

MICHIGAN NATURAL RESOURCES TRUST FUND

BOARD OF TRUSTEES MEETING

Minutes of April 10, 2019

Lansing Community College West Campus, 5708 Cornerstone, Lansing  
9:00 AM

The meeting of the Michigan Natural Resources Trust Fund (MNRTF) Board of Trustees commenced at 9:02 AM, Wednesday, April 10, 2019.

The following Board members were present:

Sam Cummings  
Daniel Eichinger  
Steve Hamp  
Bill Rustem

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

I. ADOPTION OF MINUTES FOR MEETING OF FEBRUARY 13, 2019.

Chairman Hamp called for the adoption of the minutes for the February 13, 2019 MNRTF Board meeting.

**MOVED BY MR. CUMMINGS, SUPPORTED BY MR. RUSTEM, TO ADOPT THE  
MINUTES OF THE FEBRUARY 13, 2019 MNRTF BOARD MEETING.  
MOTION PASSED WITHOUT DISSENTING VOTE.**

II. ADOPTION OF AGENDA FOR MEETING OF APRIL 10, 2019.

Chairman Hamp called for the adoption of the agenda for the APRIL 10, 2019 MNRTF Board meeting.

**MOVED BY MR. RUSTEM, SUPPORTED BY MR. CUMMINGS, TO ADOPT THE  
AGENDA FOR THE APRIL 10, 2019 MNRTF BOARD MEETING.  
MOTION PASSED WITHOUT DISSENTING VOTE.**

### III. INTRODUCTIONS.

The Board members introduced themselves.

Mr. Dan Lord, Section Manager, Grants Management Section, Finance and Operations Division, DNR, was also in attendance, as well as other Grants Management staff: Mr. Jon Mayes (Unit Manager), Ms. Tamara Jorkasky (Grant Coordinator), Ms. Rachel Schumaker (Administrative Assistant to staff and Board), Ms. Merrie Carlock (Grant Coordinator), Ms. Lindsay Ross (Grant Coordinator), Ms. Erin Campbell (Grant Coordinator) and Ms. Kammy Frayre (Program Manager).

Ms. Sharon Schafer, Chief of Finance and Operations Division, was also in attendance.

### IV. PUBLIC APPEARANCES.

#### Ms. Caitlyn Donnelly, Director of Land Protection – Little Traverse Conservancy

Ms. Donnelly thanked the Board, and staff, for all the work that they do. Little Traverse Conservancy has been a long-time partner and will continue those efforts.

#### Mr. Chris Bunch, Executive Director – Six Rivers Land Conservancy

Mr. Bunch presented his support for the acquisition of property for the Macomb Township Nature Park. There are two parcels, comprising 40 acres of land for trails, picnic areas, bird watching and more.

Mr. Bunch also complimented the Board, and staff, on the 2018 Annual Report. He especially thought Mr. Cummings quote was concise and inspirational.

#### Ms. Amy Derosier, Wildlife Biologist, Wildlife Division, DNR

Ms. Derosier presented the State Wildlife Action Plan. The plan's emphasis is to conserve the diversity of wildlife in our state. There are 304 animals in Michigan that are in the greatest need of conservation. Of those 304, 119 of them are listed as state or federally threatened and endangered. The remaining 185 are headed towards being endangered if we don't take action. Ms. Derosier listed several examples of species that are endangered. For a full list, and to review the Wildlife Action Plan by topic, please visit [https://www.michigan.gov/dnr/0,4570,7-35079136\\_79608\\_83053---,00.html](https://www.michigan.gov/dnr/0,4570,7-35079136_79608_83053---,00.html) for more information.

Ms. Derosier also stated that the Wildlife Action Plan acts as a strategic framework for pulling partners together to collaborate on ways to conserve fish and wildlife in the state. They worked with several state and federal agencies and universities, as well as over 30 conservation organizations to decide what species should be listed, what actions are needed and to help prioritize where the most effort should be placed. The intent of the Wildlife Action Plan is to get these species off the federally threatened and endangered list or to keep them from being placed on the list. This is not only a reactive plan, but a proactive plan.

Together, with the partners, they developed criteria to narrow down the list of 304 animals. They looked at things such as species that are unique to Michigan, that are under imminent threat, etc. They narrowed it down to 33 focal species for terrestrial and 22 focal species for aquatics. There are nine priorities for terrestrial species and six priorities for aquatic species.

The most recent version of the State Wildlife Action Plan was updated in 2015. This plan is good for 10 years. This new plan consists of booklets for each priority, which are 15-20 pages each and contain information such as the goals, priority actions and who contributed to the plan. Each booklet, which is user friendly and easy to read, contains information on habitat and invasive species management, conservation easements, connections, and more. They are user friendly and easy to read.

Director Eichinger stated that it would be beneficial to meet once a year to have staff, Board members, stakeholders, etc. discuss other funding sources, have comprehensive conversations about how we work towards making these plans real and taking action in a coordinated way.

## V. OLD BUSINESS.

### MNRTF Financial Report

Ms. Sharon Schafer, Chief, Finance and Operations Division, outlined the MNRTF financial report and reminded everyone that these are estimated numbers. The beginning balance for this year was \$607 million. We are estimating a 5% return, which would be approximately \$30 million. There is approximately \$400,000 projected in other income, such as easements and projects completed under budget; this number is based on the previous three-year average. There were a number of projects that we concluded, as well as lapses and withdrawals, which total \$525,000.

Operating expenditures are initially taken off which includes DNR grant staff, payments-in-lieu-of-taxes (PILT), and financial management services provided by the Department of Treasury. In 2018 we paid Treasury \$379,800; they are asking us to pay \$602,000 for 2019. The reason that the fees are higher is due to the alternative investments, which have accounted for the higher rates of return. The total for all operating expenditures including PILT is \$4 million. The total available for projects in 2019 would be \$23 million. The development maximum, per the Constitution, is 25% of the \$27 million, which would total \$6.7 million. The acquisition must be a minimum of 25%, which would total \$6.7 million. The remaining \$9.5 million is also added to the acquisition amount for a total of \$16.2 million.

## VI. NEW BUSINESS.

### Update on MNRTF Staff Activities

Mr. Lord outlined various MNRTF staff activities:

- Mr. Lord recognized staff for their efforts and hard work leading up to the April 1<sup>st</sup> deadline for grant applications.
- Lance Brooks and Erin Campbell created YouTube tutorials to help aid grantees with the MiRecGrants system.

- Scoring Criteria update:
  - Mr. Lord stated that the staff is conducting a comprehensive evaluation across three programs: Michigan Natural Resources Trust Fund, Recreation Passport and Land and Water Conservation Fund. This includes:
    - Revisiting statute language to ensure scoring is still aligned with the original intent of each program
    - Adjustments and realignments to make scoring and weights consistent within each program
    - Making associated processes more efficient for the applicants
  - Staff plans to bring this topic to the Board at each meeting now through August. Phase 1 is to see what can be accomplished in the next 6-7 months, in order to have an impact on the 2020 grant cycle. Staff will be targeting several stakeholders including; MUCC, mParks, Heart of the Lakes, National Park Service and internal department staff. Over the next couple of months, we will begin initial stakeholder engagement, hear recommendations, and provide phase 1 recommendations to the Board by August.
- Forest Resources will be attending the June meeting to discuss Land Economics.
- Previous 3-year trend on development applications included:
  - Trails
  - Excess Pathways
  - Boardwalk Bridges
  - Parking
  - Restrooms
  - Playground equipment
  - Pavilions
- Working with the Marketing and Outreach Division, Grants Management sent out a customer survey using the Gov Delivery distribution list, as well as to those that are registered in MiRecGrants. We received over 500 responses total, 185 of those related specifically to the MNRTF. The survey touched on items such as MicRecGrants, reimbursements, customer service, grant workshops, etc.

### Conversions

Ms. Kammy Frayre presented the conversion process to the Board. Below is an outline of the process:

- What is a conversion?
  - When a grant-assisted site, or a portion of a site, is no longer available for public outdoor recreation; or
  - Property rights in or control of a grant-assisted site, or a portion of a site, are conveyed to another entity, either by deed, grant of easement or other mechanism
- What are the primary ways a conversion is discovered?
  - An interested party contacts the department
  - The local unit of government contacts the department
  - The Grant Coordinator discovers it during a site visit
  - It is identified on a post completion report sent to the department

- What happens next?
  - Externally: The Grant Coordinator or Conversion Officer has an initial conversation about the conversion with the local unit of government, the outline of conversion procedures is sent, and a future communication path through the conversion officer is established
  - Internally: Grants Management works as a team to manage the key components of the process:
    - The Grant Coordinators and Program Managers clarify grant boundaries and determine if the action constitutes a conversion
    - Program Managers express any larger policy or process issues that may impact the situation such as: environmental concerns, public review, or appraisals
    - Grant Coordinators, Program Managers, Section Supervisor weigh in on the appropriateness of the proposed mitigation
- How does a local unit of government receive feedback prior to spending a lot of time and money creating a proposal that the department may not approve?
  - The Conversion Officer is available to discuss requirements and potential options via phone or email
  - The Conversion Officer coordinates communication between the Grant Coordinator, Program Manager, Section Supervisor and other entities as needed to obtain contingent approvals
- How many Trust Fund conversions are there?
  - 27 recorded conversions
  - 9 are actively in process and awaiting action by the local unit
    - 8 small conversions (part of a park, not entire park)
    - 1 full conversion
  - Remaining 18 are pending additional information (boundary determinations, action by local unit, etc.)
  - 27 recorded conversions are approximately 1% of all the Trust Fund grants awarded

Mr. Lord stated that the Board Policy states conversions should be brought before the Board for approval and that has not been the normal practice. Chairman Hamp confirmed this statement to be true. Staff is looking to modify the language to align with what the Board's role is; upon request, annually? All present Board members agreed that updates would suffice. Mr. Lord stated he would present a draft version of the updated policy at the June meeting.

#### 2019 Application Cycle and Applications Received

Mr. Jon Mayes presented a graphic distribution map that displayed the number of applications submitted across the state for the 2019 cycle. There were a total of 170 applications submitted this cycle for a total of \$49,407,000 in requests. Of those 170 applications, there were 141 development projects and 29 acquisition applications.

#### Project Withdrawals

- TF17-0065, Randall Lake Land Acquisition. Branch County could not come to an agreement with the property owners.

Mr. Rustem called for a motion to accept the withdrawal of Randall Lake Land Acquisition (TF17- 0065).

**MOVED BY MR. RUSTEM, SUPPORTED BY DIRECTOR EICHINGER, TO ADOPT THE  
WITHDRAWAL OF RANDALL LAKE LAND ACQUISITION (TF17-0065)  
MOTION PASSED WITHOUT DISSENTING VOTE.**

VII. STATUS REPORTS.

DNR Real Estate Report – State Acquisitions

Mr. Jon Mayes filled in for Mr. Scott Goeman, Manager of Real Estate Services Section, who was not in attendance.

Since the last Board meeting, there were no MNRTF acquisitions taken to Director Eichinger for approval.

Completed MNRTF Projects Report

No discussion.

MNRTF Land Consolidation and Line Item Department Projects

No discussion.

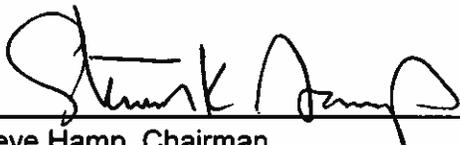
VIII. ANNOUNCEMENTS.

The next meeting of the Michigan Natural Resources Trust Fund Board is scheduled for 9:00 AM, Wednesday, June 12, Courtyard by Marriott, 12891 Harper Village Drive, Battle Creek, Michigan.

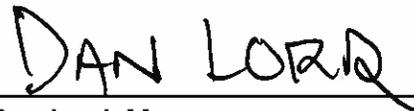
IX. ADJOURNMENT.

**MOVED BY MR. HAMP, SUPPORTED BY MR. RUSTEM, TO  
ADJOURN THE MEETING. MOTION PASSED WITHOUT DISSENTING VOTE.**

The meeting was adjourned at 10:14 AM.



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



Dan Lord, Manager  
Grants Management Section  
Finance and Operations Division

JUNE 12, 2019  
DATE