

MICHIGAN NATURAL RESOURCES TRUST FUND

BOARD OF TRUSTEES MEETING

Minutes of June 17, 2020
Virtual Webinar Meeting
9:00 AM

Chair Rustem called the meeting of the Michigan Natural Resources Trust Fund (MNRTF) Board of Trustees (Board) to order at 9:00 a.m., Wednesday, June 17, 2020. Dan Lord, Grants Management Section Manager, provided an overview to all participants on how the Board's webinar meeting would be conducted and how to navigate the screens.

The following Board members were present:

Bill Rustem, Chair
Erin McDonough, Vice Chair
Sam Cummings
Steve Hamp
Daniel Eichinger, DNR Director

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

I. ADOPTION OF MINUTES FOR MEETING OF APRIL 22, 2020

Chair Rustem called for the adoption of the minutes for the April 22, 2020 MNRTF Board meeting.

**MOVED BY CUMMINGS, SUPPORTED BY EICHINGER, TO ADOPT THE MINUTES OF THE APRIL 22, 2020 MNRTF BOARD MEETING.
MOTION PASSED WITHOUT DISSENTING VOTE.**

II. ADOPTION OF AGENDA FOR MEETING OF JUNE 17, 2020

Chair Rustem called for the adoption of the agenda for the June 17, 2020 MNRTF Board meeting.

**MOVED BY CUMMINGS, SUPPORTED BY HAMP, TO ADOPT THE AGENDA FOR THE JUNE 17, 2020 MNRTF BOARD MEETING.
MOTION PASSED WITHOUT DISSENTING VOTE.**

III. INTRODUCTIONS

The Board members introduced themselves.

Dan Lord, Grants Management Section Manager, DNR Finance and Operations Division, introduced himself and Grants Management staff: Jon Mayes (MNRTF Grants Program Manager), Mike Chuff (MNRTF Financial Specialist), Merrie Carlock, Lindsay Ross and Andrea Stay (Grant Coordinators), and Yolanda Taylor (interim Administrative Assistant to staff and the Board). He also introduced Erik Eklund, Chief Budget Officer, Finance and Operations Division, who is available to address the MNRTF Financial Update or other budget questions.

Dan thanked staff once again for coordinating this second virtual meeting of the Board.

IV. PUBLIC APPEARANCES

Chris Bunch, Executive Director, Six Rivers Land Conservancy

Chris Bunch thanked Dan Lord and his team for the assistance they have provided to the conservancy and other communities during this difficult time, especially Lindsay, Jon and Dan for their assistance with the grant application the conservancy recently worked on. He also thanked the entire staff for their assistance in navigating the Invasive Species grant program.

He then offered the Board an opportunity to consider switching their meeting/tour in Detroit from August to October. The conservancy would still be willing to host a meeting in August but moving the meeting to October would allow more time to make decisions and have resources available to ensure a safe tour and experience for the Board and staff. He still strongly encourages the Board to take advantage of the opportunity to meet in Detroit.

Chris further requested that the Board reconsider their position on potentially reducing the amount of grants awarded this year. He feels the Board has an opportunity to inject a little sunshine into the communities by funding more projects, especially with the increased demand for outdoor recreation.

He closed by summarizing what the conservancy has been working on during the past few months, which included closing on two major acquisitions and assisting with a trust fund grant application, and he looks forward to working with the Board and staff to provide recreational opportunities in southeast Michigan.

Discussion ensued regarding shifting the meeting in Detroit to October and the possibility of continued travel restrictions for department staff. The Board agreed to shift the meeting/tour in Detroit to October. Staff will continue to monitor restrictions and work with the conservancy on planning for the October meeting.

Cummings expressed his gratitude for all the resources and outdoor recreation that the state has to offer, especially over the past several months. It is a great escape and he is seeing an extraordinary amount of people utilizing and enjoying the state's natural resources.

Chair Rustem agreed with Cummings and asked the Director to update the Board on the reopening of Michigan's state parks.

Director Eichinger reported that Michigan's state parks have been open for day use only since the onset of this pandemic, with certain restrictions on social distancing and safety measures. Rustic campgrounds, day use areas, trails and other amenities have also been available. State park modern campgrounds will officially reopen on June 22 with safety measures in place. He commends the department's Parks and Recreation division chief and staff for the phenomenal job they are doing to

get the state park campgrounds open and back to some version of normalcy. They are still hiring summer staff for the reopening of the parks.

Hamp asked about the possibility of revitalizing the former Civilian Conservation Corps. This would be a great opportunity to utilize younger adults to complete trail work or other maintenance projects.

Director Eichinger responded that he would not be surprised if there are discussions about reanimating and refitting the Corps for the 21st Century. If ideas do reach the table and that opportunity arises, it is hard to fathom the kind of work that could be accomplished if there was a workforce directed to conservation, outdoor recreation, and outdoor spaces.

April Scholtz, Land Protection Director, Land Conservancy of West Michigan

April Scholtz expressed her support for TF20-0124, the Nugent Sand Company Acquisition. The conservancy continues to partner with the City of Muskegon on this project and 1/3 of the closing costs have already been secured. They recognize this is a huge project at a unique time, but a 350-acre natural area with Lake Michigan and inland lake access near the heart of the City of Muskegon is what this community needs. If this project is completed, it would serve and be utilized by a community that is both racially and economically diverse. She thanked the Board for making these areas available and encourages their support of this acquisition.

V. PRESENTATIONS FROM 2020 GRANT APPLICANTS

Chair Rustem announced that the Board will receive eight presentations on various Trust Fund grant applications/projects. He asked that presenters adhere to their time. Questions by the Board were addressed during each presentation.

The June 2020 Trust Fund application presenters included:

1. Jennifer Wilkins, Village President, Village of Elberta
TF20-0013, Elberta Lake Michigan Beach Improvement Project (Benzie County)

MNRTF Grant Request:	\$300,000 (62%)
Matching Funds:	\$185,060 (38%)
Total Project Cost:	\$485,060

2. Precia Garland, Missaukee County Administrator; and Michelle Andrews, Northern Michigan Mountain Bike Association
TF20-0018, Cadillac Pathway Single Track Bike Trail (Missaukee County)

MNRTF Grant Request:	\$123,500 (74%)
Matching Funds:	\$ 43,400 (26%)
Total Project Cost:	\$166,900

3. Maria Sandow, Township Supervisor, Larkin Charter Township
TF20-0086, Larkin Charter Township Park Land Acquisition (Midland County)

MNRTF Grant Request:	\$ 967,300 (60%)
Matching Funds:	\$ 645,000 (40%)
Total Project Cost:	\$1,612,300

- Caitlin Hegedus, Marketing and Operations Manager, Muskegon County Convention and Visitors Bureau; and Mark Eisenbarth, Muskegon County Administrator
TF20-0124, Nugent Sand Company Acquisition (Muskegon County)

MNRTF Grant Request:	\$10,075,200 (66.7%)
Matching Funds:	\$ 5,030,100 (33.3%)
Total Project Cost:	\$15,105,300

Director Eichinger excused himself from this portion of the meeting, as his family has property interest adjacent to this proposed acquisition, so there will be no concerns with conflict of interest. The Director does not have any direct property interest in this area nor does he or his family have any interest in the construction company at the north end of the property or any other business interest in the adjacent area.

Chair Rustem called for a brief adjournment at 10:20 a.m.; the Board reconvened at 10:25 a.m.

- Sean Duperron, Vice Chair, Benzie County Parks and Recreation Commission; Glen Chown, Executive Director, and Chris Sullivan, Director of Land Protection, Grand Traverse Regional Land Conservancy
TF20-0140, Railroad Point Natural Area Addition (Benzie County)

MNRTF Grant Request:	\$718,900 (74%)
Matching Funds:	\$252,600 (26%)
Total Project Cost:	\$971,500

- Chuck Adams, Township Supervisor, Waucedah Township
TF20-0172, Sturgeon River Scenic Park Acquisition (Dickinson County)

MNRTF Grant Request:	\$2,129,000 (75%)
Matching Funds:	\$ 709,700 (25%)
Total Project Cost:	\$2,838,700

- John Matonich, Gogebic County Forestry and Parks Commissioner
TF20-0183, County Forest Expansion Acquisition (Gogebic County)

MNRTF Grant Request:	\$3,225,300 (75%)
Matching Funds:	\$1,075,100 (25%)
Total Project Cost:	\$4,300,400

Chair Rustem thanked Matonich for his public service, including his two terms on the Natural Resources Commission.

- Frank Dituri, Director of Public Services, City of Traverse City
TF20-0193, Improvements to Union Street Dam Park – Fishpass Project (Grand Traverse County)

MNRTF Grant Request:	\$300,000 (47%)
Matching Funds:	\$340,000 (53%)
Total Project Cost:	\$640,000

The Board and Dan Lord thanked the presenters and department staff for coordinating these presentations. Chair Rustem asked if there were any additional comments or questions; none were offered.

VI. NEW BUSINESS

MNRTF Staff Activities

Dan Lord announced that staff continue to work remotely but is pleased to report that they continue to conduct normal business activities. Group scoring of grant applications will occur at the end of July. Site visits will be handled differently. Staff continue to be creative and are reaching out to grant applicants and setting up discussions, including virtual meetings and tours. He also announced that the division's lead appraiser has retired so other certified staff in the Real Estate Section are assisting with appraisal reviews, including himself and Jon Mayes. Although ribbon cutting ceremonies are a requirement of the program, they are not encouraging people to gather in large groups. Instead, communities are doing virtual ceremonies or announcements and posting them on Facebook. Tamara Jorkasky and Yolanda Taylor continue to assist the section until vacant positions can be filled. Dan also thanked Jon, Mike, Lindsay and Yolanda for rallying the presentations and preparations for this meeting.

In closing, Dan also reported that they continue to follow up with the department's Legislative Liaison as it pertains to the status of the 2019 recommendations and the appropriation to allow them to execute grant agreements. These bills are still in a holding pattern, but all 2019 grantees and the Board will be notified once the appropriation is addressed.

Chair Rustem asked if/when these bills could be moved forward since the Trust Fund is a restricted fund and cannot be used to support General Fund or other funding shortfalls. He offered that he and Erin McDonough would be willing to contact the appropriations chair if that would help move the bills along.

Erin McDonough noted that the Legislature is set to adjourn for the summer, although they will be coming back a couple of days in July.

Dan Lord will follow up with the Legislative Liaison to further gauge the movement of these bills.

Project Withdrawals

Jon Mayes gave an overview of the following project withdrawal requests:

- TF14-0288, Horsetail Woods Acquisition – City of Southfield, Oakland County.
Changes have occurred with the seller; therefore, the City of Southfield has elected to withdraw this acquisition project in the amount of \$99,800.
- TF16-0177, River Bends Park Iron Belle Trail Development - Shelby Township, Macomb County.
Due to topography issues within the park, Shelby Township has elected to withdraw this development project in the amount of \$300,000. They may pursue adding this segment of the trail at a future date and possibly at a different location.

- TF17-0023, Middle Grounds Imagination Station Playground – City of Bay City, Bay County. Costs came in higher than anticipated; therefore, the City of Bay City has elected to withdraw this development project in the amount of \$300,000.

Chair Rustem called for a motion to accept the withdrawal of the Horsetail Woods Acquisition (TF14-0288); River Bends Park Iron Belle Trail Development (TF16-0177); and Middle Grounds Imagination Station Playground Development (TF17-0023).

MOVED BY CUMMINGS, SUPPORTED BY McDONOUGH, TO ADOPT THE WITHDRAWAL OF HORSETAIL WOODS ACQUISITION (TF14-0288); RIVER BENDS PARK IRON BELLE TRAIL DEVELOPMENT (TF16-0177); AND MIDDLE GROUNDS IMAGINATION STATION PLAYGROUND DEVELOPMENT (TF17-0023). MOTION PASSED WITHOUT DISSENTING VOTE

VII. STATUS REPORTS

None.

VIII. BOARD PACKET REFERENCE MATERIALS

Chair Rustem asked Board members if they would like to discuss any of the Board Packet reference materials.

Cummings asked about the MNRTF Financial Report. The report currently reflects a 6% projected investment loss based on the projections provided by the Michigan Department of Treasury in April. Sam is curious to know if this number is still accurate and the status of the economic recovery rate.

Erik Eklund, Chief Budget Officer, responded that he has not received any updates from the Department of Treasury since April. Erik offered to reach out to Woody Tyler, Senior Investment Manager, to determine if he has an update on the economic recovery rate and its reflection on the Trust Fund.

Cummings recommended that the Board continue to be disciplined on spending this year and keep an eye on the market moving forward. With more than \$62 million in grant requests, the Board will have to make some tough decisions this year, absent a significant reversal in the market.

The Board requested an update from the Department of Treasury at their August meeting. Dan Lord will reach out to Woody Tyler to see if they can provide an update and add them to the August agenda.

IX. OTHER MATTERS AS PROPERLY BROUGHT BEFORE THE BOARD

Chair Rustem thanked department staff, the presenters, participants, and members of the public for once again adjusting to a virtual meeting.

X. ANNOUNCEMENTS

Chair Rustem announced that the next meeting of the Michigan Natural Resources Trust Fund Board is scheduled for Wednesday, August 19, 2020, beginning at 9:00 a.m. Location and the format of the meeting (i.e. virtual) will be determined and posted on the Board's website.

XI. ADJOURNMENT

Chair Rustem asked for additional comments or discussion. None were offered.

Chair Rustem called for a motion to adjourn.

MOVED BY CUMMINGS, SUPPORTED BY HAMP, TO ADJOURN THE MEETING.
MOTION PASSED WITHOUT DISSENTING VOTE.

The meeting was adjourned at 11:56 a.m.



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



Dan Lord, Manager
Grants Management Section
Finance and Operations Division

Aug. 24th, 2020

DATE