

MINUTES OF THE NATURAL HERITAGE TRUST
BOARD MEETING
January 20, 2023

ATTENDEES:

BOARD MEMBERS

Erik Kulleseid	Commissioner NYS Office of Parks, Recreation and Historic Preservation (OPRHP)
Laura DiBetta	Designee for Commissioner Basil Seggos Director of Outdoor Recreation NYS Department of Environmental Conservation (DEC)
Sarah Crowell	Designee for Secretary Robert Rodriguez Director of Planning, Development & Community Infrastructure NYS Department of State (DOS)

NHT STAFF

Sally Drake	Executive Director
Sarah Purcell	Deputy Director & CFO
Michelle Phillips-Conlen	Resource Manager
Cinzia Tschatret	Bookkeeper & A/P
Andrea Buniak	Development Associate
Brittney Desmond	Program Assistant
Megan Haggerty	State Council of Parks Coordinator

OTHER ATTENDEES

Bryan Erwin	Chair, Long Island State Parks Commission
Jenny O'Neill	NHT Certified Public Accountant (CPA)
Matt Davidson	Deputy Director for Resource Development, OPRHP
Jennifer Maglienti	General Counsel, OPRHP
Maggie Clements	Associate Attorney, OPRHP
Steven Seivold	Vice President, Wilmington Trust Investment Advisors
Janine Otis	Asst. Vice President, Wilmington Trust Investment Advisors

Briefing Materials provided for the January 20, 2023 Board of Directors (Board) meeting included:

- Agenda
- Draft Minutes of October 26, 2022 Board Meeting
- NHT Wilmington Trust Portfolio Performance Report
- Memo to the Board: Board Member Evaluations
- Governance Committee Minutes: January 9, 2023
- NHT Investment Account Activity: April 1 – December 31, 2022

- NHT Banking Account Activity: April 1 – December 31, 2022
- NHT Q3 Cash Report & Balance Sheet: October 1 – December 31, 2022
- FY2022-23 Operating Budget to Actual: April 1 – December 31, 2022
- FY2022-23 Operating Budget Projected
- Resolution #2023-1: Adopting FY2023-24 Budget and Multi-Year Financial Plan
- Proposed FY2023-2024 Operating Budget & Multi-Year Financial Plan
- Memo to the Board: FY2023-24 Fringe Rate
- Resolution #2023-2: Authorizing Board Member Videoconferencing
- Memo to the Board: Proposed Videoconferencing Procedure
- Videoconferencing Procedure
- Resolution #2023-3: Adopt Amended Bylaws
- Memo to the Board: Proposed Updates to the Bylaws
- NHT Enabling Statute and Bylaws: Redlined Version
- Memo to the Board: 2023 Board Meeting Schedule
- Regional Donation Report: October 1 – December 31, 2022
- Project Account Activity Summary: October 1 – December 31, 2022

This meeting took place in person and via recorded virtual videoconference as permitted by New York State Open Meetings Law. Commissioner Kulleseid called the meeting of the Natural Heritage Trust (NHT) to order at 10:04 a.m.

Approval of October 26, 2022 Meeting Minutes

Erik Kulleseid asked for a motion approving the draft minutes of the October 26, 2022 Board meeting.

- *Moved by Laura DiBetta, seconded by Sarah Crowell and unanimously approved.*

Presentation from Wilmington Trust Investment Advisors

Sarah Purcell introduced Steve Seivold and Janine Otis from Wilmington Trust, who have managed NHT's accounts for several years.

Steve reported that the majority consensus of economists for the upcoming year is that a slight recession is likely. He explained that the team will continue to monitor the portfolio closely as scenarios like reduced interest rates would be good for fixed income assets, but would impact other asset classes negatively. In a review of the NHT portfolio, Steve noted that the investment accounts performed slightly above their benchmarks, which is a good recovery from the turbulent market of 2022.

After a discussion about strategy for potential market volatility in the future, Steve and Janine were thanked by the Board before exiting the meeting.

Governance Committee Update

Erik Kulleseid then introduced Matthew Davidson, the chair of the Governance Committee. Matt announced that all Board members are now current on their training with the Authorities Budget Office (ABO).

Since the last Board meeting, the Governance Committee has reviewed and been briefed on the proposed update to the NHT by-laws, the videoconferencing procedure and the updated staffing procedure.

Finally, the Committee discussed Public Authorities Law requirements for an annual Board self-evaluation. Matt advised that all Board members must complete the Board self-evaluation and return to the Committee for compilation and review. The aggregated results will be reported to the Authorities Budget Office and the Board in June.

Deputy Director & CFO Report

Sarah Purcell reviewed the NHT cash activity, noting that there was about \$12.6M in revenue and about \$13M of expenses to date. After some cash on hand was transferred to Wilmington Trust for investment, the NHT held about \$1.8M of cash as of December 31, 2022. The fully unrestricted fund balance was just over \$1M.

Moving to the current year operating budget, Sarah explained that investment income on the main management account brought in about \$423k, which was over budget and better than initially forecasted. She noted that at the end of last quarter, the NHT was at about 64% of its revenue target and just under 73% of the expenditure budget overall. It is projected that the budget will end up with a smaller deficit than initially anticipated due to better administrative income and fewer expenditures.

The proposed budget for the 2023-2024 fiscal year is the same as was presented to the Board at the October meeting with one adjustment to increase the fringe rate as the health insurance rates are released on a calendar-year basis. Sarah reminded the board of the budget process, noting that no public comments were received after the budget was posted to the NHT website. After a 10% budget reduction as COVID hit, the NHT operating budget had remained flat for the next several years. This year's budget includes the new administrative fee, and despite the addition of a new position in the Administrative Office, forecasts small surpluses in the outyears. If the budget advances as projected, the Board may be able to advise on how they feel the surplus should be spent.

Erik Kulleseid asked for a motion to approve Resolution #2023-1: Adopting 2023-24 Administrative Operating Budget and Multi-Year Financial Plan.

- *Moved by Sarah Crowell, seconded by Laura DiBetta and unanimously approved.*

Executive Director's Report

Sally Drake began by summarizing the new videoconferencing procedure. Chapter 56 of the Laws of 2022 adds Section 103a to the Open Meetings Law, which would permit organizations like the NHT to authorize its members to attend meetings by videoconferencing from a private location under extraordinary circumstances. Pursuant to the statute, the NHT held a public hearing and posted draft procedures for public comment. As no public comments were received, the Board must now adopt a resolution to authorize the use of videoconferencing in accordance with the written procedures, which were shared with the Governance Committee and the Board.

Erik Kulleseid asked for a motion to approve Resolution #2023-2: Authorizing Board Member Videoconferencing Policy.

- *Moved by Laura DiBetta, seconded by Sarah Crowell and unanimously approved.*

The Governance Committee also assisted in the updating of the NHT's bylaws. Many updates were administrative, but Sally highlighted the following substantive revisions:

- Defining a Board designee and their service, as well as specifying that only one designee shall be named per agency
- Adding the Deputy Director & CFO as a designated authorized officer for the NHT
- Including videoconferencing language consistent with Open Meetings Law
- Clarifying a quorum
- Authorizing Board actions outside of meetings via electronic agreement, which would be reflected in minutes of the following Board meeting

Erik Kulleseid asked for a motion to approve Resolution #2023-3: Adopting Amended Bylaws.

- *Moved by Sarah Crowell, seconded by Laura DiBetta and unanimously approved.*

Sally then summarized the donation activity in the previous quarter, noting that the NHT received a total of \$1.85M in donations, of which \$41.5k came via the NHT website. Approximately \$8.2M of donations have come in during the first three quarters, most of which are designated to specific parks, facilities or programs. She highlighted several donors who gave based on their love for and interactions in specific facilities and emphasized the impact of the Reserve America round-up program, which generated about \$1,400 per week this quarter.

Finally, Sally featured several projects and programs that the NHT had partnered on in the current year. The Ladders to the Outdoors has begun programming in the Central NY region at Green Lakes State Park and hired a statewide coordinator with NHT in partnership with OPRHP. The Bike Library at Shirley Chisholm State Park welcomed over 8,300 riders this season and taught 125 people to ride in 36 sessions. The CDTA Nature Bus program saw increased ridership by about 30% in 2022, reaching more than 1,200 people. Its most popular bus stops were with two partners: Thacher State Park (OPRHP) and Five Rivers (DEC).

Adjournment

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

- *Moved by Laura DiBetta, seconded by Sarah Crowell and unanimously approved.*

Meeting adjourned at 11:34 a.m.

Respectfully Submitted,

Andrea Buniak
NHT Secretary to the Board

MINUTES OF THE NATURAL HERITAGE TRUST
BOARD MEETING
June 28, 2023

ATTENDEES:

BOARD MEMBERS

Erik Kulleseid	Commissioner NYS Office of Parks, Recreation and Historic Preservation (OPRHP)
Laura DiBetta	Designee for Commissioner Basil Seggos Director of Outdoor Recreation NYS Department of Environmental Conservation (DEC)
Sarah Crowell	Designee for Secretary Robert Rodriguez Director of Planning, Development & Community Infrastructure NYS Department of State (DOS)
Bryan Erwin	Chair State Council of Parks (SCOP)

NHT STAFF

Sally Drake	Executive Director
Sarah Purcell	Deputy Director & CFO
Michelle Phillips-Conlen	Resource Manager
Cinzia Tschantret	Bookkeeper & A/P
Andrea Buniak	Development Associate
Brittney Desmond	Program Associate
Megan Haggerty	State Council of Parks Coordinator

OTHER ATTENDEES

Jenny O'Neill	NHT Certified Public Accountant (CPA)
Matt Davidson	Deputy Commissioner for Energy and Climate Change, OPRHP
Jennifer Maglienti	General Counsel, OPRHP
Maggie Clements	Senior Attorney, OPRHP
Frank Ferrucci	Partner, Wojeski & Company
Christopher Stevens	Manager, Wojeski & Company

Briefing Materials provided for the June 28, 2023 Board of Directors (Board) meeting included:

- Agenda
- Draft Minutes of January 20, 2023 Board Meeting
- Resolution #2023-4: Appointing Audit Committee Members
- Resolution #2023-5: Adopting FY 2022-23 Audited Financial Statements
- Memo to the Board: Audited Financial Statements

- Report to the Board
- Draft Audited Financial Statements
- Independent Auditor's Report
- Resolution #2023-6: Authorizing Memorandum of Agreement with the New York State Bridge Authority (NYSBA)
- Draft MOA with NYSBA
- 2024 Conference Budget Estimate
- Memo to the Board: Board Self-Evaluation
- Summary Results of Board Self-Evaluation
- Governance Committee Meeting notes: May 31, 2023
- Resolution #2023-7: Approving FY2022-2023 Investment Report
- Resolution #2022-8: Re-Adopting NHT Banking & Investment Policy
- FY2022-2023 Investment Report
- NHT Banking & Investment Guidelines
- Investment Policy Statements
- Independent Audit of Investments
- Resolution #2023-9: Approving FY2022-2023 Procurement Report
- Resolution #2023-10: Re-Adopting NHT Procurement Guidelines
- FY2022-2023 Procurement Report
- NHT Procurement Guidelines
- FY2022-2023 Employee Report
- List of NHT Employees as of 3/31/2023
- Mission Statement & Performance Measures Report
- NHT Regional Account Summaries & Development/Outreach

This meeting took place in person at 625 Broadway in Albany and Bethpage State Park via recorded virtual videoconference as permitted by New York State Open Meetings Law. Commissioner Kulleseid called the meeting of the Natural Heritage Trust (NHT) to order at 11:03 a.m.

Approval of January 20, 2023 Meeting Minutes

Erik Kulleseid asked for a motion approving the draft minutes of the January 20, 2023 Board meeting.

- *Moved by Laura DiBetta, seconded by Sarah Crowell and unanimously approved.*

Appointment of Chair and Vice-Chair

Sally Drake stated that annual appointments for the positions of Chair and Vice-Chair of the Natural Heritage Trust Board of Directors (Board) are taken up at this annual meeting. She noted the willingness of Commissioner Kulleseid and Commissioner Seggos to continue their appointments as Chair and Vice-Chair respectively.

- *Moved by Sarah Crowell, seconded by Laura DiBetta and unanimously approved.*

Appointment of Audit Committees

Sally Drake then noted that there is a new Department of State representative on the Audit Committee.

The proposed members of the Audit Committee include:

- Donna Ensign, Principal Accountant, DEC
- Linda Herald, Director of Internal Audit, DOS
- Laura Mason, Director of Internal Audit, OPRHP

Erik Kulleseid asked for a motion to approve Resolution #2023-4: Appointing Audit Committee Members.

- *Moved by Sarah Crowell, seconded by Laura DiBetta and unanimously approved.*

Review of 2022-2023 Audit and Financial Statement

Sarah Purcell introduced Frank Ferrucci and Chris Stephens of Wojeski & Company CPAs. This is the firm's fourth year in the contract, which can be extended annually for up to one more year. Chris Stephens has been on the team for several years and Frank Ferrucci joined at the beginning of the contract.

Frank Ferrucci began by reviewing their Report to the Board, a required audit communication. He noted that GASB 87 was adopted this period but has no real impact as it applies to leases, which the NHT does not currently have. As in the past, it was important to highlight that three estimates have a significant impact on the financial statements: the fair market value of investments, the Other Post-Employment Benefits (OPEB) liability and the net pension liability. The liabilities are actuarially determined, but Wojeski & Company reviews these assumptions to ensure they are reasonable.

Finally, he reminded the Board the auditors also review the organization's annual report and reports submitted in the Public Authorities Reporting Information System (PARIS) for any material inconsistencies before removing the "Draft" stamp from the reports. He closed by noting that Wojeski & Company issued a "clean opinion" for the NHT financial statements, the highest level of assurance.

Chris Stephens then went on to review the NHT's Audit and Financial Statements. This report summarized:

- Organization and significant accounting policies
- Statement of Net Position
- Statement of Cash Flows
- Statement of Fiduciary Fund Revenue and Expenses
- Statement of Fiduciary Net Position
- Required Supplemental Information related to Other postemployment benefits (OPEB) and Pension obligations liabilities and NHT Operating Budget

Wojeski & Company concluded that the NHT financials were fairly stated in their opinion with no material deficiencies or weaknesses, and compliant with Generally Accepted Accounting Principles (GAAP). Frank Ferrucci also stated that the final report was a review of NHT's compliance with its investment policies. They concluded that from the review that in their opinion, the NHT was in compliance its investment policies.

Erik Kulleseid asked for a motion to approve Resolution #2023-5: Adopting the 2022-2023 Audited Financial Statements.

- *Moved by Sarah Crowell, seconded by Erik Kulleseid and unanimously approved.*

After their report, Frank Ferrucci and Chris Stephens exited the meeting.

NYSBA Memorandum of Agreement

Sally Drake explained that the NHT intends to enter into a short-term partnership with the New York State Bridge Authority (NYSBA). The organization sought NHT's support as it will host the 2024 International Cable-Supported Bridge Operators Conference in celebration of the Bear Mountain Bridge's centennial. As the NHT is authorized to partner with mission-aligned organizations—and as 2024 is the centennial celebration for OPRHP—the partnership feels timely and appropriate. The NHT will accept registration and sponsorship fees for the conference and will pay vendors; the NHT will collect its standard administrative fee for this service. The NHT Governance Committee and Counsel have both reviewed and agree this is a well-controlled role within the organization's capacity.

Erik Kulleseid asked for a motion to approve Resolution #2023-6: Authorizing a Memorandum of Agreement with the New York State Bridge Authority.

- *Moved by Laura DiBetta, seconded by Erik Kulleseid and unanimously approved.*

Governance Committee Update

The Governance Committee met on May 31, 2023, as indicated in the meeting notes included in the meeting materials. NHT staff presented the Committee with draft updates of the employee handbook, which included new policies and language update. An updated handbook will be presented for approval at the October meeting of the Board.

As Sally mentioned, the Committee was also provided with an overview of the NYSBA partnership and Committee members had no concerns.

Finally, he noted that all Board Self-Evaluation responses were received and the confidential aggregate results were provided to Authorities Budget Office (ABO) in June, so the NHT is now compliant with that requirement.

Deputy Director & CFO Report

Sarah Purcell then summarized:

The NHT submits several reports with the Authority Budget Office and the NYS Office of the State Comptroller annually. First, she discussed the investment report, which includes the investment policy statements and summaries of the both the banking and investment activity throughout the fiscal year. Sarah highlighted several the key points:

- In FY 2022-2023, about \$16.5M in revenue was received, approximately \$17.3M was expended and cash balances at year end were around \$1.3M.
- Quarters 1 and 2 were down for all investment portfolios, though quarters 3 and 4 improved. Total value of the investment portfolio was about \$60M. Total returns were -0.08% on the main management account, a -5.79% return for long-term endowments, and -5.15% for the capital/reserve; all were just below their related Environmental Social Governance (ESG) benchmark.

Erik Kulleseid asked for a motion to approve Resolution #2023-7: Approving the 2022-2023 Investment Report.

- *Moved by Laura DiBetta, seconded by Bryan Erwin and unanimously approved.*

Erik Kulleseid asked for a motion to approve Resolution #2023-8: Re-Adopting the NHT Banking and Investment Policy.

- *Moved by Erik Kulleseid, seconded by Sarah Crowell and unanimously approved.*

Sarah then shifted to the procurement report, which includes vendors paid \$5,000 or more annually; a list of these vendors was provided to the Board. These expenditures, totaling about \$11.8M, were largely spent on a variety of equipment, supplies and materials for stewardship, conservation, public programming, events, recreation and projects. Sarah reminded the Board that the NHT Administrative Office reviews procurement for compliance to guidelines, but that the regional offices are responsible for managing details of the procurements.

Erik Kulleseid asked for a motion to approve Resolution #2023-9: Adopting the NHT 2022-2023 Procurement Report.

- *Moved by Sarah Crowell, seconded by Erik Kulleseid and unanimously approved.*

Sarah noted that the NHT would like to discuss updates to the procurement guidelines with the Governance Committee in the coming year to more closely align them with the partner agencies', but current policy is unchanged for this year.

Erik Kulleseid then asked for a motion to approve Resolution #2023-10: Re-Adopting the Procurement Guidelines.

- *Moved by Sarah Crowell, seconded by Laura DiBetta and unanimously approved.*

Executive Director's Report

Sally Drake began her report by outlining the Performance Measures report that is required by the ABO to demonstrate how the NHT is meeting its statutory mission and advancing organizational goals.

She first referenced the donor report, highlighting that NHT brought in \$15.4M in gifts, grants and other funds in support of its partners and programs. As of year-end, the NHT had assets totaling over \$62.5M, of which \$57.3M is managed in a fiduciary capacity for our agency partners. The NHT managed approximately \$31.8M in endowments and \$25.6M for statewide programmatic purposes as of March 31. The NHT received over \$73,000 in online donations this fiscal year, a significant portion of which come in the form of tribute gifts. The ReserveAmerica Round-Up program was very successful in its first year, allocating over \$81,000 in donations to DEC and Parks.

Moving to the employee report, Sally noted that as of year-end there were 54 full-time and 8 part-time employees on the NHT payroll, the large majority of which were program staff. More than half of these employees specialize in stewardship programs, almost a quarter focus on shoreline protection and the remainder are split between historic preservation efforts and access

and inclusion initiatives. Sally highlighted new staff positions that align with current priorities: the Interpreter of Native American History who is a large part of the Our Whole History initiative, the Waletzky Environmental Stewardship Fellow who is creating innovative stewardship solutions, and the Statewide Ladders to the Outdoors Coordinator who continues to promote access and inclusion.

Sally then highlighted partnerships with the NHT's mission-aligned partner entities:

- Supported the 2022 CDTA Nature Bus to DEC and Parks sites
- Accepted community-based grants and assisted in community outreach for the Ladders to the Outdoors and Connecting Kids to Parks programs
- Accepted corporate sponsorships supporting recreational programs and events, particularly in the Long Island and New York City regions
- Assisting in funding for the construction of the new Bayard Cutting Arboretum Visitor Center
- Managing funds from the Ralph C. Wilson, Jr. Foundation for major projects in Western New York
- Growing partnership with Appalachian Mountain Club at Harriman State Park
- Supporting Parks Centennial initiatives to support projects with partners like OSI and PTNY, provide fundraising infrastructure for regional state park commission projects, assist with outreach to friends and partners, and enhance partnerships with SCOP

The Performance Measures report included a new measure this year to implement and follow best practices related to the functions of the Board of Directors, organizational governance and transparency. This fiscal year, the Governance Committee was reconstituted and has become a valued resource – the Committee assisted with updating by-laws, ensuring compliance for board training and reporting and will continue with major policy and revisions. In terms of transparency, the NHT adopted the Open Meetings Law regulations for videoconferencing meetings as well as enhancing its program account reports for each region and partner. These reports are meant to emphasize that these NHT funds are meant to be spent on appropriate programs and projects that will benefit the public.

Finally, Sally noted that the Board was provided with a draft copy of the annual report, which will be printed and mailed to donors this year. Any Board comments are welcome.

Adjournment

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

- *Moved by Sarah Crowell, seconded by Laura DiBetta and unanimously approved.*

Meeting adjourned at 12:28 p.m.

Respectfully Submitted,

Andrea Buniak
NHT Secretary to the Board