

MINUTES OF THE NATURAL HERITAGE TRUST  
BOARD MEETING  
June 29, 2020

**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
Laura DiBetta	Designee for Commissioner Basil Seggos Director of Outdoor Recreation NYS Department of Environmental Conservation
Kisha Santiago	Designee for Secretary Rossana Rosado Deputy Secretary, Planning and Development NYS Department of State

**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 Director for Resource Development, OPRHP
Maggie Clements	Senior Attorney, OPRHP
Frank Ferrucci	Partner, Wojeski & Co. CPAs
Chris Stephens	Senior Manager, Wojeski & Co. CPAs

Briefing Materials provided for the June 29, 2020 Board of Directors meeting included:

- Agenda
- Draft audited financial statements
- Draft minutes of March 30, 2020 board meeting
- FY 2019-2020 Employee Report and Staff List
- Performance Measures Report FY 2019-2020
- Summary of NHT Fiduciary Funds Administered
- Examples of proposed governance protocols
- FY 2019-2020 Donor and Grant Report
- FY 2019-2020 Investment Report and Policy
- FY 2019-2020 Procurement Report and Policy
- Project Account Activity Summary FY 2019-2020

This meeting took place via recorded virtual teleconference as permitted by Executive Order 202.1 in response to the COVID-19 pandemic. Commissioner Kulleseid called the June meeting of the Natural Heritage Trust (NHT) to order at 3:03 p.m.

### **Approval of the March 30, 2020 Meeting Minutes**

Allen Payne asked for a motion approving the minutes from the March 30, 2020 NHT Board meeting.

- *Moved by Lucy Waletzky, seconded by Laura DiBetta 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 Kisha Santiago and unanimously approved.*

### **Review of 2019-2020 Audit and Financial Statement**

Sarah Purcell introduced Frank Ferrucci and Chris Stephens of Wojeski & Company CPAs. As noted at the March meeting, the NHT had bid out the auditing services contract. Wojeski & Company won the bid, making this year the first in the new contract, which can be extended annually for up to five years. Chris Stephens is familiar with the NHT audit as he has been on the team for several years, but this is Frank Ferrucci's first year. Sarah recognized the difficulties of completing a virtual audit this year and acknowledged the team's hard work despite the challenges of the pandemic.

Sarah Purcell prefaced the report by noting the audit process and procedures. She also reviewed the reporting requirements for public authorities law.

*Note: Kathleen Martens, Interim General Counsel for OPRHP, joined the call during this report.*

Frank Ferrucci discussed the Report to the Board, which is a required audit communication, noting that they gave the NHT financial statements a "clean opinion." Chris Stephens then went on to review the NHT's Audit and Financial Statements. This 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) and Pension reporting obligations

Chris Stephens noted that any adjustments the proposed were typical and mostly accrual-based. He also explained that, as with the past several years, Wojeski & Company did not include a management letter with the audit.

Chris Stephens then summarized the audited financial statements and report on investment policy compliance. Wojeski & Company concluded by stating the NHT financials were fairly stated with no material deficiencies or weaknesses and compliant with Generally Accepted Accounting Principles (GAAP). He also stated that the NHT was in compliance with its investment policy, but noted there was one bond holding in the portfolio that didn't meet the specified credit rating criteria and current policy would require NHT to dispose of the asset in August. Sarah Purcell noted that there was a change proposed to the investment guidelines that would keep the holding in compliance.

Sarah also reported that at the next Board meeting she would propose a resolution asking the Board to designate some of the NHT's fund balance as an operating reserve, in the event of future revenue shortfalls due to COVID-19 or other reasons. She stated that it's implied the funds are there for that purpose, but the Board should officially designate it that way.

Allen Payne asked for a motion to approve Resolution # 2020-2 Adopting the 2019-2020 Audited Financial Statement.

- *Moved by Erik Kulleseid, seconded by Lucy Waletzky.*
- *Laura DiBetta voted in favor, and Kisha Santiago abstained.*

After the portfolio overview, the Wojeski & Company team exited the meeting.

## **Deputy Director & CFO's Report**

### **Grants and Governance**

Sarah Purcell went on to continue the discussion regarding additional board involvement aspects of the NHT's business functions including some contracts, program staffing with partner agencies, and grant funds/major gifts at certain dollar thresholds. She reiterated that these were the next logical steps for an organization that has more than doubled its total assets in the last eight years. There was consensus among all the proposed governance protocols were pointed in the right direction and would later be incorporated into applicable NHT policies and/or by-laws.

Allen Payne then asked for a motion to approve Resolution # 2020-3 Authorizing Grant Applications to Hudson River Valley National Heritage Area:

- *Moved by Erik Kulleseid, seconded by Lucy Waletzky and unanimously approved.*

### **Employee Report**

The NHT is required to provide New York State with a listing of all employees on its payroll throughout the fiscal year, and the board has been provided with a summary. Sarah Purcell explained that New York State implemented a hiring freeze as a pandemic response to control expenditures. The NHT has taken the position that any vacant program staff positions funded by the state are also frozen unless there is strong programmatic and health & safety justification; any privately-funded positions may continue as scheduled.

### Investment Policy and Report

Sarah Purcell explained small changes to the Banking & Investment Policy, walking the Board through a red-lined version for discussion. Matt Davidson added that previous revisions to the investment policies have kept NHT in good financial position, even during the market response to the pandemic.

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

- Laura DiBetta commented that it seemed some of the bond holdings appeared to be with companies that may not align with the missions of the NHT and agencies. There was general agreement that NHT should review these investments and consider changes, if practicable. Sarah indicated she would do some research by the next Board meeting to see how the NHT's portfolio compares to other state entities that have investments, and would re-engage with Wilmington Trust to see what might be available to NHT in terms of socially responsible investments.

Allen Payne asked for a motion to approve Resolution # 2020-4 Adopting the NHT Investment Policy and # 2020-5 Approving the 2019-2020 Investment Report.

- *Moved by Laura DiBetta, seconded by Erik Kulleseid and unanimously approved.*

### Procurement Policy and Report

Sarah Purcell stated that the Procurement Guidelines for adoption remain unchanged, but should be updated in the coming year, as they hadn't had substantive changes in several years.

Sarah Purcell proceeded to detail the NHT 2019-2020 Procurement Report, referring to a detailed report provided in the briefing materials.

Allen Payne asked for a motion to approve Resolution # 2020-6 Re-Adopting the NHT Procurement Guidelines and Resolution # 2020-7 Adopting the NHT 2019-20 Procurement Report.

- *Moved by Erik Kulleseid, seconded by Lucy Waletzky and unanimously approved.*

### Executive Director's Report

Allen Payne then detailed projects highlighted in the annual report. As it only included approximately two weeks of pandemic response, it features the successes of several new and continuing projects and is overall a very positive picture of the NHT's growth.

### Current Projects

The NHT continues to be grateful for the support of the Ralph C. Wilson, Jr. Foundation as it reaches approximately \$14M in grant funding for Western New York trail projects.

The Jones Beach Energy and Nature Center is nearing its opening, and the NHT continues to fundraise for exhibits and some programming. Programming has also been strongly accentuated with donors of the Autism Nature Trail project in Letchworth State Park, so fundraising has shifted its focus accordingly for the Trail's opening. This has resonated in current circumstances, as the Trail's programming and exhibits are entirely outdoors and thus will be safe in the

pandemic response. Using this message, the Trail has received great success in small donations, has received several large pledges and has even won a local contest to provide funding to a non-profit.

Allen Payne then announced that he will be leaving his position as full-time Executive Director and beginning partial retirement. He noted that he would likely stay on through the end of the year to assist with transitions and continue his work with several projects. More information regarding the transition will follow at the next meeting, but above all, he expressed his gratitude for the opportunity.

### **Adjournment**

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

- *Moved by Lucy Waletzky, seconded by Kisha Santiago and unanimously approved.*

Meeting adjourned at 4:30 p.m.

Respectfully Submitted,

Andrea Buniak  
NHT Secretary