

MINUTES OF THE NATURAL HERITAGE TRUST
BOARD MEETING
June 25, 2019

ATTENDEES:

BOARD MEMBERS

Erik Kulleseid	Commissioner NYS Office of Parks, Recreation and Historic Preservation (OPRHP)
Dr. Lucy R. Waletzky	Chair, New York State Council of Parks
Jeff Stefanko	Designee for Commissioner Basil Seggos Deputy Commissioner for Administration NYS Department of Environmental Conservation
Phil Kelly	Designee for Secretary of State Rossana Rosado Director of Human Resources NYS Department of State

Commissioner Kulleseid was required elsewhere and left during the meeting; Designee Matt Davidson served and voted in his stead.

STAFF

Allen G. Payne	NHT Executive Director
Sarah Purcell	NHT Deputy Director & CFO
Andrea Buniak	NHT Development Associate

OTHER ATTENDEES

Jenny O'Neill	NHT Certified Public Accountant (CPA)
Matt Davidson	Deputy Commissioner for Resource Development, OPRHP
Karen Mintzer	General Counsel, OPRHP
Maggie Clements	Senior Attorney, OPRHP
Tom O'Donnell	Partner, Wojeski & Company CPAs, P.C.
Chris Stephens	Senior Audit Manager, Wojeski & Company CPAs, P.C.

Commissioner Kulleseid called the meeting of the Natural Heritage Trust (NHT) to order at 1:05 p.m.

Approval of March 2019 Meeting Minutes

Allen Payne asked for a motion approving the minutes from the March 13, 2019 Board meeting.
- *Moved by Jeff Stefanko, seconded by Lucy Waletzky and unanimously approved.*

Appointment of Chair and Vice-Chair

Allen Payne stated that annual appointments for the positions of Chair and Vice-Chair of the Natural Heritage Trust Board of Directors (Board) are now due. He stated the willingness of Commissioner Kulleseid and Commissioner Seggos to be appointed as Chair and Vice-Chair respectively.

- *Moved by Lucy Waletzky, seconded by Phil Kelly and unanimously approved.*

Review of 2018-19 Audit and Financial Statement

Sarah Purcell introduced Tom O'Donnell and Chris Stephens of Wojeski & Company. This marks Tom's first year on the account, and is the final year of Wojeski & Company's five-year contract for NHT's auditing services.

Ms. Purcell prefaced the report by noting the pre-audit process and procedures. She then reported that the NHT had \$51.6 million in assets at fiscal year-end, topping last fiscal year's record total.

Mr. O'Donnell and Mr. Stephens then reviewed the NHT's Audit and Financial Statements. The Report summarized:

- Organization and significant accounting policies
- Cash and cash equivalents
- Investments
- Fiduciary Revenue and Expenses
- Governmental Fund Revenue and Expenses
- Due to/from other funds
- Pension plan
- Other postemployment benefits (OPEB) obligation

Mr. O'Donnell noted that any adjustments were typical and accrual-based as the NHT keeps the books on a cash basis throughout the year. He also stated that Wojeski & Company did not include a management letter with the audit as there were no substantive comments on internal control or noncompliance.

Mr. Stephens then summarized the audited financial statements. He noted that the financial statements were found to be fairly stated in all material respects, and delivered an unmodified opinion. The statement of net position was also reviewed, showing a positive position of \$1.9 million at fiscal year-end.

Wojeski & Company determined that overall the NHT financials were fairly stated with no material deficiencies or weaknesses, and were compliant with Generally Accepted Auditing Principles (GAAP).

Allen Payne asked for a motion to approve Resolution 2019-2 adopting the 2018-19 Audited Financial Statement.

- *Moved by Jeff Stefanko, seconded by Matt Davidson and unanimously approved.*

Next, Sarah Purcell informed the Board that the Authority Budget Office and the State Comptroller require board members to participate in training and annual self-assessments. She will send the appropriate information to the Board and will review with them in the near future.

2018-19 Employee Report

Andrea Buniak then presented the 2018-19 Employee Report to the Board, noting that administrative staff had increased by one as the Grant Writer had come on mid-year. Program staff experienced a decrease compared to the prior year due to two notable changes: 1) there were fewer federally-funded Historic Preservation and Recreational Trail Program positions through NHT, and 2) the OPRHP Statewide Stewardship Program through NHT had concluded.

Employee Report Highlights

- The average NHT employee salary for FY 2017-18 was \$58,000.
- NHT authorized a 2% cost of living adjustment for all employees that were on the payroll for 13 consecutive payroll periods in FY 2018-19.
- Employees are given a merit award annually based on a satisfactory review from their supervisors that is submitted to the NHT Administrative Office.

Performance Measures Report

Sarah Purcell then referred the Board to the Performance Measures Report, which is required by Public Authorities Law for the NHT and all state authorities. The NHT uses measures regarding funds raised and the use of these funds.

Andrea Buniak then reported on donations and grants received throughout the fiscal year. In 2018-19, the NHT received almost 900 donations totaling approximately \$3.9 million from individuals, businesses and community groups for various programs and projects. The NHT also received 34 grant awards for 15 different projects, totaling over \$6.7 million in foundation support. The Foundation provided over \$5 million in support this fiscal year and will continue their support into next fiscal year.

2017-18 Investment Policy and Report

Sarah Purcell then discussed the Investment Policy. She noted that updates were made to the policy last year, and that there were no proposed changes to the Policy this year.

Ms. Purcell then reviewed the current Investment Report with the Board.

- The NHT started the year with \$41.7M in investments and closed the year at \$45.3M.
- Money is held in one of three ways:
 1. Long-term endowment, which is invested more aggressively with greater equity exposure
 2. Capital reserve, which is a mid-term strategy (5-10 years) with a bit of equity exposure, but mostly corporate bonds
 3. Fixed income, which is mainly shorter-term low-risk investments.
- Total returns were approximately 4.2%. Investments in the endowment strategies ended 0.5% below the benchmark, while capital reserve accounts were 0.5% over the benchmark – overall, the NHT’s portfolio performance was consistent with the broader financial markets.

- This year the NHT received a \$2.6M estate gift, which brought the Rockefeller State Park Preserve endowment over \$10M. This marks the first NHT endowment over \$10M.
- In fiscal year 2018-19, the NHT made \$1.4M in endowment distributions.

Allen Payne asked for a motion to approve Resolution 2019-3 in order to re-adopt the NHT Investment Policy and 2019-4 to approve the 2018-19 Investment Report.

- *Moved by Jeff Stefanko, seconded by Matt Davidson and unanimously approved.*

2016-17 Procurement Policy and Report

There were no changes to the Procurement Policy. There have not been any substantive changes to the Policy in several years, and Ms. Purcell anticipates making changes in the next year.

Sarah Purcell proceeded to summarize the NHT 2018-19 Procurement Report. Consistent with New York State, the NHT also set goals to support Minority- and Women-Owned Businesses (MWBE) and must report to Empire State Development on these goals. MWBE utilization came in around 28%, just missing the goal of 30%.

Allen Payne asked for a motion to approve Resolution 2019-5 in order to re-adopt the NHT Procurement Guidelines and Resolution 2019-6 to adopt the NHT 2017-18 Procurement Report.

- *Moved by Lucy Waletzky, seconded by Matt Davidson and unanimously approved.*

Executive Director's Report

Allen Payne first noted that General Counsel Paul Laudato will be retiring after 18.5 years working with OPRHP and NHT. New OPRHP General Counsel Karen Mintzer will succeed him, and NHT will continue to work with both Ms. Mintzer and Senior Attorney Maggie Clements.

Mr. Payne then provided a summary of the annual report, highlighting specific programs and projects for the work throughout the year. This is the second year producing the annual report in a "kit-of-parts" format, which is more cost effective and easily modified.

Mr. Payne made two closing notes to the Board. First, after being awarded a \$6.5M grant from the Ralph C. Wilson, Jr. Foundation, the NHT has been invited to apply for another grant partnership with the Foundation. Updates regarding this new application will be shared at the next meeting. Secondly, renovation work on the Robert F. Smith Center for Performing Arts at Denny Farrell Riverbank State Park has been completed. The NHT had assisted with administering funds for the project and will now hold a small operating fund for this purpose.

Adjournment

There being no further business, Allen Payne asked for a motion to adjourn the meeting.

- *Moved by Lucy Waletzky, seconded by Matt Davidson and unanimously approved.*

Meeting adjourned at 3:12 p.m.

Respectfully Submitted,

Andrea Buniak
NHT Secretary