

MICHIGAN NATURAL RESOURCES TRUST FUND

BOARD OF TRUSTEES MEETING

Minutes of February 19, 2020

Michigan Nature Association, 2310 Science Parkway, Suite 100, Okemos

4:00 PM

The meeting of the Michigan Natural Resources Trust Fund (MNRTF) Board of Trustees commenced at 4:00 PM, Wednesday, February 19, 2020.

The following Board members were present:

Erin McDonough
Daniel Eichinger
Sam Cummings
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 December 11, 2019.

Chairperson Rustem called for the adoption of the minutes for the December 11, 2019 MNRTF Board meeting.

**MOVED BY MR. CUMMINGS, SUPPORTED BY DIRECTOR EICHINGER, TO ADOPT THE MINUTES OF THE DECEMBER 11, 2019 MNRTF BOARD MEETING.
MOTION PASSED WITHOUT DISSENTING VOTE.**

II. ADOPTION OF AGENDA FOR MEETING OF FEBRUARY 19, 2020.

Chairperson Rustem called for the adoption of the agenda for the February 19, 2020 MNRTF Board meeting.

**MOVED BY MR. HAMP, SUPPORTED BY DIRECTOR EICHINGER, TO ADOPT THE AGENDA FOR THE FEBRUARY 19, 2020 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, introduced himself and Grants Management staff: Mr. Jon Mayes (Recreation Grants Manager), Ms. Rachel Schumaker (Administrative Assistant to staff and Board), Mr. Mike Chuff (MNRTF Financial Specialist), Ms. Merrie Carlock (Grant Coordinator), Ms. Lindsay Ross (Grant Coordinator), Ms. Andrea Stay (Grant Coordinator) and Ms. Erin Campbell (Grant Coordinator).

Mr. Lord also introduced Mr. Erik Eklund, Chief Budget Officer of the Finance and Operations Division.

IV. PUBLIC APPEARANCES.

Ms. Julie Stoneman, Director of Outreach and Education – Michigan Nature Association

Ms. Stoneman welcomed the Board members, staff and guests to the Michigan Nature Association. She stated that this meeting venue is a collaborative space and available to their conservation partners to hold meetings, and such, free of charge. Ms. Stoneman also stated that she is delighted that the Board and staff incorporated the Wildlife Action Plan into the scoring criteria changes that were adopted.

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

Mr. Bunch thanked the MNRTF Board and staff for their hard work and commitment to the tremendous work they do. A special thank you was made to Mr. Rustem and the work that was done on the Protect MI Campaign.

The tour planning for the August Trust Fund meeting, that is slated to be held in Detroit, is well under way. The host committee partners include: Six Rivers Land Conservancy, Huron Clinton Metroparks, Detroit City Parks and Recreation, Detroit Riverfront Conservancy, Belle Isle Conservancy, Michigan Trails and Greenways Alliance and Southeast Michigan Council of Governments. They have also invited the Wilson Foundation and the Community Foundation of Southeast Michigan to participate. Mr. Bunch also suggested that the Board consider holding a meeting next summer in the Ludington area and he would be happy to help host that.

Mr. Mark Brochu, Director, St. Clair County Parks and Recreation

Mr. Brochu thanked Ms. Lindsay Ross and Mr. Michael Chuff with their help assisting him through a recent reimbursement request. This was his first reimbursement that was completed through MiRecGrants.

Mr. Brochu presented a handout to the staff and Board for the Wetlands County Park project, that runs along the Blue Water River Walk. He stated that this was the combination of two MNRTF acquisition grants, one MNRTF development grant, a Recreation Passport grant and more. These funds contributed to an access pathway, seat wall, bike rack, picnic table, pedestrian bridge, shade trellis, riverbed, signage, artificial lawn turf and the grant sign.

Mr. Clay Summers, Executive Director, mParks

Mr. Summers thanked the Board and staff for their participation at the annual mParks Conference and Trade Show. Over the four days, there were over 800 people in attendance. This included the vendors, elected officials and general membership. This event was the kick-off for the Protect MI Campaign. Many of their conservation partners are working hard to help educate the citizens of this state and raise public awareness of and appreciation among Michigan residents for all types of public lands and outdoor recreation opportunities in Michigan.

Mr. Glenn Walquist, Resident, Ludington

Mr. Walquist presented in support of the acquisition of additional Sargent Sand Property. This acquisition will expand Ludington State Park by over 280 acres. The first portion of the Sargent Sand Property was purchased in 2018 and added over 100 acres to the park. He stated that if you have not walked the property, he highly recommends it. It will add a perspective that can never be seen in photographs.

Ms. Lana Pollack, Former MNRTF Board Member

Ms. Pollack stated that there was nothing more rewarding than serving as a Board member for the MNRTF and that Michigan is so lucky to have this resource. Ms. Pollack grew up in Ludington and still has a home there. The community is very generous and, although a heavy lift, will have no problem meeting the match required for this grant. This will be an economic driver for this area and a wonderful conservation experience.

Mr. Buddy Reed, Mr. Dave Hall, Mr. Wayne Anderson, Mr. Steve Begnoche, Ms. Linda Doll, are all residents of Ludington. They each introduced themselves and expressed their support for this acquisition project.

V. NEW BUSINESS.

Mr. Ron Olson, Chief, Parks and Recreation Division, DNR

Mr. Olson acknowledged, and thanked, team members who worked on the Sargent Sand Acquisition project; Mr. Scott Goeman, Mr. Jim Gally, Mr. Keith Creagh, Mr. Bill Moritz and many passionate community leaders, including Lana Pollack and Helen Taylor.

The project grant funding being requested today is \$5.3 million. This will complete the acquisition of the remaining approx. 280 acres of this property.

Fund sources include:

- \$1.3 million from a previously approved MNRTF grant
- \$1 million is projected from foundations
- \$2 million from donations
- \$5.3 million from today's ask of the MNRTF Board
- \$9.6 million total overall for this phase of the project

The reason for this out-of-cycle request stems from Ms. Fran Sargent wanting this property closed and sold in 2020.

Ending the mining on this site will allow it to restore the landscape to its native condition. This park sees over 700,000 visitors annually. Ludington State Park is approx. 5,300 acres in size. This property is comprised of wetlands, open dunes and many more natural features. There will be a baseline environmental assessment completed. This will be done prior to closing on the property. The family is requesting to retain 40 acres, that will not be mined, for future use. Mr. Cummings asked if there will be any deed restrictions, such as one or two single family homes on the property. Mr. Olson stated that it will all be negotiated prior to closing.

Mr. Lord gave a handout to the Board with the criteria for time sensitive out-of-cycle grant requests. This is an internal process for how the staff handles these out-of-cycle requests when they are received.

Mr. Cummings stated that when these requests come in, the Board should be made aware of them when they are received. If these out-of-cycle requests are going to continue, the Board should appropriate an additional amount that is used for potential mid-year grant requests. We must be conscious of having a return that is hedged against inflation. When the decision was made in December for the recommended project, approximately 3 percent was going to be saved in the fund. Now with the adjustment and this out-of-cycle request, we are only saving 2 percent. Collectively, in the next couple of meetings, there should be discussion on how these are handled going forward. There have been out-of-cycle requests for the past three years.

Director Eichinger agreed. How do we take out-of-cycle project requests and situate them appropriately within the grant making decisions, depending on when they are received? Those unique situations are going to arise. These need to be structured into the grant awards. Possibly building it into the amount awarded in future cycles.

Chairperson Rustem called for the following motion:

**MOVED BY MR. HAMP, SUPPORTED BY DIRECTOR EICHINGER TO APPROVE THE
OUT-OF-CYCLE GRANT REQUEST OF THE SARGENT SAND PROPERTY
ACQUISITION FUNDED AT \$5.3 MILLION.
MOTION PASSED WITHOUT DISSENTING VOTE**

VI. OLD BUSINESS.

MNRTF Financial Report

Mr. Erik Eklund, Chief Budget Officer, Finance and Operations Division, outlined the MNRTF financial report.

There were two updates to the report that was given in December; Treasury had to make an adjustment that resulted in FY19 reduced investment income in the amount of \$3.4 million. They had to make a change in the valuation of the unrealized gains of investments of the fund. This brings the total amount available for projects to \$46 million. This results in \$11.5 million for development projects and \$30,215,884 million for acquisition projects. Only \$14,149,800 was recommended for acquisition projects, so essentially there is still \$16,066,084 available.

The beginning balance for FY19 year was \$607 million. We are looking at \$623 million ending balance.

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

Mr. VanDyke gave guidance and clarification on Senate Joint Resolution O, as there have been questions and confusion.

- 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.
- An example of this would be; if you are at a public speaking event and you have been asked to be there as a Board member, this is not a setting where you can render a personal opinion, support or opposition. If you are at a grocery store, you are not in your role as a Board member and therefore could state your personal opinion.

Ms. Lindsay Ross, Grant Coordinator, Grants Management Section, DNR

Ms. Ross gave the board members a summary of the responses and feedback from the recreation grant workshops that were held. Each year, DNR staff members travel around the State and provide information to prospective applicants on the MNRTF, Land and Water Conservation Fund and the Recreation Passport grant programs. The workshops focus on the grant basics, such as: what is eligible, how to apply and scoring criteria. This year they focused specifically on the scoring changes as well.

Each year, surveys are handed out to the workshop participants. In addition to the in-person workshops, two webinars were held. There were 342 participants in total this year. Ms. Ross presented an analytical report created with 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. Based on the results of the surveys, it was also found that the most valuable information provided was the process used for scoring. The top suggestions for improvements included more training for MiRecGrants, more specific conversations on scoring and making the workshops more interactive. Staff is working to incorporate those suggestions for workshops next year.

Project Withdrawals

- TF15-0181, Saugatuck Dunes SP Property Acquisition. The DNR could not come to an agreement with the property owners.
- TF16-0169, Iron Belle Trail – Norfolk & Western Railway Easement. The DNR could not come to an agreement with the property owners.

Chairperson Rustem called for a motion to accept the withdrawal of Saugatuck Dunes SP Property Acquisition (TF15-0181) and Iron Belle Trail – Norfolk & Western Railway Easement (TF16-0169).

MOVED BY MR. CUMMINGS, SUPPORTED BY MS. McDONOUGH, TO ADOPT THE WITHDRAWAL OF SAUGATUCK DUNES SP PROPERTY ACQUISITION (TF15-0181) AND IRON BELLE TRAIL – NORFOLK & WESTERN RAILWAY EASEMENT (TF16-0169).

MOTION PASSED WITHOUT DISSENTING VOTE

Update on MNRTF Staff Activities

Mr. Lord outlined various MNRTF staff activities:

- Mr. Lord thanked everyone for their time, work and commitment to the 2020 Recreational Grant Workshops.
- 5-year Recreation Plan reviews are taking place. They were due on February 1st. An approved plan is required for applicants to apply.
- Internal conversations regarding SJRO confirm that the changes would take place 45 days after the election. That 45-day mark would be after the December Board meeting, therefore decisions regarding project awards would continue under the old criteria. The 2021 cycle would operate with the changes, should SJRO pass. The Board would like confirmation from the Attorney General to clarify this.
- The 2019 MNRTF Annual Report is complete and in the Board member packets and also posted on the DNR website.
- Work continues with enhancements to the MiRecGrants online system. The software vendor will be hosting this program, making it much more streamlined and efficient. Lance Brooks is also in the process of enhancing the overall system. It will be more intuitive both internally and externally. We will be moving the Invasive Species Program and Wildlife Habitat Program into MiRecGrants as well.
- Rachel Schumaker worked on a project to combine the previous procurement contracts for the MNRTF, LWCF and Recreation Passport plaques. Each of these were separate contracts and now there is one master contract that makes the processes more efficient.

- The June 17th MNRTF meeting will now be held in Alpena and the August 19th meeting held in Detroit. There were logistical issues holding the June meeting in Detroit.
- The Board was presented with a current conversion status update. This was a request made last year. We will be presenting a current status each February. This list includes entities that are in a current conversion status.
- Kammy Frayre, the Program Manager for the Invasive Species Program, has accepted a new position. Her position is currently posted, and we hope to have a new team member on board in the month of March.

VII. STATUS REPORTS.

DNR Real Estate Report – State Acquisitions

No discussion.

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 22, 2020, Demmer Center, 4830 E. Jolly Road, Lansing, Michigan.
(Subsequently changed to be a virtual meeting due to the COVID-19 pandemic emergency)

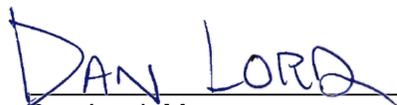
IX. ADJOURNMENT.

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

The meeting was adjourned at 5:52 PM.



Bill Rustem, Chairperson
 Michigan Natural Resources Trust Fund
 Board of Trustees



Dan Lord, Manager
 Grants Management Section
 Finance and Operations Division

June 4th, 2020
 DATE