

**MICHIGAN RURAL DEVELOPMENT FUND BOARD MEETING
DRAFT MINUTES**

April 10, 2024

Gaylord Area Chamber of Commerce

319 West Main Street, Gaylord, Michigan 49735

Board Members Present:

Justin Horvath, RD Fund Board Member

Erin Kricher, RD Fund Board Member

Victoria Leonhardt, RD Fund Board Member

Christopher Germain, RD Fund Board Member

Jamie Zmitko Somers, MDARD, proxy for Director Boring

Other Attendees:

Heather Throne, MDARD

Melissa Boersma, Sklarczyk Seed Farm

Tracey Barnes, MDARD

Lisa Miller, LEO Office of Rural Prosperity

Absent:

Tim Boring, MDARD Director

The meeting was called to order by Jamie Zmitko Somers at 10:01 a.m.

Zmitko Somers welcomed members of the Board and guests. She stated Michigan Department of Agriculture and Rural Development (MDARD) director Tim Boring sends his regrets of not being in attendance due to the Avian Influenza response. Introductions were made by all in attendance.

Minutes of the August 16, 2023, Rural Development Board Meeting

Justin Horvath moved to approve the August 16, 2023 meeting minutes with no changes. Second by Erin Kricher. Motion carried unanimously.

MIAgGrants – Grants Management System

Tracey Barnes presented information for the new grants management system, MiAgGrants. The Rural Development Fund Grants was the first grant program to move through the system. Overall, everything is working as the department expected in the system. Christopher Germain stated the system is nice and clean. He mentioned one thing to consider is the difficulty to look at the grant applications on one page and then flip it to the other tab to do the JEC scoring. Barnes stated the intent moving forward with other grant programs is to make the system easier to use and gather more and more feedback to consistently improve any issues that come up for both external and internal personnel. All problems with accessing the system and MiLogin were accessed, and no substantial issues were reported per technical assistance.

Recap of 2017-2023 Grants & Review 2024 Grant Approvals

Heather Throne presented the projects awarded from 2017-2023 with statistics of open, closed and terminated projects. All 2017-2019 projects are closed. There is one 2020 project open, the MDARD Grants Team is working with them to get this closed. The 2021 fiscal year, the team still working through a few projects, Traverse City Whiskey Company, and Village of Breckenridge to note. In 2022-2023 nothing concerning to report, moving through the grant round as normal. If projects can't complete, the funds are able to be repurposed into upcoming grant years. Germain asked what was going on with 2019 Michigan River Basin Tax Authority. Staff reported it was a multifaceted/permitting project that had contractual issues but has closed out. This report is to only have 2020-current projects next year per record retention. Victoria Leonhardt asked about grant reporting and how that will transfer through MiAgGrants. The plan with MiAgGrants is to have grant process streamlined and all in one place.

Review 2024 Grant Projects

Throne presented the 2024 projects to be funded this year. The JEC recommendations will go to Director Tim Boring for his approval. The next step will be legislative notification. Per legislative approval, a press release will go out announcing the awarded projects. All applicants will receive formal communication declaring their application status. Zmitko Somers reported the mining severance tax is just over \$3.6 million. The Eagle mine was able to extend into year 2029 to continue funding the Rural Development program with the last known close year of 2027.

Labor and Economic Opportunity's (LEO) Office of Rural Prosperity Update

Lisa Miller from Labor and Economic Opportunity (LEO) presented the Office of Rural Prosperity (ORP) Update. The Rural Readiness Grant Program had two rounds of grant funding completed. A total of 41 projects were awarded with over 100 applications received. Applications included every region with topics ranging from housing, infrastructure planning, mental health, and childcare collaborative projects. \$9 million dollars were requested with \$1.8 million awarded to 41 projects across the state. Necessary outreach was accomplished, and LEO had monthly newsletters to go out to 200 subscribers. LEO collected survey responses on the grant program. Folks choose to live in rural communities because of place, recreation economy or experiences. How did this funding opportunity work for you and the community? People feel like communities are moving in the correct direction when asked about grant programs. This program is included in the governor's recommendation for next year to continue this program. Need to educate elective officials county board city council etc. on how grants work. Creation of a 50-page document to build rural prosperity strategy is in progress to use as a rallying point to

connect communities to work together and support work ideas for projects. It will create a “how did we get here approach?” and a narrative to see where the office is at. To activate, LEO will be hosting a Rural Prosperity Summit in Gaylord to invite folks to connect and collaborate on what is going on around the state. Questions have been asked about what it means to live in a rural community, the “Growing Michigan Together Council” was put together and the program looks at what was mentioned and how we invest in growing the population, bringing people together around the state and create strategies to grow rural communities. ORP has been working closely with them and really trying to get rural communities recognized.

Sklarczyk Seed Farm LLC Presentation

Melissa Boersma presented on Sklarczyk Seed Farm. Information was presented on the farms background, what they do and updates since receiving the 2020 Rural Development Grant funding. Talk of farm processes and soil and crop improvements were mentioned and how this has an impact on Michigan potatoes in the agriculture industry. They have been very fortunate with grant funding through MDARD and federal funding as well not just for the seed farm but for the community as well. Melissa stated the grants are a great opportunity for growth and improved learning. Justin asked about the best conditions to grow potatoes. Boersma advised that if you cut the US in half anything north will be the best areas to grow potatoes, 80% of potatoes are exported. Potatoes adapt very well to their environment and are a very heavy water consuming vegetable. Horvath also asked about the processing of potatoes. Michigan is a large “Chipping” state states Boersma. Leading processors such as Better Made, Downey’s Potato Chips and Great Lakes Potato chip company with some smaller companies like Ray’s are active in the state of Michigan. In 2020, they experienced supply chain disruptions with equipment and materials, this needed an extension to complete the project. Another challenge was technological promises for the project. Tests were completed and found it only worked about 70% which led to another extension to find another source of technology. The question came about of “what is next?”, the barrier creation of GMO and Non-GMO seeds. Melissa stated that the sky is the limit and hope to have a better plan going forward to mitigate any labor shortages. Everyone thanked Melissa for the information presented and welcomed any future tour opportunities for the department.

Discussion of July Meeting

The next board meeting is scheduled for July 25, 2024, in Escanaba, Michigan. There are a handful of grants in the area for project tours and presentations. Morning meetings are preferred with a possibility of a few tours the day before or in the afternoon after the meeting. Throne mentioned the collection of public comment in May 2024 via email and a press release.

2024 Public Comment

Zmitko Somers opened the floor for public comment, stated that there is a 3-minute time frame for the public to present their concerns to the board. No public comment was received.

Adjournment

Meeting Adjourned at 11:48 a.m.