

MINUTES OF THE NATURAL HERITAGE TRUST  
BOARD MEETING  
October 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**

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

**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

Briefing Materials provided for the October 29, 2020 Board of Directors (Board) meeting included:

- Agenda
- Draft minutes of June 29, 2020 Board meeting
- Resume and Biography of Sally Drake
- Memo to the Board: 2<sup>nd</sup> Quarter Fiscal and ESG Investment Updates
- Operating Budget to Actual through September 30, 2020
- OSC Public Authorities Financial Reporting Template
- Memo to the Board: Board Chair's Salary Recommendations for NHT Executive Staff
- Investment Account Activity through September 30, 2020
- NHT Banking Account Activity through September 30, 2020
- Wilmington Trust Investment Advisors Information on Sustainable Investing

- Donor and Grant Report through September 30, 2020
- Project Account Activity Summary through September 30, 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 October meeting of the Natural Heritage Trust (NHT) to order at 3:07 p.m.

### **Approval of June 29, 2020 Meeting Minutes**

Erik Kulleseid asked for a motion approving the minutes from the June 29, 2020 Board meeting.

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

### **Appointment of Executive Director**

Board Chair Kulleseid noted the moment of transition for the NHT. He first thanked Allen Payne for his over seven years of leadership and service. Allen Payne was recognized for bringing the NHT into new avenues of capital campaigns, tripling the assets of the organization within that timeframe. The Board is grateful for his service and wish him the best in his retirement.

Sally Drake worked with OPRHP for over 13 years, and works very closely with both most of the Board members through the State Council of Parks. Board Chair Kulleseid highlighted Sally's thorough understanding of each of the partner agencies, her commitment to equal and accessible spaces, and most importantly her dedication to the NHT's mission. The Board expressed their pleasure at Sally joining the NHT.

Erik Kulleseid asked for a motion approving Resolution # 2020-8: Appointing Executive Director.

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

In order to maintain the records through this transition, the Board must to approve the change in financial signatories from Allen to Sally.

Erik Kulleseid asked for a motion approving Resolution # 2020-9: Approving Signatories for Banking and Investment Account Authority.

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

### **Financial Updates**

Sarah Purcell began her report by providing updates on NHT investments. At the beginning of the Fiscal Year, the investment portfolio was valued at \$48M as the pandemic and impacts on the markets had just begun. Six months later, the total portfolio is now up almost 11% to \$53.4M, with as long-term investments (endowments) performing best, up 18%. The value of the portfolio is now almost at the record highs from pre-pandemic levels.

Continuing to the budget, the NHT had \$2M in revenue and \$2.6M spent out for quarter. It was noted that several grants and pledges had come due and were arriving on time or ahead of schedule, while program staff contract payments lagged.

The administrative operating budget was revised down on both the revenue and expenditure sides as a COVID response, roughly 10% less than originally budgeted. This is largely due to the investment income from the main management accounts; the NHT will be seeing lower yields due to the fiscal policies enacted by the Federal government in response to the pandemic. The lower revenue will be offset by savings on the administrative staff and benefits as the budget had originally accounted for two additional administrative positions, which have been put on hold at this time. Sarah Purcell noted to the Board that the operating budget is budgeted on a cash basis throughout the year as it shows the most accurate picture of revenue and expenses, but that the audited financial statements will show some significant unrealized gains at year-end as the government accounting standards require NHT to report on an accrual basis.

Finally, Sarah Purcell discussed with the Board a template from the Office of the State Comptroller that is now required reporting for public authorities on a quarterly basis. The template will help the state to quantify what the potential COVID impacts are.

Chair Kulleseid noted that as part of the Budget materials he had included a memo detailing salary recommendations for NHT Executive Staff. He noted that action should be taken on the Executive Director's salary recommendation at this meeting, and the Deputy Director/CFO's salary recommendation will be taken up at the next meeting.

Erik Kulleseid asked for a motion approving Resolution # 2020-10: Approve the Mid-Year Operating Budget Revisions.

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

### Environmental and Social Government Investments

Sarah Purcell then followed up on last meeting's discussions of ensuring that the NHT's investment portfolio holdings are in line with the NHT's broader mission to support and protect the environment. Through several meetings with Wilmington Trust Investment Advisors, NHT staff has learned more about recent developments in the environmental, social and governance (ESG) investing space. She noted the Wilmington Trust Investment Advisors team will join our next meeting to discuss the impact of making this shift on the portfolio, but Sarah noted that these investments have performed with or outperformed many of the indices that track the S&P and Nasdaq.

### Grant Approvals

Sarah Purcell then continued the discussion on governance protocols regarding grants from last meeting. The first grant reviewed is for Northern Borders Regional Commission and is one of the first in recent memory to be a joint initiative of NHT and all partner agencies. This grant is put before the Board as it is reimbursement basis and would require the NHT to provide funds up front. Laura DiBetta noted for the record and transparency she was part of the team developing

the scope of work for the grant. The second grant requires Board approval before award to support programming in the Palisades region.

Erik Kulleseid then asked for a motion approving Resolution # 2020-11: Authorize Grant Applications to Hudson River Valley National Heritage Area and Northern Borders Regional Commission.

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

### Executive Director's Report

Allen Payne proceeded to give his last report to the Board as Executive Director. He began by discussing the annual report provided to the Board, which follows the organization's fiscal year and thus largely avoids the impact of COVID. He highlighted the amount of work that continued despite the pandemic safety protocols, including three virtual board meetings, the organization's annual audit and continuing all regular administrative tasks without interruption. Allen expressed his pride in the administrative staff for all that has been accomplished during these unprecedented times.

He then briefly discussed the Autism Nature Trail (ANT) project at Letchworth State Park. The project began in 2015 and celebrated \$2M in funds raised at a kick-off event in January 2020. The project has since nearly reached its goal of \$3M raised to cover construction costs this fall and is currently out to bid. Fundraising will continue through the Trail's opening in order to support long-term programming and maintenance through an endowment at the NHT. Finally, he highlighted that the project's message resonated strongly through the pandemic as many people searched for a safe outdoor space to recreate; the Trail will provide that respite not only for all patrons, but especially as a rare place welcoming to individuals and families of those with autism and other developmental disabilities.

The Board again thanked Allen for his time and service to the NHT.

### Other Business

Sarah Purcell noted that she will be forwarding to the Board a draft copy of the NHT's 990 IRS form related to last fiscal year. It is prepared as part of the services from our auditing firm at Wojeski & Company but needs to be given to the Board before it is officially filed.

### Adjournment

There being no further business, Erik Kulleseid asked for a motion to adjourn the meeting.

- *Moved by Lucy Waletzky, seconded by Jeff Stefanko and unanimously approved.*

Meeting adjourned at 4:01 p.m.

Respectfully Submitted,

Andrea Buniak, NHT Secretary to the Board