

MICHIGAN NATURAL RESOURCES TRUST FUND

BOARD OF TRUSTEES MEETING

Minutes of February 13, 2019

Michigan Nature Association, 2310 Science Parkway, Suite 100, Okemos  
9:00 AM

The meeting of the Michigan Natural Resources Trust Fund (MNRTF) Board of Trustees commenced at 9:04 AM, Wednesday, February 13, 2019.

The following Board members were present:

Sam Cummings  
Daniel Eichinger  
Steve Hamp  
Erin McDonough  
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 DECEMBER 12, 2018.

Chairman Hamp called for the adoption of the minutes for the December 12, 2018 MNRTF Board meeting.

**MOVED BY MR. CUMMINGS, SUPPORTED BY MR. RUSTEM, TO ADOPT THE  
MINUTES OF THE DECEMBER 12, 2018 MNRTF BOARD MEETING.  
MOTION PASSED WITHOUT DISSENTING VOTE.**

II. ADOPTION OF AGENDA FOR MEETING OF FEBRUARY 13, 2019.

Chairman Hamp called for the adoption of the agenda for the FEBRUARY 13, 2019 MNRTF Board meeting.

**MOVED BY MS. MCDONOUGH, SUPPORTED BY MR. CUMMINGS, TO ADOPT THE  
AGENDA FOR THE FEBRUARY 13, 2019 MNRTF BOARD MEETING.  
MOTION PASSED WITHOUT DISSENTING VOTE.**

### III. INTRODUCTIONS.

The Board members introduced themselves. Chairman Hamp welcomed the newest Board member, DNR Director, Dan Eichinger. Director Eichinger was the Executive Director of Michigan United Conservation Clubs for four years prior to becoming Director of the DNR. His previous experiences also included working as an Administrator at Central Michigan University and working for the DNR in the Wildlife Division.

Mr. Dan Lord, Section Manager, Grants Management Section, Finance and Operations Division, DNR, introduced himself and 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. Michelle Ballard (Account Technician) and Ms. Erin Campbell (Grant Coordinator).

Mr. Lord also introduced Ms. Sharon Schafer, Chief of Finance and Operations Division.

### IV. PUBLIC APPEARANCES.

#### Mr. Garrett Johnson, Executive Director – Michigan Nature Association

Mr. Johnson welcomed the Board members, staff and guests to the Michigan Nature Association.

The building that the Michigan Nature Association is housed in was purchased in 2014. They envisioned creating a conservation collaborative. The Michigan Audubon Society, The Michigan Wetlands Association, The American Bird Conservancy and The Mid-Michigan Land Conservancy are now all housed within that space as well.

The Michigan Nature Association was founded in 1952. They were one of the first Land Conservancy's in the United States. It was founded by a group of Michigan citizens that were concerned about the changes in Michigan's landscape. In terms of conservation value, they have identified the following focal points of interest:

- The Keweenaw Peninsula – protects Michigan's oldest growth of standing White Pines. This is a 510-acre property called Estivant Pines.
- Munuscong Bay – This is a 1,000-acre coastal wetlands property. Michigan Tech has named this one of the greatest wetland areas in the Great Lakes. It provides critical nursery habitat.
- Albany Bay – Working with the Thunder Bay National Marine Sanctuary to incorporate this area into the interpretive trails. There is an 1836 shipwreck just about 100 feet into the water.
- Saginaw Bay – This is coastal property that Michigan Nature Association owns. Named the Saginaw Wetlands Nature Sanctuary, this property boasts the highest quality remnant of lake plain prairie.

- Newaygo County – In 2000, the local township supervisor initiated a planning session focusing land use around the Karner Blue Butterfly, which is a federally endangered species.
- Goose Creek Grasslands – Grasslands in the southern part of the state.
- Dowagiac Woods – A 400-acre parcel of forest land with over 50 species of trees.
- Big Valley – A 400-acre property.

### State Wildlife Action Plan

The State Wildlife Action Plan is a Congressionally mandated plan. It was first created in 2005 and was renewed in 2015. This plan focuses on the most critical need for species of concern in imperiled natural communities. The State Wildlife Grant Program is the focus of federal legislation. It is sponsored by Congresswoman Debbie Dingell and would provide \$1.3 billion for wildlife conservation to State Wildlife Agencies across the United States. MUCC was a critical partner of the coalition that supported the legislation. It is important to start thinking about how we can make strategic investments to protect our natural heritage. The Michigan Nature Association is building their entire strategy on the State Wildlife Action Plan. Linking their education projects, stewardship projects and land acquisition projects around the priorities of the State Wildlife Action Plan. This plan is renewed once every ten years.

Mr. Rustem stated that he would like the Wildlife Division to give an overview presentation on the State Wildlife Action Plan at a future MNRTF Board meeting.

Mr. Cummings requested a presentation by DNR staff to articulate the economic benefit in conservation and outdoor recreation.

Ms. McDonough requested that staff present to the board recent trends in terms of applications. Are there types of applications that staff see a lot of; example provided were trail applications. It would be helpful to know what communities are in need of.

Ms. McDonough also requested that staff present an update on outstanding conversion issues to the board at the April MNRTF Board meeting.

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

Mr. Bunch thanked the Board for all the great work that they do and welcomed the newest member, DNR Director, Dan Eichinger. He stated that there needs to be more conservation and recreational land in southeast Michigan. There needs to be more hunting access and more access to water. There are 8 million acres of public land in Michigan and only 200,000 in southeast Michigan. He understands that staff is working on reevaluating the scoring. Six Rivers Land Conservancy is ready and willing to do whatever they can do to help.

Mr. Trevor VanDyke, Office Director & Tribal Coordinator – Legislative and Legal Affairs Office

Mr. VanDyke gave a brief overview of Senate Joint Resolution O and Executive Directive 11, which pertains to the Open Meetings Act.

SJRO Update:

- In May of 2018 it passed the Senate with a 26-11 vote.
- In December of 2018 it passed the House with a 107-0 vote.
- The Senate then concurred 37-0.
- SJRO would modify the expenditures from the MNRTF to allow not less than 25% for the development projects; currently it is not more than 25% for development projects. Acquisition remains unchanged at not less than 25%.
- Clarification in development grants to include renovation and redevelopment of public facilities that have reached their projected depreciated life expectancy.
  - This is the current practice; it would simply put it in statute.
- The MNRTF is currently capped at \$500 million until the State Park Endowment Fund reaches its cap of \$800 million. Once the State Park Endowment Fund reaches \$800 million, the funds would go back into the MNRTF and the cap would be removed.
- The State Park Endowment Fund would be utilized for:
  - Operations in state parks
  - Capital Improvements in state parks
  - Acquisitions and rights of lands in state parks
- Not less than 20% of the funds from the State Park Endowment Fund may be expended for capital improvements at state parks to address a large back-log of infrastructure needs.

The next steps for SJRO:

- This will need to go before the people, as it is a constitutional change. This will be on the next state-wide ballot, which is currently scheduled for August of 2020.
- The Attorney General (AG) gave the following guidance regarding the ballot initiative:
  - MCL15.342, subsections 2 and 6, forbid a public servant from rendering services for a private or public interest if those services are conflicting with the servant's official duties. Also, a public servant cannot give an opinion as that of an agency (a public servant is anyone appointed by the Governor or an executive department official).
  - The recommendation from the AG's office is that the Board remain neutral on talking about the ballot initiative. A Board member can provide the facts, however they should not provide any political consultation services or persuade in any way.

Ms. McDonough referenced how helpful and informative that it was when Rich Bowman attended a MNRTF meeting and talked about a survey that they had conducted with their constituents. She suggested that it may be a good idea to have him attend a future meeting to once again educate the public on the importance of these issues.

Mr. VanDyke gave a brief of Executive Directive 11 of 2019, which pertains to the Open Meetings Act stating that this directive takes effect March 10, 2019 and touches on a couple of topics. He reached out to the AG's office for the standard recommended guidelines as it pertains to implementing this new directive:

- Encouraging advisory councils that legally do not have to operate under the Open Meetings Act to do so.
- Inclusion of an agenda or a specific statement of the purpose of a public meeting in any notice of a meeting.
- Prohibit the use of texting, or other forms of electronic communications among members of a public body within the department or agency during an open meeting that constitute deliberations toward decision-making or actual decisions in a manner that violates the Open Meetings Act.
- Increase the use of live streaming of meetings of state boards and commissions, as well as make the agenda for the meetings and materials distributed to board or commission members available online using an easily accessible portal that includes archives of prior meetings and materials.
- Minimize the use of closed sessions whenever possible, with decisions never made in a closed session.
- Avoid meeting in facilities or areas subject to public access restrictions.
- FOIA – no discussion.
- Establishes a Transparency Liaison for each state department – no discussion.

Mr. VanDyke stated that the MNRTF appropriation bill has been sent to the State Budget Office. He has not heard of a timeline as to when it will be released to the legislature.

## 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 projecting a 5% return, which would be approximately \$30 million. There is approximately \$400,000 projected in other income, such as easements, projects completed under budget; this number is based on the previous three years average. There were a number of projects that we concluded, as well as lapses and withdrawals; that total is \$515,000.

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 PILT amount for 2018 was \$1.9 million. The total available for projects in 2019 would be \$23 million. The development maximum, per the Constitution, is 25% of the \$27 million. That would total \$6.7 million. The acquisition must be a minimum of 25%. That would total \$16.2 million.

## VI. NEW BUSINESS.

### 2019 Scoring Criteria Reviews

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; adjustments and realignments to make it 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 that initial stakeholder engagement, hear recommendations, make provide phase 1 recommendations to the Board by August.

### Update on MNRTF Staff Activities

Mr. Lord outlined various MNRTF staff activities:

- Thanked Michael Chuff for his efforts in completing the annual report. This is posted on the DNR website and can be accessed by the link below;

[https://www.michigan.gov/documents/dnr/MNRTF\\_AnnualReport\\_643738\\_7.pdf](https://www.michigan.gov/documents/dnr/MNRTF_AnnualReport_643738_7.pdf)

- Staff completed recreation grant workshops around the state. A recreation grant workshop, as well as a roundtable, were held at the Michigan Recreation and Park Association (mParks) annual conference in February.
- The current IT vendor's contract for MiRecGrants expires in 2020. Staff continue to research updates to the existing software, as well as new vendor options.
- The customer survey is about to be released. It is approximately 10 questions. It will be sent to anyone that is registered in MiRecGrants, as well as a subset of the department's GovDelivery recipients. The questions are customer service focused and will give staff baseline information to see where improvements can be made.

Ms. Lindsay Ross gave the board members a summary of the responses and feedback from the recreation grant workshops that were held. She presented an analytical report created within Microsoft Business Intelligence (Power BI) to give a breakdown of the responses from the workshop surveys. Analyzing these surveys will help aid in improving the workshops. The report displayed the number of participants at each location, responses that were specific to each location, etc. This year the Michigan Economic Development Corporation also presented at the grant workshops. They presented information on grant opportunities that they provide that may be a match for programs that the DNR offers. The surveys found that this was value-added

information to include in the presentation. Based on the results of the surveys, it was also found that the most valuable information provided was the process used for scoring.

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.

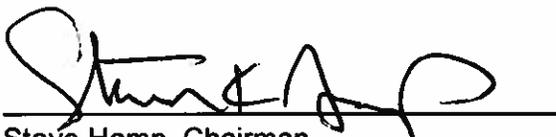
VIII. ANNOUNCEMENTS.

The next meeting of the Michigan Natural Resources Trust Fund Board is scheduled for 9:00 AM, Wednesday, April 10, Lansing Community College West Campus, 5708 Cornerstone, Lansing, Michigan.

IX. ADJOURNMENT.

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

The meeting was adjourned at 10:32 AM.



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



Dan Lord, Manager  
Grants Management Section  
Finance and Operations Division

4/15/2019  
DATE