

MINUTES OF THE NATURAL HERITAGE TRUST
BOARD MEETING
March 29, 2017

ATTENDEES:

BOARD MEMBERS

Rose Harvey	Commissioner NYS Office of Parks, Recreation and Historic Preservation
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
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

Paul J. Laudato	General Counsel, NYS Office of Parks, Rec. & Historic Pres.
Jenny O'Neill	NHT Certified Public Accountant (CPA)
Jeanne Miller	Member of the Public

Andy Beers called the meeting of the Natural Heritage Trust (NHT) to order at 2:03 p.m.

Approval of the June 29, 2016 Meeting Minutes

Andy Beers asked for a motion approving the minutes from the December 15, 2016 NHT board meeting.

- *Moved by Jeff Stefanko, seconded by Andy Beers and unanimously approved.*

Executive Director's Report

Allen Payne joined the meeting by phone due to the scheduling conflicts caused by the postponement of the initial board meeting organized for March 14, 2017; this meeting that was

forced to be rescheduled due to inclement weather and a state-wide ban on all non-essential travel. He explained that his report would be abbreviated for this reason and that a full report would follow at the June meeting.

Following up on his report from the December 2016 meeting, Allen Payne conveyed the success of the year-end appeal that was underway at the last meeting:

- NHT completed its first year-end donor appeal mailing through the Humphrey Nature Center campaign.
- Mailing was sent to a total of 540 donors who had donated to the campaign between 2013 and 2016. There was a 5.2% response rate from the 28 resulting donations, which is above the average direct appeal response rate of 2-3%.
- Appeal brought a total of \$7,500 to the campaign to support the Nature Center's endowment.
- Seventeen memorial brick pavers were sold through the appeal.
- This appeal seems to be replicable for future projects.

Deputy Director & CFO Report

Sarah Purcell then provided financial and administrative updates.

Current Year (FY2016-17) Operating Budget

- NHT's two primary sources of revenue are: 1) investment income from main management investment accounts, and 2) administrative fees assessed on larger investment and project accounts with full-time staff.
- Investment and administrative income are anticipated to be within the budget projections provided at the December board meeting.
- Overall expenses are lower than initially budgeted but consistent with the December projections.
- NHT will still rely on reserve funds to cover the difference for the year, but the investment income should be made up between this year and next year as the market continues to improve.

Investments

Sarah Purcell stated that the March meeting is typically when advisors from Wilmington Trust Investments do a presentation the Board, but Jim McDonald (assigned to the NHT account) retired as of the end of February. Another representative has been assigned to the account and will come to an upcoming board meeting following informational and background meetings with NHT administrative staff.

She then continued with an update of NHT investment account activity:

- At beginning of the fiscal year, a total of approximately \$34.7M was invested; since then, a total of about \$2.5M in additional funds have been invested in the Rockefeller, Humphrey Nature Center and Sampson Museum accounts
- Roughly \$2.2M has been drawn down since the beginning of the year.
- The largest drawdown came from the account for the Hallock State Park Preserve (\$1.8M). In total about \$2M will support construction costs at the Preserve with the remaining funds transitioning to a long-term endowment to support park operating costs.
- The market value of all accounts at the end of January was over \$37M, with total return around 5.5%. Endowment accounts are doing the best with a return of about 7%, though the market has improved since the end of January and returns look as though they will be closer to 10% for all endowments by the end of the year.

NHT Retiree Health Care

Sarah summarized the memo included in the briefing materials regarding the proposed changes to Retirement Health Benefits for NHT Employees:

- Since the December 2016 Board meeting, NHT management worked with BPAS Actuarial Consulting to do the modeling work necessary for new benefit plan design; transitioning NHT from a defined health insurance program to a defined contribution model.
- Because the NHT is considered a governmental entity it is required to follow governmental accounting standards (GASB). The GASB accounting requirements for the current retirement healthcare benefit are negatively impacting the NHT's financial position.
- Proposed plan reduces the overall Actuarial Accrued Liability by about 80% as compared to the current plan.

Andy clarified that, under the proposed plan, retirees would be responsible for paying their own medical expenses and would then submit for reimbursement of qualifying expenses from a Retirement Health Reimbursement Account established and funded by the NHT.

- Sarah continued by explaining that the benefit would vary for each employee as the benefit is directly related years of service with NHT and remaining employee sick leave balances. Employees would only be eligible for the benefit if they have a minimum of 10 years of service time with NHT and were eligible to retire from the NYS Retirement System or vested in Voluntary Defined Contribution Plan.

- Healthcare at the Federal level appears to be changing and NHT will make sure that under any new Plan the Board will continue to retain the right to make modify or rescind the benefit, as necessary.
- Next steps in the process will be for NHT management to work with outside counsel to draft the new Plan legal document and Summary Plan Description, which would be presented for adoption at the June Board meeting.

Budget

Sarah then summarized the proposed FY 2017-18 Annual Budget and Multi-Year Financial Plan and noted there were no public comments received on the proposed budget.

- This is the third straight year with a proposed flat operating budget of \$610,000
- Revenue estimates, administrative income and endowment fees for 2017-18 are projected to be mostly the same as the previous fiscal year. If interest rates continue to rise as the market indicates they should, the investment income targets should be attainable.
- Expenditures will remain relatively constant; only adjustment from last year was to accommodate a two percent cost of living adjustment raise for employees effective April 1, 2017

Andy Beers asked for a motion to approve Resolution # 2017-1 Adopting the 2017-18 Fiscal Year Annual Budget and Multi-Year Financial Plan:

- *Moved by Andy Beers, seconded by Greg Capobianco and unanimously approved.*

Other Business

Greg Capobianco provided his letter of designation as he is now considered the official designee for Secretary of State Rossana Rosado. The letter also named Jennifer Congdon as an alternate designee in the event that Greg is unable to attend.

Adjournment

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

- *Moved by Jeff Stefanko, seconded by Greg Capobianco and unanimously approved.*

Meeting adjourned at 2:45 p.m.

Respectfully Submitted,

Andrea Mangione,
Acting Secretary, Development & Program Assistant