

**Maryland Environmental Trust
Board of Trustee Meeting Minutes
April 2, 2018**

Maryland Environmental Trust (MET) Board of Trustees ("Board") Chair James W. Constable called the meeting to order at 4:18 p.m. at 100 Community Place, Crownsville, Maryland 21032. Trustees in attendance were James Constable, Judge Jay Plager, Tom McCarthy, Major Gary Burnett, Royden Powell, David Greene, Mary Burke, Doris Blazek-White, Sarah Taylor-Rogers, Mike Pretl, Toby Lloyd, Goodloe Bryon, Jr., Julia Jitkoff, Phil Hager, and Richard D'Amato. MET staff Bill Leahy and John Turgeon attended. Ted Sudol Managing Director with Carter attended. Senator Addie Eckardt was not present.

Phil Hager submitted a motion to adopt the March 2018 board minutes. Sarah Taylor-Rogers seconded. The board unanimously adopted the minutes.

I. Call to Order

II. Board Work Plan and Governance Topics

- A. Director's Report: MET hosted a round table the previous week that focused on the Bay land change model to help meet TMDL limits and how land trusts can work together. Overall the Round Table was very well received. Mary Burke suggested that MET host a round-table or webinar training on the issue of tax syndications. She noted that recently the New Jersey Conservation Foundation was contacted by a promoter and requested training materials from the Land Trust Alliance so they could host a training for land trusts in the state.

Director Leahy reported the conference planning is moving forward. MET currently has \$12,000 in sponsorships. \$15,000 is the goal. He asked Board members if they wanted to sponsor the conference. Also, he reminded Board to register for the conference.

Director Leahy gave staffing updates that included office manager candidates were scheduled for interviews. We have received resume packages on three strong candidates. He reported we did receive a hiring freeze exemption for two long-term contract positions for the stewardship program. The stewardship committee is rethinking the job description to look for more administrative skills instead of a biology background. Secretary Belton supports this shift.

III. Committee Reports

- A. Finance Committee Treasurer Doris Blazek-White shared the finance report with the board. She noted that we are well within budget despite that our income is shy of projections due to an overestimation of a grant and one item that was budgeted for last year that did not get paid until this fiscal year.
- B. Easement and Stewardship Committee Nothing to report.
- C. Agriculture Committee Nothing to report.

- D. Land Trust Advisory Committee Chair Phil Hager provided additional details regarding the recent round table. He noted that 34 people from 24 organizations attended. Our round tables are reaching the intended audience and are fulfilling their mission. He reminded the Board that the annual conference will take place on May 17. We have 125 registrants thus far (the number we had in 2017). Our goal is 150. He encouraged full Board participation.
- E. Legislative Committee Chair Phil Hager noted there was nothing to report.
- F. Governance Committee Judge Plager announced that to facilitate selection of the new executive director, the committee would announce its slate for 2018 officers. The board will vote on the nominations at the May Board meeting. He reminded the Board that members could nominate other candidates and should provide the names to the Governance Committee one week before the May Board meeting so biographies can be included in the Board packet. The Governance Committee proposes the following individuals for the Executive Committee:
- Board Chair: Mary Burke
 - Vice Chair: Toby Lloyd
 - Secretary: Sarah Taylor-Rogers
 - Treasurer: Julia Jitkoff

Judge Plager also noted that Dr. Burke will nominate Royden Powell to serve on the Executive Committee as an at-large representative. Judge Plager also noted that Ms. Jitkoff was planning on appointing Gary Burnett as assistant treasurer.

Mr. Hager asked if the Board should vote on the appointment of Major Burnett as assistant treasurer. Judge Plager noted that according to the bylaws, no vote need take place. He noted that as Chair of the Governance Committee, he appointed a vice-chair of that committee; however, he said that he would look into amending the bylaws to give the Board flexibility to create vice-chair positions. Ms. Jitkoff noted that she would like that provision to be included in the bylaws.

IV. Other Business

A. Forever Maryland Foundation

MET Board Chair Jim Constable started the discussion by noting that the November 1, 2016 memo from DNR Assistant Secretary Joanne Throwe was superseded by Secretary Belton memo contained in the Board's binder. He also requested that the memo (dated April 1, 2018) provided by Bill Leahy that answered a series of questions be entered into the minutes of this board meeting, so the Board would have Mr. Leahy's answers in the permanent record.

Chairman Constable thanked everyone involved in the process thus far. He then turned the discussion over to Mr. Leahy.

Director Leahy reviewed the objectives for this meeting, summarized in a series of proposed resolutions presented for consideration and action by the Board of Trustees. Brief history and highlights of his overview regarding Forever Maryland are as follows:

- There is a need to connect more people to the land conservation movement and increase the general public's appreciation for the values that underlie what we do; Forever Maryland would advance this objective.
- In 2015, MET initiated an internal planning process, including a competitive scan that provided detailed analysis of the challenges facing land trusts in the state.
- In 2016, MET developed and approved a strategic vision plan.
- In 2017, MET commissioned a comprehensive planning study to evaluate the readiness and feasibility of launching a major capital campaign under the auspices of Forever Maryland.
- In 2017, MET named a panel of leaders in Maryland land conservation to serve on a Plan Implementation Committee, which resulted in a final report that led to the preparation of the documents presented at this meeting to launch Forever Maryland.
- There have been occasions in the past when the Department of Natural Resources raised the possibility of restructuring MET, and that the launch of Forever Maryland would effectively address this matter.
- Forever Maryland is intended to:
 - Increase the impact and reach of MET.
 - Do things MET cannot do as a quasi-governmental entity.
 - Work collaboratively with MET (See: Diagram attached reflecting the distinct and shared roles, respectively, for MET and Forever Maryland).
- A grant application was presented by the Executive Committee to the Board for its consideration and action; if approved by the Board, it would provide a one-year grant to fund Forever Maryland, with an opportunity for the parties to renew the grant for a 2nd year.
- A Memorandum of Understanding was presented by the Executive Committee to the Board for its consideration and action; it would govern the work of both entities.
- The State would need to review the Grant Application and the Memorandum of Understanding and determine whether favorable action on the proposed grant and Memorandum is within the authority of the MET Board of Trustees before such action could be finalized. This review process has been initiated in anticipation of the agenda for this meeting. The State offices that are expected to review this matter are the Office of Attorney General (OAG), Department of Natural Resources (DNR), and Department of Budget and Management (DBM). MET has the strong and genuine support of DNR's Secretary Mark Belton in helping to launch Forever Maryland. A

letter from Secretary Belton was read in part and distributed to the members of the Board at the meeting; it is appended to these minutes.

Highlights of Chairman Jim Constable's remarks:

- Going forward Forever Maryland will need MET for a long period because MET adds credibility to Forever Maryland, and can do things that FMF cannot.
- Success of this venture will depend upon both organizations becoming indispensable to each other, with strong support from each other's leadership.
- While MET would be, if the proposed grant is approved by the Board, providing a large sum to help launch Forever Maryland, the Memorandum of Understanding and the proposed restatement of the bylaws of Maryland Land Conservation Foundation (which will be renamed Forever Maryland Foundation) provide for MET's interests. Specifically:
 - MET will monitor Forever Maryland's work via quarterly reports and will distribute the grant on a quarterly basis.
 - Under the proposed bylaws, one-third of the Forever Maryland Board members will be named by MET; and, to protect this power, amendments to the bylaws would require approval of two-thirds of all Trustees and two-thirds of the MET-appointed Trustees.
 - The Memorandum of Understanding provides for the appointment by each organization of ex officio liaisons to each other's boards.

That MET Trustees cannot serve on the Forever Maryland Board (under state law); therefore, MET will need to identify appropriate candidates to fill positions on the Forever Maryland Board.

Highlights of the full Board discussion:

- Ms. Blazek-White, as a current member of the MLCF Board, recused herself from discussion of the matters before the Board (except as to matters regarding her role as MET Treasurer) and was permitted by Board consensus to remain present for the discussion.
- Regarding the proposed bylaws for Forever Maryland, a variety of views were expressed.
 - The bylaws should be provided to the MET Board members prior to adoption by the MLCF Board.
 - The provision in the proposed bylaws under which MET would be able to appoint a portion of the Forever Maryland Board may create an adversarial relationship between the two boards because such a provision would make what should be co-equal organizations not equal.
 - The provision may make it difficult for Forever Maryland to advance its mission.
 - MET should have perpetual power to appoint members to Forever Maryland's Board.

The synergy created by MET representatives on the Forever Maryland Board is an important consideration. There were some questions about the bylaws' provisions, including whether MET can dictate the contents of the FMF bylaws.

- The bylaws would be adopted by the current MLCF Board members, after which Forever Maryland, when it has a full complement of Board members, would be able to address any concerns they may have about the bylaws.
 - Even though MET will appoint members of the Forever Maryland Board, the MET Board cannot tell them what to do. Once appointed, the MET-designated Board members will have a fiduciary responsibility to Forever Maryland, not MET.
 - It may be difficult for MET to find board members to join the Forever Maryland Board going forward.
 - As an alternative to the current proposal, require that bylaws changes regarding MET representation must be approved by the MET board.
 - The currently proposed bylaw provision would ensure the MET representation survives the conclusion of the term for the Memorandum of Understanding.
 - As an alternative to the current proposal, the MET representation could be reduced in the future but never smaller than three members.
 - The matter of the bylaws provision is not something the MET Board would be making any decisions on at this meeting.
-
- MET should request a State Ethics Commission exception to allow current MET Board members to serve on the Forever Maryland Board, as a way to facilitate inter-organizational communication and protect MET's interests.
 - The seed funding of Forever Maryland would be akin to a venture capital project, with comparable risks and expectation by both organizations.
 - A one-year grant with an option to renew for one year was a good and appropriate approach for MET.
 - Regarding the LOCATE software in use by MET:
 - Clarity was needed as to its future use by both MET and Forever Maryland.
 - Both organizations may have a need to use the software; this may require consideration of logistical issues.
 - It was observed that both organizations need to use LOCATE software because it was designed to be accessible across different organizations.
 - The software currently is licensed to the MLCF (to optimize the value of a lower license fee for a nonprofit organization).
 - Forever Maryland has the potential for great things, particularly its capacity to serve and make a stronger MET and land trust community.
 - There needs to be an assurance commensurate with the MET investment that the goals set forth in the Memorandum of Understanding will be met over the long-term.

- The two organization may want to consider housing themselves in the same building to facilitate communication.
- Regarding the role of the State:
 - The State's concurrence with MET's action regarding Forever Maryland needs to be secured, and must be next procedural step.
 - The MET Board needs a determination by State OAG whether there are any legal issues with the MET Board's action. However, the MET Board should not be asking for 'approval' by the OAG.
 - Action taken by the MET Board at this meeting would be contingent on State concurrence.
 - Concurrence by the State Office of Budget & Management would be a critical element in plans to proceed with the funding and launch of Forever Maryland.
 - State DNR and the OAG already have initiated their review of the proposed action for the purpose of securing their initial input and direction. While subject to a deeper review of the final agreements, the preliminary review by the OAG did not raise any major concerns. DNR has expressed enthusiastic support for the venture.
- The proposed grant represents a substantial investment by MET in Forever Maryland.
- The Board concurs on nearly all aspects of the proposed action, something that merits celebration.

Board Action:

Four Resolutions accompanying the Chair's Transmittal Memorandum, dated March 29, 2018 (see Tab 1 of the Board Presentation Binder of April 2, 2018), were moved by Judge Plager, seconded by Ms. Taylor Rogers, and unanimously approved by the MET board, as amended.

In addition, a fifth resolution accompanying the Chair's Transmittal Memorandum, dated March 29, 2018 (see Tab 1 of the Board Presentation Binder of April 2, 2018), was moved by Judge Plager, seconded by Mr. Hager and unanimously approved by the MET board with no changes.

The five resolutions, as approved, are as follows:

Resolution 1 – Approval of Grant Application and Proposed Memorandum of Understanding

Approval of (a) the Grant Application presented to MET regarding a grant in the amount of \$835,000 to fund Forever Maryland for its first year of operation, with the grant period running from July 1, 2018 to June 30, 2019; and, (b) the Proposed Memorandum of Understanding that sets the terms, conditions, payment schedule, and scope of work for the proposed grant by MET to Forever Maryland, contingent upon clearance in writing by the Office of the State Attorney General, the Department of Natural Resources, and the Department of Budget and Management.

Resolution 2 – Role of MET Executive Director

Approval, subject to concurrence by the Secretary for the Department of Natural Resources, of the continuation of MET Executive Director Bill Leahy's work in preparing for the launch of Forever Maryland through June 30, 2018.

Resolution 3 – Designation of Assistant Director

Approval of the designation by MET Executive Director Bill Leahy of Wendy Hershey, currently serving as MET's Department of Natural Resources Liaison, to serve in the role of MET Assistant Director during the transition period, effective April 1 – June 30, 2018.

Resolution 4 – Authority to Post the Director's Position

Approval of authorization for the posting of a position description and the soliciting of applications for the next MET Director.

Resolution 5 – Appointment of Task Force

Approval of a plan for a Transition Task Force, appointed by the Board Chair, to serve during the transition period leading to the launch of Forever Maryland (through June 30, 2018) on behalf of the Board of Trustees, to work with the MET staff and consultant(s) to develop any additional documents or arrangements needed in preparation for Forever Maryland's launch on July 1, 2018.

Judge Plager proposed creating an ad hoc committee composed of the proposed members of the upcoming Executive Committee to serve as the selection committee for the new MET executive director. The trustees for this committee would be Toby Lloyd, Julia Jitkoff, Sarah Taylor-Rogers, Royden Powell and Mary Burke. No vote was needed on the proposal. It also was agreed by consensus that the ad hoc committee would review the proposed bylaws for Forever Maryland.

On another matter, Royden Powell requested clarification on the reclassification of two MET staff positions discussed earlier in the meeting. Bill Leahy said that he would provide follow up information.

V. Adjournment

