

Matt Carnegie

From: robert fleury <robfle@hotmail.com>
Sent: Tuesday, June 6, 2017 11:04 PM
To: Matt Carnegie

SB 280

PLEASE INFORM COMMITTEE, I WISH TO PROTECT THE MNRTF AND VOTE "NO" ON SB 280 .
REF: MBR. TIP O MITT WATERSHED COUNCIL AND MI.LAKES & STREAM.
THANK YOU . MATT

Sent from Mail for Windows 10carnag
M"

Matt Carnagie

From: sandi disante <dinerbetty@gmail.com>
Sent: Tuesday, June 6, 2017 4:05 PM
To: Matt Carnagie
Subject: MNRTF

Please protect MNRTF and vote NO on SB 280.
thank you!
Sandi DiSante
Charlevoix, MI

Matt Carnagie

From: cbunch <cbunch@sixriversrlc.org>
Sent: Thursday, June 1, 2017 11:34 AM
To: Matt Carnagie
Subject: Comments for hearing on MNRTF bills
Attachments: House Appops SB 76 & 280 Memo 5-31-17.pdf

Mr. Carnagie,

I'm not sure when the House Approps committee will be taking up SB 76 & SB 280 which you have received from the Senate, but I would like these comments provided to the committee members and entered into the record. Until a hearing is scheduled I won't know if I will be able to appear in person, I most definitely want to ensure we are on record with this issue. The attached comments are for the record and for distribution. Please let me know if there is a different or better way for me to handle this.

Thanks for your help and your time.

Best Regards,

Chris Bunch, Executive Director
Six Rivers Land Conservancy
4480 Orion Rd., 2nd Floor
P. O. Box 80902
Rochester, Michigan 48308-0902
Telephone: [248-601-2816](tel:248-601-2816) Ext. 461
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Website: www.sixriversrlc.org

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Memo

To: House Appropriations Committee

From: Chris Bunch, Executive Director

Date: May 31, 2017

Re: SB 76 & SB 280

Cc:

Representatives,

SB 76, the appropriations bill for the Michigan Natural Resources Trust Fund forwarded to you by the Senate, sets a dangerous precedent of legislative intervention in a system that has worked well for years. The bill you received was amended to include additional projects that were not recommended by the MNRTF board. It interjects political influence into a system that has been designed specifically to be objective and fair, ensuring a level playing field for applicants. The MNRTF application and review process already provides for participation of elected officials. **I urge you to reject the amended Senate version and restore the MNRTF appropriation bill to funding only projects approved and recommended by the MNRTF board.**

SB 280, also passed on to you by the Senate, seeks to intervene in the way the MNRTF board is established and the way it operates. Changes proposed in the bill are either unnecessary or inappropriate. Worse, and most distressingly, the Senate has tie-barred passage of SB 76, the appropriations bill, to passage of SB 280. This has effectively created a hostage crisis, making political hostages of the communities that have been awarded grants for acquisition and development; the sellers of properties for which the funds were awarded, and the contractors and suppliers that would be performing the work for the development grants. This means those funds are languishing in the State's hands while this political brinkmanship plays out, instead of being reinvested in the economy and advancing the interests of residents and local communities. **I urge to reject SB 280 entirely.**



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Based on many years of working with the MNRTF, following are some insights from my experience on its operation and success. Having had the opportunity to both observe and work closely with the staff and board of the MNRTF, I appreciate the opportunity to share some observations about the outstanding job they have been doing as stewards of this great resource.

The MNRTF board and staff have been responsive to the needs of the public they serve in developing and adjusting their project scoring system. Based on their experiences and input from stakeholders, they regularly examine and adjust their scoring and funding priorities to ensure they are meeting the needs and interests of the conservation and recreation community.

Since reaching its cap, the MNRTF now functions as an endowment. Over the last several years the MNRTF board and staff, along with their colleagues in Treasury, have invested time and energy in assessing the future of the MNRTF and adjusting their management strategies to recognize that. Their efforts have been well considered and have been open—I have had the pleasure of participating in more than one stakeholder session, and the results of their investigations have all been reported on in MNRTF board meetings and are public record.

As you are aware, they have determined it prudent to create a stabilization reserve to hedge against inflation and erosion of the fund due to ever increasing PILT payments. This reserve is already in place—it does not require legislative action. And because of the latitude they have to adjust their targets and approaches, they have the ability to draw on the reserve when lean years reduce returns or critical opportunities arise. Creation of this reserve was the subject of much discussion and feedback from MNRTF stakeholders—those that benefit from the grants. Overwhelmingly, stakeholders recognize the value of taking this conservative approach to managing these funds to ensure their long term viability and to sustain the MNRTF's buying power.

Conversely, amendments attached to SB 76—this year's MNRTF appropriation bill—and parallel language found in SB 280, directly undermine these principles. It is hard to fathom how this rush to spend down the reserve is fiscally prudent or will benefit future generations.

In a similar vein, language in SB 280 that will allow the MNRTF to fund purchases of land that is already public to transfer it from one agency to another is a shell game that will result in a net reduction of



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investment in conservation and recreation. It is a recipe for abuse of the MNRTF that will allow MNRTF dollars to be diverted to other than their constitutionally intended purposes.

Equally troubling is the idea of using MNRTF funds to “buy-off” the restrictions on other public properties bought with other funds. Not only does this open the door on an administrative quagmire that will have nominal results at best, it also goes directly in the face of one of the largest land management challenges DNR and other public and private recreational land managers have—working to successfully manage for quality experiences for multiple use types. Not everyone can be everywhere all the time. I deal with this professionally managing nature preserves, and personally as a hunter and fisherman. We manage our preserves both for natural resource qualities and for quality of the experience of hunters and other user groups. As another example, last year I was privileged to serve on the Blue Ribbon Advisory Group on State Game Areas. Managing for quality of experience was one of the principle recommendations we made, which is predicated upon the necessity and ability to control use patterns to reduce conflict and enhance experiences.

Then there is the issue of SB 280’s requiring DNR to pursue MNRTF dollars and be turned down before seeking other sources of funding. This will needlessly increase the competition of DNR with local parks and units of government. It will also further significantly hamstring the DNR in their ability to negotiate with sellers given the extended time frame this will inarguably create. It will also prevent them from bringing in outside dollars first, which one would think would be a priority.

Other sections require spending on trails and seek to re-frame constitutionally established spending requirements. These are either unnecessary, needlessly reduce the ability of the MNRTF board to adjust to changing circumstances, or simply will not stand up.

Finally, term limits are counterproductive. Institutional knowledge and memory are key factors in allowing the MNRTF board to maintain continuity in the program as they continue to advance their mission of acquisition and development for conservation and recreation purposes. The members currently on the MNRTF board have done an excellent job. Each new governor has an opportunity to replace board members, so the ability to change the make-up of the board already exists. Talent and commitment to the public trust should not be arbitrarily brushed off—particularly since these are uncompensated voluntary positions.



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Thank you for the opportunity to share these thoughts and concerns. **I ask that you act to ensure the MNRTF appropriations bill funds only those projects selected by the MNRTF board, and that you reject oppose SB 280.**



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News and analysis from The Center for Michigan

Guest Commentary

Michigan Natural Resources Trust Fund again targeted by legislature

April 28, 2017

Chris Bunch

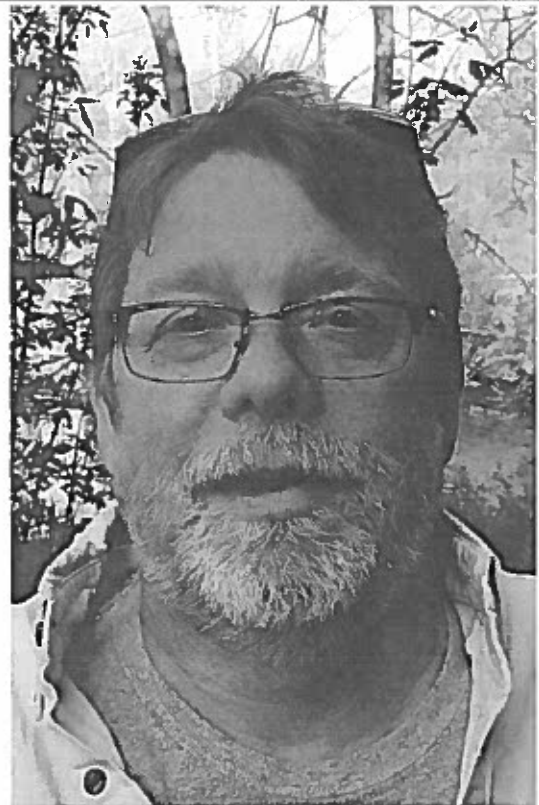
Guest Commentary

natural resources, Natural Resources Trust Fund

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Chris Bunch is executive director of the Six Rivers Land Conservancy, which protects, sustains and connect natural areas, lands and waters in southeast Michigan.



Given the conservative financial principles that have been enacted to manage the Michigan Natural Resources Trust Fund, the Senate's latest efforts to override the judgment and recommendations of the MNRTF board are baffling.

SB76 is the appropriation bill that will fund grants awarded by the MNRTF board in

December last year. Sen. Darwin Booher has attached an amendment to it that will use MNRTF reserve funds to fund an additional \$7.7 million worth of projects that were not recommended by the MNRTF board. He has also introduced SB280, which will cut the authority of the MNRTF board, undermine the well-considered steps they have taken to maintain the long-term viability of the MNRTF, and insert legislative influence into what has been a very effective, objective process.

The state's Natural Resources Trust Fund uses royalties paid on oil, gas and mineral extraction to buy and develop lands for public use. Since the fund reached its constitutionally established cap on revenues to the fund from those royalties, it now effectively takes the form of an endowment. The fund's board has engaged in evaluation and adjustment of its policies, procedures and actions to ensure the fund retains its buying power to benefit future generations. These steps ensure inflation and obligatory expenses will not erode the MNRTF and reduce its capacity to meet its established mission.

SB76 flies directly in the face of the spending and reinvestment policies that are in place, dipping into reserves for projects that did not score high enough in the ranking system to be funded in the first place.

SB280 is even worse. It contains a provision that would limit the DNR's ability to seek other funding sources (such as federal and private) for acquisitions they are pursuing, meaning they would need to use MNRTF dollars first. Not only does this reduce their ability to bring other funds back to Michigan, it will also increase competition with local governments and parks, which also use MNRTF funds. Then there is a provision that effectively creates a shell game, allowing trust-fund monies to be used to acquire land that is already owned by the public for recreational purposes. This is a roundabout way to raid the MNRTF, allowing a community to sell recreational land to another agency and use the dollars received for other purposes. The bad provisions in this legislation are too numerous to list, and it is likely that both this and the amendment to SB76 are unconstitutional.

And once again, at the behest of Sen. Booher, the Michigan legislature has delayed their obligation to make the appropriation for the grants awarded last December by the MNRTF board. This means landowners who have agreements to sell must continue to wait to see if the legislature will meet their obligation; that funds awarded for recreational development grants are also held up, wasting valuable time as the construction season gets underway, and ultimately that these dollars are not being reinvested in local economies but instead languishing in the State's hands while politics play out.

The fund's review process has been public and open to input from interested parties. The board has established spending and reinvestment policies, created a financial reserve and sought and received guidance from the Attorney General's office that they have the authority and responsibility to take these actions.

The management strategy they have adopted will ensure investment income from the fund principle will allow for grant-making long into the future. The proposed legislative interventions will reduce returns to the principle and create more volatility for those considering applying.

Stakeholders participating in the review process, which include Michigan communities and parks systems and those who receive MNRTF funding, understand that they are accepting near-term limitations on available funding to ensure long-term viability of the resource. They know that the days of major increases in available funds due to windfalls from increases in oil and gas activity and royalty revenue are over. They recognize the necessity of shifting to a conservative management strategy like those followed by foundations and endowments, rather than the more lavish approach that was possible when the MNRTF could count on additional revenue.

- Following these principles over the last couple of years, the MNRTF has been able to increase both spending and reserves. Due to the success of the fund managers and the MNRTF board's policies, they have been able to spend more in grants each year than the limits they set, while still increasing the reserve. This has been a pleasant boon to applicants, tempering expectations at the beginning of grant cycles and then being able to exceed them, rather than creating unrealistic expectations and then disappointing many. The results support the wisdom of the approach.

The MNRTF has been a huge benefit to Michigan's communities, citizens and economy, investing over \$1 billion in recreational resources that has been returned many times over. Twice now, Michigan citizens have recognized the importance and value of this resource and voted to protect it in the State's constitution to ensure it is immune from raids and insulated from political meddling.

- The MNRTF functions well -- it is one of the few institutions that has withstood the test of time. There is nothing that needs fixing. Sen. Booher and the legislature need to do their part, and need to make the appropriation as they are directed to do.

Bridge welcomes guest columns from a diverse range of people on issues relating to Michigan and its future. The views and assertions of these writers do not necessarily reflect those of Bridge or The Center for Michigan.

About The Author

Chris Bunch

- Chris Bunch is executive director of the Six Rivers Land Conservancy, which protects, sustains and connect natural areas, lands and waters in southeast Michigan.

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SIX RIVERS HOSTS THE MNRTF SUMMER TOUR | BY CHRIS BUNCH



The Fort Gratiot Lighthouse by moonlight. Guests at the reception were able to climb the lighthouse to get a view of the area at sunset.

On August 16, Six Rivers once again helped host a tour for the board and staff of the Michigan Natural Resources Trust Fund (MNRTF). Other tour guests included local leaders and public officials. This is the third year Six Rivers has helped host this tour in conjunction with the regular August meeting of the MNRTF.

The tour was held in St. Clair County and included stops in Port Huron, St. Mary's, and Fort Gratiot among others. That evening, MNRTF board and staff members dined with tour organizers at Vintage in Port Huron, then attended a reception at the historic Fort Gratiot Lighthouse, Michigan's oldest lighthouse. The MNRTF meeting the following day included a celebration of the organization's 40th anniversary and featured special pies donated by Achatz Handmade Pie Co.

The MNRTF is housed within the Michigan Department of Natural Resources. It provides grants to local units of government and to the DNR to acquire and improve land for conservation and recreation purposes. The MNRTF is funded by royalty revenues derived from oil, gas, and minerals produced from state land. This year is the 40th anniversary of the MNRTF, which is established and protected from diversion by the State constitution.

Our partners in hosting the tour included St. Clair County Parks, Port Huron Parks and Recreation, Community Foundation of St. Clair County, the city of Marysville, SEMCOG, and St. Clair County Health Department. The tour highlighted projects funded by the MNRTF and also gave participants a chance to see some of the projects that are applicants for funding in this grant cycle. Six Rivers has been a leader in hosting these tours for the MNRTF in order to highlight the interest and commitment that exists in southeast Michigan in adding new opportunities for recreation and conservation.



Randy Maiers, President of Community Foundation of St. Clair County, describes bank restoration work that used native plantings along the Blue Water River Walk along the St. Clair River. Both the MNRTF and the Community Foundation helped create the River Walk



Six Rivers Land Protection Director Danielle Devlin atop the Fort Gratiot Lighthouse during the reception held for MNRTF board and staff.



Six Rivers
Land Conservancy

Nature Near You

NEWS FROM SIX RIVERS LAND CONSERVANCY

"Nature Near You" is published for the members and partners of Six Rivers Land Conservancy

"Wild is the music of autumnal winds
Amongst the faded woods"

-WILLIAM WORDSWORTH

2014 PHOTO CONTEST WINNERS

Cardinal in Winter
Tied for First-Place
by Judy Yaker



Double Buck
Third-Place Winner
by Jim Timmer



Beauty in a moment
People's Choice Winner
by Joy Bebry



Frog
Junior Division
Tied for First-Place
by Taylor Marie Souilliere



See more winning photos on page 7

A Tour of Vision and Gratitude

By Chris Bunch, Executive Director

In August, Six Rivers was honored to host the regular meeting of the board of the Michigan Natural Resources Trust Fund (MNRTF). In conjunction with this meeting, Six Rivers and other host organizations also conducted a tour of the area to highlight MNRTF projects and opportunities. When the invitation was officially accepted several months ago, the realization dawned of just what an undertaking this would be, and how big an opportunity it was for conservation and recreational development in Southeast Michigan.

The MNRTF is a major resource for conservation in Michigan, providing grants that fund acquisition and development of properties for conservation and recreation for local units of government and the State. The MNRTF is funded by royalties from oil and gas production on State land, ensuring revenue derived from exploiting non-renewable resources does not forever vanish

in general fund expenditures. Instead, it is reinvested in natural resources, access, and recreational opportunities that benefit all Michigan citizens now and for the future. This year, the MNRTF quietly surpassed \$1 billion invested in conservation and recreation, \$250 million of which has been invested in our region.

The MNRTF board and staff, as well as local guests serving as ambassadors, started their tour by bus to view several area projects funded with MNRTF dollars. This leg of the tour also included spots that are opportunities for future investment. The bus tour ended with a walk through downtown New Baltimore, where the Mayor, other members of City government, and downtown business representatives greeted the MNRTF with signs and gratitude for the impact their investments have made in the local economy.

A TOUR OF VISION AND GRATITUDE | continued on page 3



PHOTO: CHRIS BUNCH

Next, the tour group left New Baltimore by boat to see MNRTF projects and opportunities along Lake St. Clair. As the boat was cruising to the dinner destination, we watched a storm blow in from the west. The group was safely inside before the torrential rains came down, accompanied by plenty of thunder and lightning. Luckily, by the time dinner concluded, the storm had passed. The return trip saw a lightning show receding into the distance in the east, a double rainbow, and a fantastic sunset—a stunning final view of the beauty of Lake St. Clair, an often overlooked local gem.

Huron Clinton Metroparks, Macomb County Planning and Economic Development, and Southeast Michigan Council of Governments (SEMCOG) served with Six Rivers on the host committee. Macomb County Executive Mark Hackel served as the honorary chair and, along with Metroparks Director John McCulloch, welcomed the guests to the region.

A number of area organizations generously sponsored meeting costs. We are very grateful to the following organizations for their sponsorship and understanding of the importance of vibrant and healthy natural systems to the economy and quality of life in the region:

ASTI Environmental
Huron-Clinton Metroparks
Heart of the Lakes

Hubbell, Roth & Clark
ITC
Macomb Chamber of Commerce
Macomb County Planning
MRC Manufacturing
SEMCOG
SEMIWild
Sterling Heights Regional Chamber of Commerce
Stout, Risius, and Ross
University of Michigan School of Natural Resources and the Environment
Waste Management

Everyone involved with the tour thought it was a fantastic event. MNRTF board and staff appreciated the opportunity to learn more about the region and the impacts of their work, and guests, host organizations, and sponsors appreciated the opportunity to learn more about the MNRTF and its workings. Most importantly, everyone appreciated the opportunity to recognize and thank the MNRTF for a long history of commitment and investment in the natural heritage of the area.

Land Protection Update

By Danielle Devlin

It's been a productive year on the Land Protection front as several easement acquisition projects continue, with others beginning and ending. We anticipate much activity in the coming months – no winter slowdown this year!

Our successful partnership efforts with Huron Clinton Metropolitan Authority (HCMA) continued with the acquisition of another 10-acre parcel adjacent to the Lake St. Clair Metropark. This acquisition adds to our joint coastal wetlands protection efforts in the Black Creek Marsh in Harrison Township. We anticipate negotiations on the remaining parcels to wrap up soon.

Work continued in Oxford Township to protect sensitive wetlands in the Paint Creek headwaters. This project has expanded to include consideration of an application to the Michigan Natural Resource Trust Fund (MNRTF) grant program for funding acquisition and protection of additional property.

The priority assessment project within the Belle River Watershed Management Plan is substantially complete and will lead to landowner contact and protection initiatives over the next year. Together with the Clinton River Watershed Council, priority assessments will occur in the upper Clinton River watershed. Driven by volunteer roadside surveys, this project will lead to restoration and protection efforts in high priority natural areas in northern Oakland and Macomb Counties.

In December Six Rivers accepted a transfer of a 50-acre conservation easement in Lapeer County from the Lapeer



Illumination, by Darby Jean Barber, People's Choice Junior Division

Land Conservancy. The Lapeer Township property containing the easement is beautiful and features a Frank Lloyd Wright influenced home overlooking a series of ponds, working agricultural lands, and prairie.

We've been working with landowners committed to conservation in Atlas Township to forever protect a stunning 200-acre property with uplands, wetlands, and working agricultural lands. This easement should be in place by the end of 2014.

Six Rivers staff met with twelve property owners in five counties this year to discuss options relating to protection or donation of their land. These relationships often continue for months and turn into lasting associations due to the significance of the decision. If you know someone who might be interested in beginning the conservation conversation, please let us know!