

MINUTES OF THE NATURAL HERITAGE TRUST  
BOARD MEETING  
March 20, 2018

**ATTENDEES:**

**BOARD MEMBERS**

Rose Harvey	Commissioner NYS Office of Parks, Recreation and Historic Preservation (OPRHP)
Dr. Lucy R. Waletzky *By Phone*	Chair New York State Council of Parks
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 Buniak	NHT Development Associate

**OTHER ATTENDEES**

Paul J. Laudato	General Counsel, NHT
Jenny O'Neill	NHT Certified Public Accountant (CPA)
Mindy Scott	Deputy Commissioner for Administration & Finance, OPRHP
Rob Hiltbrand	Executive Deputy Commissioner, OPRHP
Maggie Clements	Senior Attorney, OPRHP

The March meeting of the Natural Heritage Trust (NHT) came to order at 2:05 p.m. Board Member Stefanko arrived at 2:14 PM to complete a quorum.

**Executive Director's Report**

Allen Payne provided a summary of projects and programs:

**Annual Report**

- A newly redesigned annual report format will be provided to the Board at the June meeting. This report will be a versatile "kit of parts" with all pertinent information as usual, but with interchangeable project-specific sheets that can be inserted as necessary.

- This report will also include a 50<sup>th</sup> anniversary brochure that highlights some accomplishments throughout NHT's history.

### Nature Centers

- The NHT continues to work with friends groups and OPRHP staff in raising money to support long-term endowments and for construction and renovation costs of these buildings to include state of the art exhibits.
- Projects at Green Lakes State Park and Jones Beach State Park are currently underway using the Humphrey Nature Center campaign as a model.
- Through the Humphrey Nature Center at Letchworth State Park project, the NHT facilitated \$2.3M of private funds raised and holds an endowment currently at \$1.37M to support future programming and updates at the facility.

### Statewide Programs

- The Learn to Swim program began in 2013, with initial and ongoing funding provided from the National Swimming Pool Foundation and the North East Spa and Pool Association to underwrite the cost of free swimming lessons to children throughout the state. A recent grant proposal valued the program at about \$230,000 per year.
- The Connecting Kids to Parks program began as an initiative by the National Park Service (NPS). New York was first to implement the program at the state level, and the NHT assisted in raising \$600,000 to launch the program which will continue this year.

### **Approval of the December 12, 2017 Meeting Minutes**

Allen Payne asked for a motion approving the minutes from the December 12, 2017 NHT board meeting.

- *Moved by Rose Harvey, seconded by Jeff Stefanko and unanimously approved.*

### **Review of NHT Investments**

Sarah Purcell introduced Janine Otis, Ken Williams and Steve Seivold of Wilmington Trust Investment Advisors and provided a review of their partnership with the NHT:

- Janine, Ken and Steve are part of a new team that was assigned to NHT earlier this year.
- Wilmington was awarded the contract with NHT in 2010 through a competitive search for investment advisory services.
- When the relationship began, the NHT had approximately \$23M in assets under their management; with new projects and investment returns the amount has now grown to over \$42M in 2018.
- Early in the relationship, NHT administrative staff collaborated with Wilmington to implement three different investment strategies instead of a singular approach. Each of the three investment policy statements are in need of some updating and NHT

management will work with Wilmington and members of the Governance Committee to review, update and present recommendations at the June board meeting.

Mr. Seivold began the presentation for Wilmington Trust by providing a narrative of overall market conditions. He noted that while January 2018 returns were solid, the market is currently volatile and will likely remain that way over the next year due to recent changes in tax policies and possible changes to trade policies. The Wilmington team will continue to monitor and analyze the market to maintain steady portfolio positions. Mr. Seivold noted that NHT endowment portfolios are balanced and that returns all generally beat their associated benchmarks.

After the presentation, Wilmington representatives were thanked for coming and exited the meeting.

### **Deputy Director & CFO Report**

Sarah Purcell then provided other financial and administrative updates:

#### **Retiree Health Benefit**

- The new benefit was passed by the board in December 2017, and the changes were shared with employees and retirees shortly thereafter.
- The company administering the benefit recently offered an introductory webinar for the NHT, and the NHT has received good feedback on the session and from the retiree using the portal so far.
- Sarah also noted the accounting requirement for recording this liability is changing – instead of amortizing a portion of the liability as we have for the last 8 years, the NHT now must disclose the entire liability on the balance sheet. A new actuarial valuation under the new standards will be done in April, and will be presented at June board meeting along with the audited financial statements.

Ms. Purcell then noted that the Governance Committee was appointed in June 2017 and has had an introductory meeting focusing on investments, program staff accounts and NHT-supported projects. Moving forward, each member's strengths will be used to help NHT update and improve a range of internal policies and procedures.

#### **Budget Update**

Ms. Purcell gave a brief overview of the current year operating budget:

- Salary expenses will probably be about 10% less than budgeted
- Investment income will be about 10% lower than originally projected
- All other items seem to be on target with projected budget
- Projecting a year-end surplus

### 2018-19 Operating Budget & Multi-Year Financial Plan

- The \$900k operating budget is unchanged from its original presentation to the Board at the December meeting. NHT received no public comments.
- This budget covers only the administrative costs of operating the trust.
- Most notable difference compared to prior years is the addition of three positions to be hired mid-year. This will be the first time NHT will be asking for any administrative/development staff increases in the last four years.
- The multi-year plan contemplates annualizing the new positions and keeping the existing positions into the out-years with 2% cost of living adjustments assumed for each year.
- Each of the out-years through 2022 projects small budget surpluses.

Allen Payne then asked for a motion to approve Resolution # 2018-1 Adopting the 2018-19 Fiscal Year Annual Budget and Multi-Year Financial Plan:

- *Moved by Rose Harvey, seconded by Jeff Stefanko and unanimously approved.*

Lastly, Sarah reviewed the balance sheet and income statement. She noted total assets were at almost \$43.5M with total liabilities of \$40.3M and since April 2017, about \$15M in revenue has come in with about \$12M in expenses for the same period.

### Adjournment

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

- *Moved by Rose Harvey, seconded by Jeff Stefanko and unanimously approved.*

Meeting adjourned at 3:17 p.m.

Respectfully Submitted,

Andrea Buniak,  
NHT Secretary