

MINUTES OF THE NATURAL HERITAGE TRUST
BOARD MEETING
March 30, 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-Martinez	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
Kathleen Martens	Acting General Counsel/Supervising Attorney, OPRHP
Maggie Clements	Senior Attorney, OPRHP
Steve Seivold	Vice President, Wilmington Trust
Janine Otis	Assistant Vice President, Wilmington Trust

Briefing Materials provided for the March 30, 2020 Board of Directors meeting included:

- NHT Primer document to orientate new designees and remind existing members
- COVID-19 Response document
- Agenda
- Draft minutes of December 17, 2020 board meeting
- Wilmington Trust Investment Advisors Performance Report through 2/29/2020
- Wilmington Trust Investment Advisors Mid-March Performance Update
- Donor and Grant Report through 2/29/2020
- Independent Auditing Contract Selection Results
- FY 2020-21 Proposed Annual Budget and Multi-Year Financial Plan
- Balance Sheet as of 2/29/2020
- Project Account Activity Summary through 2/29/2020

This meeting took place via recorded virtual teleconference as permitted by Executive Order 202.1 in response to the COVID-19 pandemic. The March meeting of the Natural Heritage Trust (NHT) came to order at 11:32 a.m.

Board Chair Kulleseid began by welcoming two new designees to the meeting – Laura DiBetta and Kisha Santiago-Martinez.

Approval of the December 17, 2019 Meeting Minutes

Allen Payne asked for a motion approving the minutes from the December 17, 2019 NHT Board meeting.

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

Review of NHT Investments

Sarah Purcell introduced Janine Otis and Steve Seivold of Wilmington Trust Investment Advisors and provided a brief overview of relationship: NHT has worked with Wilmington for ten years, with the current team assigned to the NHT portfolio for three years.

Steve Seivold provided an overview of current market conditions and their effect on NHT investments. He explained that the financial markets are currently very volatile due to the virus and asset values have dropped considerably from all-time highs about three weeks ago. However, he noted the majority of NHT's portfolio are in a conservative asset allocation, which will somewhat lessen the downward impact. The endowments have the most equity exposure and are likely to see continued volatility throughout the year. The Wilmington Trust team will continue to closely monitor market conditions and related impacts to NHT investments with Sarah as the situation develops.

After the portfolio overview, the Wilmington team exited the meeting.

Executive Director's Report

Covid-19 Messaging

Allen Payne then told the Board the NHT is generally echoing the positive messaging from the Governor and Commissioner Kulleseid about the importance of natural spaces in this time for “responsible recreation” to its supporters. The NHT will be recalibrating fundraising strategies for current projects as the situation develops.

Current Projects

As of the December Board meeting, the NHT was managing approximately \$13M in grants from the Ralph C. Wilson, Jr. Foundation for various projects in Western New York. Last month, the Foundation awarded another \$900,000 grant, this time for the Ladders to the Outdoors program. Parks, the NHT and the Foundation will meet again in April to discuss the status current and future projects, funding and impacts of Covid-19 on the timelines.

The Jones Beach Energy and Nature Center's construction has continued and is on schedule for fall opening. The NHT is fundraising exhibits and is preparing to submit a grant proposal for an audio tour at the facility to improve inclusivity and accessibility. This audio tour model will be monitored for potential use in future projects.

The Autism Nature Trail (ANT) hosted its public kickoff event on January 30 in Rochester. At that time, \$2M had been secured and the campaign goal is to now raise approximately \$2M in additional funds for future maintenance and programming. From the resulting news coverage, a donor contacted Allen to contribute an unsolicited six-figure gift. Currently, the ANT is engaged in a bracket-style public voting contest whose winner could receive approximately \$20,000 in funding from a regional business.

Governance

With an increasing number of grant monies and contracts, the NHT would like to increase the level of Board participation and awareness for some of these projects and programs with thresholds for approvals, etc. Sarah Purcell and Matt Davidson have been discussing and will provide a written recommendation of some of these processes for additional oversight and discussion.

Deputy Director & CFO's Report

Covid-19 Impact on Operations

Regarding COVID-19 response, Sarah Purcell noted that all administrative staff can largely work from home safely, as can most project staff. Sarah has been in regular contact with supervisors of the small number of NHT project staff who work primarily in the field to ensure they follow DOH recommendations and regulations. Financially, the outbreak will continue to negatively impact the NHT's endowment accounts as they may see a loss in market values and lower annual distributions, but the large majority of funds for other projects (grants, donations, programming) are all comparatively safe. The NHT will continue to adapt staff needs and monitor the fiscal impacts as the situation progresses.

Independent Auditing & Form 990 Services

The contract for independent auditing and IRS tax preparation services (form 990) ended this year, so a request for proposals was posted in the State Contract Reporter in January. The NHT received responses from four qualified firms, which were reviewed by the Selection Committee consisting of two NHT Audit Committee members and two NHT staff members. Final overall scoring was very close for all firms, with the top score going to the current auditing firm: Wojeski & Company. The Committee recommended moving forward with awarding the contract to Wojeski & Company as they offered a strong proposal with competitive pricing and are already familiar with the NHT's business and operating structure.

2020-21 Operating Budget and Balance Sheet

Sarah Purcell reminded the Board that the budget for adoption is only representative of administrative staff that handle core responsibilities such as bookkeeping, accounting, human resources and development. She then outlined the NHT's budget process: The Proposed Operating Budget is developed and presented at the December Board meeting, and if the Proposed Budget is approved, it is posted on the NHT website for at least sixty days for public inspection and comment – any public comments would be shared with the Board prior to the budget presented for adoption: no public comments were received.

The Budget presented for adoption is the same as the Budget presented in December: a balanced budget contemplating revenue and expenditures of about \$1M. She noted that a mid-year adjustment may be necessary based on the impact of Covid-19 on investment income, but that lower revenue could also be offset by not filling current vacancies. We will monitor closely and keep the Board informed of all the budgetary impacts as the situation progresses.

Allen Payne then asked for a motion to approve Resolution # 2020-1 Adopting the Fiscal Year 2020-21 Annual Budget and Multi-Year Financial Plan:

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

Sarah Purcell then reviewed the Balance Sheet, which shows total assets at \$55.2M through the end of February. Fiduciary liabilities (funds owed to the agency project accounts) totaled about \$49.7M; long-term liabilities associated with Other Post-Employment Benefits and Employee Pensions were about \$2.9 M; NHT Fund Balance was about \$2.6M

Adjournment

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

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

Meeting adjourned at 12:36 p.m.

Respectfully Submitted,

Andrea Buniak
NHT Secretary