

MICHIGAN AGRICULTURAL PRESERVATION FUND BOARD

Meeting Location:
Michigan Farm Bureau Corporate Office
Board Room
7373 W. Saginaw Hwy
Lansing, MI 48917

August 2, 2022

Conference Call In: 888-636-3807
Access Code: 498 5308 #

MEETING MINUTES

The meeting was called to order at 1:08 PM.

Attendance roll call was taken, and a quorum was established.

MEMBERS PRESENT:

Chairman Bednarski
Member Bourdages (phone)
Member DeCock (phone)
Member Jarosz
Member Kohring-Cichon
Member McDowell
Member Shine

MEMBERS ABSENT:

None

BOARD STAFF PRESENT:

Elizabeth Brost
Emma Lee-Conklin

PUBLIC GUESTS PRESENT:

Public attendees present in person and via conference call line.

1:10 PM Approval of Agenda

- Member Jarosz motioned to amend the agenda to add Overview of Engle Court Case as an agenda item
 - Motion seconded.
 - Motion carried.

- Member Jarosz motioned to approve the agenda as amended.
 - Motion seconded.
 - Vote occurred. 7 in favor/0 opposed
 - Motion carried.

1:11 PM Approval of March 10, 2022 Meeting Minutes

- Member Kohring-Cichon motioned to approve the March 10, 2022, Meeting Minutes as proposed.
 - Motion seconded.
 - Vote occurred. 7 in favor/0 opposed
 - Motion carried.

1:11 PM Board Member Appointments Update (Elizabeth)

Elizabeth had an initial meeting with Director (Member) McDowell and a Governor Liaison, in either May or June. They have not met again but hope to this month (August). Elizabeth will send an email update to the Board at the end of the month.

1:13 PM Fund Update (Business Unit)

MDARD Business Unit put in an ask for another million (\$3 million total) to be added to the 2024 grant cycle.

Discussion occurred on how funds can be spent.

Member Jarosz asked if there is additional funding available for more MDARD staff.

1:16 PM Installment Payments (Elizabeth/Board)

Elizabeth met with MDARD Business Unit and MDARD will continue to pay the local unit of government 30 days before closing. The local unit of government can then utilize the funds how they see fit, whether it is in installment payments or all at once.

Member DeCock opened discussion and suggested the local unit of government creates and submits a policy to the Board on dispersing funds (Barry Lonik did a write up on installment payments that can be an example).

Elizabeth suggested another meeting prior to the award grant meeting to discuss fund dispersals, reduction in acreage on certain grants, and substitutions if the Board will allow it, and to develop policy on those subjects.

Member Bourdages discussed there are programs that have structured installment payments (Peninsula Township), it is similar to a land contract, interest paid on installment purchases from a local or a public unit of government to a landowner are exempt from taxes, allows for steady income and a means to plan for their successions. He also mentioned federal funding is very restricted on installment payments and that the State of New Jersey only does installment payments.

Member Jarosz would like to provide installment payments as an option if there is a benefit and proposes the Board does not create complex rules, instead review rules set by the local unit of government beforehand.

The Board was in agreement of wanting to set overall guidelines in the form of a checklist that the local unit of government will need to meet in their proposal for installment payments.

Public question from Rich Harlow: asked if zero-coupon bonds would be an acceptable way of funding. Member Bourdages will connect Elizabeth with Susan Payne from the New Jersey Farmland Preservation Program who deals with installment payments and zero-coupon bonds.

Member Jarosz adds discussion on liability and Member Kohring-Cichon mentions the possible need for bonding or insurance on these installment payments.

Chairman Bednarski suggest moving agenda item "Buy/Protect/Sell" next since the Board was already on the topic. The Board agreed.

1:44 PM Draft Policy Language: Buy/Protect/Sell (Elizabeth/Board)

Elizabeth drafted policy to review that was provided as a handout.

Member Bourdages tells Board that Scio Township recently closed using this concept and it was extremely successful.

Member Kohring-Cichon mentions this is a great tool, and the local government takes on risk of sitting on a piece of property while waiting for the right buyer.

- Member Kohring-Cichon motioned to adopt this policy.
 - Motion seconded.
 - Vote occurred. 7 in favor/0 opposed
 - Motion carried.

1:55 PM U of M Sustainability Program

Elizabeth discussed that students from the University of Michigan participated in an internship program that was started last summer 2021. The students created a website template for MDARD in an effort to get more local government participation. For the 2021 fall/winter internship, the students developed a report on sustainability (provided handout). They found that conservation efforts should be focused on the thumb, fruit belt, Traverse City and southwest Michigan. The fall/winter internship will be on climate change.

Member McDowell stated that solar panels need to be a part of the conversation, he wants to see them on marginal farmland, not prime farmland and not in the areas we want to protect.

Member Jarosz added that MDARD staffing has not been a priority. Chip acknowledged that Elizabeth had spent a lot of time with these students and took up a lot of her time, causing to put a hold on the outreach. Member Jarosz said outreach cannot be on MDARD solely, and that we need strong partnerships.

Board members brainstormed many additional resources, connections and proposed partnerships to aid MDARD and the Board in these projects such as: Farm Bureau, Ag Climate staff in AFT, Sarah Mills at the Graham Institute who has a Department of Energy grants, that's looking at impact on rural communities, also the Graham Institute has several student cohorts, wanting to get more engaged in MI.

Member Kohring-Cichon suggested to move Member Jarosz's addition to the agenda next. The Board agreed.

2:30 PM Overview of Engle Court Case (addition to agenda)

Member Jarosz explained that Ken Engle violated his Conservation Easement by selling 1 of 2 of the parcels in the easement. Acme Township had warned the Engle family that they would be in violation of the easement, but the Engles sold the parcel anyways. The Engle family is in the appeals process and the case may go to the Supreme Court in 2-3 years. Member Jarosz stated that this is more of a contract issue rather than a Right-to-Farm issue.

2:40 PM Local Grants Closings Status (Elizabeth)

Elizabeth provided an updated spreadsheet on Local Grant updates and a substitution request as handouts.

Elizabeth discussed that for fiscal year 2020 all the grants have closed, except: Cherries-R-Da-Berries is getting an amendment to extend for another 6 months, and the Washtenaw County landowner (Poulter) declined the offer and Washtenaw County did not file for an extension.

In 2021, Washtenaw County ran into another issue with the Stegenga farm declining the offer, so the County is wanting to do a substitution. The proposed Weidmayer property is comparable to the Stegenga property and scores higher. Public comment from Rosie (phone) from

Washtenaw County: adds that the properties are located very close together and is contiguous to other protected land.

The Board is in agreement of wanting to develop a substitution policy in the future. In that policy, Member DeCock proposes a limit on how many substitutions can be done.

- Member Shine motions to adopt the Washtenaw County-Stegenga/Weidmayer substitution.
 - Motion seconded.
 - Vote occurred. 7 in favor/0 opposed
 - Motion carried.

For fiscal year 2022 Barry County-Wing Farm just got their appraisal back and the bank is trying to talk them out of the conservation easement. Elizabeth advised landowner to speak with someone at GreenStone since he has experience with conservation easements. The Wing family is now looking to reduce the acreage size and if the board would allow that.

Elizabeth explains that since the Poulter Farm declined the offer and Washtenaw County did not file for an extension, the \$480,000 is being returned. The board can consider giving the remaining money needed (\$102,030) to fully fund Berrien County to close for 2022, then provide funding to Dexter township for \$245,000, then the remainder of the funds given to the Falker Property for \$132,970, which less than their asking. To make up some of the difference to the Falker property, there will be additional funds from the Wing Farm reduction, total dollar amount not known at this time. Also, funds from the reduction due to the Stegenga/Weidmayer substitution in Washtenaw County for \$137,394.

- Member Kohring-Cichon makes a motion to fully fund Berrien County project, Dexter Township and partial funding to Falker property.
 - Motion seconded.

The Board is unsure if the Falker's would be able to apply for the 2023 grant cycle for the remainder of the funding. Falker's ability to reapply for the remaining funds will be discussed at the next meeting.

- Member Kohring-Cichon amends to provide funds to Berrien County and Dexter Township only.
 - Motion seconded.
 - Vote occurred. 7 in favor/0 opposed
 - Motion carried.

Elizabeth said if we don't use the remaining funds from the Poulter Farm, the money goes back to the restricted funding of Farmland PA116 and are not able to be used.

2:50 PM Other

Elizabeth provided a handout for a unique farming opportunity in Adrian, Michigan. Two heirs who live in California, inherited their family farm. They are wanting to maintain ownership of the property but want to bring in someone to farm the property. Housing will be provided and some funding for equipment and renovations. They are looking for resources on finding someone for this opportunity.

Elizabeth was thinking of Ottawa County's [MI FarmLink](#), she also sent the proposal to Barry Lonik, and is looking to see if the board has any suggestions. Member Bourdages suggests Michigan Young Farmer Collation. Member Jarosz mentions that the Legacy Land Conservancy runs in that area too. Member Kohring-Cichon said Country Side Land Trust would be a good resource for an example for long term land ownership proposal.

3:02 PM Public Comment

Barry Lonik: thank you for the transfer of funds to Dexter Township, and thanks for the contribution to Scio township. This is the first time 5 different funding sources have been tapped for a land preservation project.

Rich Harlow: is amazed and pleased about the work we are doing.

Chip Kraus: wanted to tag on and say thanks to the board.

Katie Montoya from Berrien County: thanks for support and increase in funds to close on the project.

3:05 PM Next Meeting Date and Adjournment

Staff will send Doodle Poll to Board members to schedule the next meeting for first or second week of December 2022, but not Wednesdays.

- Member Jarosz motions to adjourn meeting.
 - Motion seconded.
 - Motion carried.

The meeting was adjourned at 3:08 PM.