINNES, TO APPROVE THREE ADDITIONAL PROJECT APPLICATIONS INCLUDING TF23-0113, TF23-0029, AND TF23-0054.
MOTION PASSED WITHOUT DISSENTING VOTE.**

Development Applications

The Board deliberated on which development grant projects to recommend for funding.

Bill Rustem called for a motion to approve project applications through a score of 350.

**MOVED BY MR. RUSTEM, SUPPORTED BY MS. MACINNES, TO APPROVE PROJECT APPLICATIONS THROUGH A SCORE OF 350.
MOTION PASSED WITHOUT DISSENTING VOTE.**

Bill Rustem called for a motion to approve three additional project applications: Bear Creek Township TF23-0128, Saugatuck Township TF23-0028, and City of Manistee TF23-0126.

**MOVED BY MR. RUSTEM, SUPPORTED BY MS. MACINNES, TO APPROVE THE ADDITIONAL PROJECT APPLICATIONS INCLUDING TF23-0128, TF23-0028, AND TF23-0126.
MOTION PASSED WITHOUT DISSENTING VOTE.**

- h. Election of Chairperson and Vice Chairperson for 2024 – Chair Hamp

Chair Hamp commented that this is typically rotational.

Mr. Hamp moved to elect Bill Rustem as Chairperson and Brandy Brown as Vice Chairperson.

**MOVED BY MS. MACINNES, SUPPORTED BY MS. LOTT, TO ELECT BILL RUSTEM AS CHAIRPERSON AND BRANDY BROWN AS VICE CHAIRPERSON.
MOTION PASSED WITHOUT DISSENTING VOTE.**

- i. Adoption of 2024 MNRTF Board Meeting Dates – Chair Hamp

Chair Hamp called for a motion to approve the 2024 MNRTF Board Meeting Dates.

**MOVED BY MS. MACINNES, SUPPORTED BY MR. RUSTEM, TO APPROVE THE 2024 MNRTF BOARD MEETING DATES.
MOTION PASSED WITHOUT DISSENTING VOTE.**

- j. Updates to Small Grant Initiative Thresholds for 2024 – Clay Summers, Grants Section Manager

In April the Board took action to increase the development maximum that would take effect in the 2024 cycle from \$300,000 to \$400,000. Relative to that new threshold, we wanted to make sure we addressed the small grant initiative thresholds. We suggest consideration of an increase to the Small Development Grants Initiative to \$75,000 and the Small Acquisition Grants Initiative to \$150,000.

Chair Hamp called for a motion to approve the increases to the Small Development Grants Initiative to \$75,000 and the Small Acquisition Grants Initiative to \$150,000.

MOVED BY MR. RUSTEM, SUPPORTED BY MS. MACINNES, TO APPROVE THE INCREASES TO THE SMALL DEVELOPMENT GRANTS INITIATIVE TO \$75,000 AND THE SMALL ACQUISITION GRANTS INITIATIVE TO \$150,000. MOTION PASSED WITHOUT DISSENTING VOTE.

k. Director's Update – Deputy Director Shannon Lott

Deputy Director Shannon Lott welcomed new Finance and Operations Division Chief, Dan Lord. Looking forward to 2024, DNR Director Bowen will be assuming his role on the Board.

l. Update on MNRTF Staff Activities – Clay Summers, Grants Section Manager

Staff have been working hard on supplementals and scoring for the MNRTF. At the same time, staff were scoring the Recreation Passport grant applications, Land and Water Conservation Fund grant applications, and working on SPARK. Grants Management staff are incredibly hard-working and friendly. If you need support, please don't hesitate to reach out.

Clay shared that five years ago, Grants Management Section went through a round of meetings looking at some scenarios and our scoring categories. In 2024, we will be conducting this exercise again with local communities, external partners, and internal staff. If changes to our scoring are suggested, we hope to have that in place for the 2025 cycle.

VI. BOARD PACKET REFERENCE MATERIALS

Chair Hamp reminded the Board that all remaining reports are contained in the Board's packet of materials.

Chair Hamp asked the Board if they had any questions or discussion about the remaining meeting materials. No discussion of the meeting materials took place.

VII. OTHER MATTERS AS PROPERLY BROUGHT BEFORE THE BOARD

VIII. ANNOUNCEMENTS

Chair Hamp announced the next meeting of the Michigan Natural Resources Trust Fund Board is scheduled for February 14, 2024, beginning at 9:00 a.m. Details will be posted in advance of the meeting on the Board's [website](#).

IX. ADJOURNMENT

Chair Hamp asked for additional comments or discussion. None were offered.

Meeting adjourned at 11:19 a.m.

Steve Hamp

Steve Hamp, Chairperson
Michigan Natural Resources Trust Fund Board
of Trustees



Clay Summers, Manager
Grants Management Section
DNR Finance and Operations Division

APPROVED: 02/14/2024