

MINUTES OF THE NATURAL HERITAGE TRUST
BOARD MEETING
December 12, 2017

ATTENDEES:

BOARD MEMBERS

Dr. Lucy R. Waletzky	Chair, New York State Council of Parks
Mindy Scott	Designee for Commissioner Rose Harvey Deputy Commissioner for Administration & Finance NYS Office of Parks, Recreation and Historic Preservation
Nancy Lussier	Designee for Commissioner Basil Seggos Director of the Division of Management and Budget NYS Department of Environmental Conservation
Greg Capobianco	Designee for Secretary Rossana Rosado Director of 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

Rob Hiltbrand	Executive Deputy Commissioner, OPRHP
Paul Laudato	General Counsel, NHT
Maggie Clements	Senior Attorney, OPRHP
Jenny O'Neill	NHT Certified Public Accountant (CPA)

Mindy Scott called the meeting of the Natural Heritage Trust (NHT) to order at 2:01 p.m.

Approval of the June 29, 2017 Meeting Minutes

Allen Payne asked for a motion approving the minutes from the June 29, 2017 Board meeting.

- *Moved by Lucy Waletzky, seconded by Greg Capobianco and unanimously approved.*

Executive Director's Report

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

Fundraising and Partnerships

- The Humphrey Nature Center at Letchworth State Park was a successful project on its own, but also provided a template for the fundraising model of public-private partnerships in parks.
- This past summer (2017), the Humphrey Nature Center received a \$100,000 donation to support the endowment. There is clearly continued interest in the project (and programming) as the endowment has grown from its \$1M goal to \$1.4M thanks to continued donations. The project used funding from New York Works for construction of the building, and private fundraising was used for the exhibits and also created an endowment to support the costs for future programming and exhibit upgrades.
- This fundraising and partnership model has proven to be replicable through use with other programs:
 - o Jones Beach State Park: currently using model for raising funds for rehabilitation of building (along with new exhibits) to transform existing nature center into an environmental education center
 - o Green Lakes State Park: currently using model for raising funds for building rehabilitation and new exhibits to create a new environmental education center
 - o Thacher Visitor's Center: used model to complete successful capital campaign. The NHT currently manages ongoing fundraising through their paver program.
 - o Minna Anthony Common Nature Center: model is being used by the MAC Friends group to raise funds for expansion and renovation. The NHT is assisting this campaign by accepting and administering stock donations as the Friends group is not equipped to do so.
 - o DEC Adventure New York: The NHT recently met with a group of DEC employees to provide information and suggestions about a similar fundraising model for comparable projects.

50th Anniversary

- The NHT will be celebrating its fiftieth anniversary in 2018.
- Administrative staff working toward a message celebrating 50 years of successful partnerships. The focus will be on managing funds and creating support for Parks, DEC, and DOS.
- A report on the plan for recognition will be provided at the March 2018 board meeting.

Deputy Director & CFO Report

Sarah Purcell then provided organizational updates:

Committee Goals

- Governance Committee and Audit Committee members were appointed at the June 2017 board meeting. The first meeting of the Governance Committee will mostly be an NHT orientation session for the committee members.

- Broad goals for both committees were provided and committee involvement will likely evolve over time.
- Generally, the Governance Committee will review and suggest updates to existing NHT policies and operating procedures and consider new policies as the NHT moves to a stronger focus on professional development and fundraising.
- As the Governance Committee meetings will likely be held quarterly, administrative staff will report back to the Board at the March 2018 meeting.

Retiree Health Reimbursement Arrangement Plan

- The NHT has been working to update and replace the NHT's retiree health benefit offering for about two years as the existing plan has become a significant long-term financial liability to the NHT.
- The Health Reimbursement Arrangement (HRA) Plan initially presented at the June board meeting provides an annual allotment for reimbursement of qualified medical costs. This amount allotted is tied to an employee's service years with the NHT (with the minimum for eligibility being 10 years). The maximum for any retiree is \$9,600.
- The NHT has identified a third-party administrator for program, which will provide any necessary information to the retirees and assist them with any reimbursement questions.
- There have been two major changes since the plan was introduced June:
 - o Language in the plan was changed so that the long-term retirees who are part of the current health insurance plan have the option to stay with NYSHIP or switch to the new HRA plan.
 - o A new eligibility requirement was implemented that requires employees to be on NHT payroll between a range of dates. And as of January 1, 2018, new employees will not be offered any retirement health benefit from NHT. This eligibility requirement is explicitly noted in the updated NHT handbook.
- The NHT is due for full actuarial evaluation, so the fiscal year ending March 31, 2018 will be the first to reflect the liability for new HRA plan. She also noted new accounting requirements for retirement health benefits will also be in effect.

Allen Payne then asked for a motion to approve Resolution # 2017-10 Adopting the Natural Heritage Trust Retiree Health Reimbursement Arrangement Plan:

- *Moved by Lucy Waletzky, seconded by Greg Capobianco and unanimously approved.*

Updated Employee Handbook

- Changes to the handbook include:
 - o Updating various informational website links used by employees
 - o Revising the Equal Opportunity Employment policy

- Adding a section on the new retiree HRA plan
 - Entering information on Paid Family Leave
- There were no changes to the organizational policies, but these may be reviewed by the Governance Committee in the future.

Allen Payne asked for a motion to approve Resolution # 2017-11 Approving Revised Employee Handbook:

- *Moved by Nancy Lussier, seconded by Lucy Waletzky and unanimously approved.*

2018-19 Proposed Administrative Operating Budget

Sarah then briefed the board on the proposed 2018-19 budget:

- The proposed budget supports only the core administrative costs of the NHT and doesn't include any fiduciary spending throughout the year.
- Last year, total revenue was budgeted at \$535,000 but actual was closer to \$1.1M. Expenditures were budgeted at \$610,000 and the actual was \$616,000
- The revenue and expenditure portions of the proposed budget for the 2018-19 fiscal year is up from prior years as indirect fringe was accounted for.
- Proposed salaries include both cola and one-time merit adjustments for staff supported through the Administrative budget.
- In addition to retaining the current staff and contractual services, the NHT is looking to hire three new administrative positions mid-year: Grants Writer, Development Assistant, and Office Assistant. Five years ago, the NHT had \$26-27M in trust managed by 7.5 administrative staff members; there is now over \$40M in trust and only 5.5 administrative staff members. The additional staff will offset some of the increased workload.

Allen Payne asked for a motion to approve Resolution # 2017-12 Approving Preliminary Budget Plan for the 2018-19 Fiscal Year:

- *Moved by Mindy Scott, seconded by Lucy Waletzky and unanimously approved.*

Investment Updates

Sarah then reviewed investments.

- Investment information in the briefing books includes all activity from April to the end of October.
- The NHT has 14 investment accounts that include three main accounts that partially support administrative costs through interest. All other accounts are managed separately with earnings going directly back into each account for its specific purpose.

- Market value of all investments on April 1 was \$37.6M, but by end of October market value was at about \$39.3M.
- The accounts managed under the endowment strategy have done best with an average of 6.8% returns, reserve/capital accounts followed with just under 2.78% and with main management/operating account having the lowest return at 0.80% which comprises mostly fixed income investment products.
- In November, two new endowment accounts were opened: 1) Harriman Operating and Maintenance account and 2) Harriman Educational Programming account. Initial principal invested = \$1.75M
- A new investment advisor with Wilmington Trust was assigned a few weeks prior and will do a portfolio presentation at the March 2018 meeting.
- Overall, the NHT's total assets are at \$40.6M and total current liabilities are \$44.3M, leaving a fund balance of about \$3M.

Adjournment

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

- *Moved by Mindy Scott, seconded by Greg Capobianco and unanimously approved.*

Meeting adjourned at 3:07 p.m.

Respectfully Submitted,

Andrea Buniak
NHT Secretary