

MINUTES OF THE NATURAL HERITAGE TRUST
BOARD MEETING
December 15, 2016

ATTENDEES:

BOARD MEMBERS

Dr. Lucy R. Waletzky	Chair, New York State Council of Parks
Andy Beers	Designee for Commissioner Rose Harvey Executive Deputy Commissioner NYS Office of Parks, Recreation and Historic Preservation
Jeff Stefanko	Designee for Commissioner Basil Seggos Assistant Commissioner NYS Department of Environmental Conservation
Sandra Allen	Designee for Secretary Rossana Rosado Deputy Director of State for Planning and Development NYS Department of State

STAFF

Allen G. Payne	NHT Executive Director
Sarah Purcell	NHT Deputy Director & CFO
Andrea Mangione	NHT Development & Program Assistant

OTHER ATTENDEES

Paul J. Laudato	General Counsel, OPRHP
Jenny O'Neill	NHT Certified Public Accountant (CPA)

Andy Beers called the meeting of the Natural Heritage Trust (NHT) to order at 1:58 p.m.

Approval of the June 29, 2016 Meeting Minutes

Andy Beers noted a small change that will be corrected in the June 29, 2016 draft Meeting Minutes. In the "Connect Kids to State Parks" section, the program is funded by an Environmental Protection Fund grant, not a Department of Transportation grant as listed.

Andy Beers asked for a motion approving the minutes with this change from the June 29, 2016 board meeting.

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

Executive Director's Report

Allen Payne provided a summary of projects and initiatives on which the NHT is working:

Humphrey Nature Center Update

- The Humphrey Nature Center at Letchworth State Park opened to the public in June and celebrated its grand opening with Governor Cuomo on July 19, 2016.
- The campaign surpassed its goal of a \$1M endowment as the endowment currently sits at approximately \$1.1M.
- The private side of the public-private partnership exceeded expectations with almost 550 separate private donors. The NHT sent out a thank you letter to all donors in August, and had followed up with a year-end appeal in early December.
 - o Andy Beers suggested that Allen Payne follow up with a report detailing the response rate at the next meeting.
- This campaign will serve as a model for other future fundraising initiatives

MLB Academy at Roberto Clemente State Park

- The Academy celebrated its groundbreaking in July of 2016.
- This campaign received an additional \$5M from the Governor's Office of Storm Recovery, which is doing a major shore recovery project near the site.
- This project funds will likely not go through NHT for the first phase, but there is potential for the future.

Connect Kids to State Parks

- This program is successfully moving into 2017 as there were 193 applications to the program from every region of the state in 2016.
- The program received an additional \$500,000 Environmental Justice grant.
- Applications for 2017 are scheduled to begin shortly.

Donor Database

- This fall, the NHT implemented a new donation database. This database helps to track donor and gift information, runs reports and offers many useful aids to NHT fundraising.

New Programs

- NHT's assistance in cooperative programs with its agency partners is steadily increasing
 - o A new initiative with NYS Parks has allowed for one Stewardship Specialist to be placed in almost every Region in State Parks.
 - o NHT is also hiring Project Coordinators for DEC and DOS to work on coastal consistency and resiliency programs throughout the state.
- NHT has received \$750,000 from The Nature Conservancy to fund another round of public access/land improvement grants in the former Finch lands in the Adirondacks; project applications will be going out soon with award announcements in the Spring.

2017 Preview

- Thacher Nature Center moves into its last phase.
- Riverbank State Park's Cultural Center and Jones Beach's nature center campaign will use a similar public-private model to the Humphrey Nature Center. Both programs are aiming to kick-off in January 2017.

- The Olana State Historic Site's new visitor center is looking to complete a \$7M – 10M campaign through the Olana Partnership. Funding likely will come through the NHT, but Allen will continue to help with their fundraising materials.

Deputy Director & CFO Report

Sarah Purcell then provided financial updates.

Investment Account Activity

- The NHT currently has 14 investment accounts:
 - o Earnings on the three 'Main Management' Accounts support administrative operating costs
 - o Earnings on the other 11 accounts support specific Parks or Projects
- Almost \$2M in new money has come into the newest accounts between April and the end of November.
- Hallock's investment account drew down approximately \$1.8M to reimburse OPRHP for the costs of the visitor center, and the NHT has allotted \$200,000 more for construction. Once the final costs have been processed, the remaining \$2M will be managed under the long-term (endowment) investment policy.
- Endowment account returns were approximately 4%; Capital/Reserve account returns were about 1%; Operating returns were about -.14%. All were generally in line with returns in broader fixed income and capital markets.
- By the end of the fiscal year, NHT will have close to \$40M in total assets, which would be the highest ever for the NHT.

NHT Retiree Health Benefit

Sarah Purcell then provided an update regarding retirement health benefits.

- At the last meeting, Sarah reported the actuarial valuations for continuing benefits under the current plan are very costly and noted that even if NHT were to require retirees to pay a much larger portion of the cost of the premium, it would not impact the NHT's long-term liability in a meaningful way.
- NHT has looked into various alternatives and a Defined Contribution Plan approach would be more affordable; costs can be more accurately projected and would not be subject to the large cost increases often seen in group plan premiums.
- NHT Executive Staff's recommendation is to continue researching steps needed to move toward this model, which may include consulting services of outside attorneys, actuaries and auditors.

Andy Beers asked for a motion to approve Resolution # 2016-7 Authorizing Executive Staff to Retain Consulting Services Related to Retiree Health Benefits Program:

- *Moved by Sandra Allen, seconded by Lucy Waletzky and unanimously approved.*

2017-18 Proposed Operating Budget

Sarah Purcell provided an update on the current 2016-17 budget from April to the end of November:

- Investment income may be lower than anticipated, but could be closer to target if the Federal Reserve Bank continues to increase interest rates as indicated.

- Administrative income may be a little lower than anticipated, but will be close to target after booking remaining year-end admin fees.
- Administrative Expenses for salaries, fringe benefits and bank/investment fees are lower than budget. Other Administrative Expenses are projected to be on budget.

Sarah Purcell then summarized the Proposed 2017-18 budget:

- Proposed Budget is for operating expenses only; not fiduciary.
- Budget remains unchanged from the FY2016-17 Budget of \$610,000 .
- Revenue and Expenses are projected to remain flat for the third consecutive year.
- Staffing levels and contractual services also remain unchanged.
- Proposed Budget relies on the use of some Reserve funds, however; Projections for the out-years contemplate steady decreases and reduced reliance on Reserve funds until FY 2019-20 when a small budget surplus is anticipated.

Andy Beers asked for a motion to approve Resolution # 2016-8 Approving Preliminary Budget Plan for the 2017-18 Fiscal Year for the required posting and public comment period:

- *Moved by Jeff Stefanko, seconded by Sandra Allen and unanimously approved.*

Other Business

Allen Payne mentioned that 2018 will mark the 50 year anniversary of the NHT, and suggested that NHT employees will look into appropriate recognition of the milestone moving forward throughout 2017.

Adjournment

There being no further business, Andy Beers asked for a motion to adjourn the meeting:

- *Moved by Lucy Waletzky, seconded by Sandra Allen and unanimously approved.*

Meeting adjourned at 2:37 p.m.

Respectfully Submitted,

Andrea Mangione,
Acting Secretary, Development & Program Assistant