



Board of Directors Quarterly Meeting

Forest Society, Concord
Amanda Merrill, Board Chair
Monday, January 27, 2020

Draft Minutes

Attendance

Voting members: Colin Cabot, Chick Colony, David Danielson, Bob Giuda, Martha Fuller Clark, Rich Cook, Mandy Merrill, Susan Slack, Ben Wilcox

Nonvoting members: Susan Francher, Shawn Jasper, Jim Oehler, Pierce Rigrod, Stephen Walker

LCHIP Staff: Barb Beers, Paula Bellemore, George Born, Kristen Powell, Dijit Taylor

Introductions

Mandy opened the meeting with a moment of silence honoring the recent losses of the wife of LCHIP board member Dick Lewis, Lynne Sanderson Mitchell, and LCHIP's bookkeeper, Jim Marshall. Introductions followed. The Forest Society's new president Jack Savage welcomed us. He acknowledged that they have received many grants from LCHIP that have helped leverage many other funds from donors throughout the state. He provided copies of an issue of *Forest Notes* focusing on recreational opportunities on Forest Society properties.

Minutes of November 14, 2019 BOD Meeting

No changes were proposed.

MOTION	To accept the minutes from the November 14, 2019 Board of Directors Meeting.	Colin Cabot
SECOND		Dave Danielson
VOTE		Approved unanimously

Conflict of Interest Forms

Completed Annual Conflict of Interest Forms were collected. Forms completed after the meeting can be sent to Barb. Martha raised questions about "major donor" on the form and suggested further discussion of the topic at a later time.

Board Contact Information

No changes proposed for contact information provided in the Board Packet.

Financial Topics

FY 2019 Audit

LCHIP is required by RSA 227:M to have an annual audit. In lieu of the traditional audit presentation by Hession and Pare. Finance Committee Chair Ben Wilcox provided summary of the FY 19 Audit based on a phone conference with Hession and Pare. The auditor was also available by phone to answer any questions that might come up during the board meeting.

Summary materials of the audit were provided prior to the meeting. Ben highlighted specific points:

- Caitlin Kelly spent two full days at the LCHIP office working on the audit;
- Financial statements were neutral, consistent, and clear and there were no problems conducting the audit;
- The auditor recommended and LCHIP made two material corrections, regarding pension expense (GASB Statement No. 68) and project grants;
- Total assets at the end of FY 18 and FY 19 are similar at around \$7 million. Most of this is committed to grants and CCE payments;
- Grant income and expense and higher CCE receivables related to size of grants and CCE transfers for projects completed in FY 19;
- Interest income is lower in FY19 than FY 18 because of timing of Treasury interest transfer;
- FY 19 increase in cash is due to the timing of project grant payments at year-end.

The audit recommended the following:

- Change wording in monthly financial reports from “Unrestricted Net Assets” to the term newly preferred in the industry “Net Assets Without Donor Restrictions;”
- Find a way to keep accounts within the FDIC insurance limit of \$250,000;
- Do not hold checks over from one fiscal year to the next.

When asked about just opening other accounts to deal with the FDIC limits, Dijit explained that there is benefit to holding all the grant payment money in a single account. She and the Finance Committee have been exploring options and are closing in on moving forward with an Insured Cash Sweep account at Bangor Savings Bank, whereby the bank is responsible for moving the money to other accounts. She was unable to answer a question about Administration fees of \$2200 and \$2700 in FY 18 and 19 but will find out and let Board know.

MOTION	To accept the draft FY2019 Audit as presented.	Bob Giuda
SECOND		Rich Cook
VOTE		Accepted unanimously

December 2019 Finance Report

Ben Wilcox summarized the annotated December 2019 Finance Report that was sent in the BOD Packet: Income is above budget and expenses are below budget. Income items of note: Bank interest is up at Bangor (where large grant payment money is held) and down at three other banks because of drawdown of reserve funds. Expense items of note: Pending expenses for IT and project signage; salary line item is higher than last year because of approved salary increases and retaining the HR intern as a temporary staff person. The Communication and Outreach line was explained as primarily for the consultant doing LCHIP’s newsletter and social media.

MOTION	To accept the December 2019 Finance Report.	Martha Fuller Clark
SECOND		Dave Danielson
VOTE		Accepted unanimously

Fund Updates

Trust Fund income YTD \$2,312,112 (FY 19 \$2,095,560)

CCE Market Value: \$5,610,091 (FY 19 \$4,345,537)

Dijit explained that because trust fund income is currently higher than in FY 19, there may be more money to distribute in grants.

Community Conservation Endowment (CCE) allocations for 2019 grant awards

The board packet contained a list of grant amounts and CCE allocations for November 2019 grant awards. These allocations are required by the LCHIP RSA 227-M:12 and are used to support incentive payments to reward grant recipients for fulfilling their legal obligations to LCHIP. An error was spotted in the list: The Estimated CCE for the Hinsdale House should be \$5000, reducing the Total Estimated CCE to \$328,100. Total is “Estimated” because allocations for natural resource projects are based on appraised value which may change between time of application and project completion. The *LCHIP Guidelines* provide formulae for how much to allocate. Planning studies do not require CCE allocations.

Community Conservation Endowment expenditure request

The Board packet included a memo from Dijit explaining the annual incentive payments and requesting authorization to draw from the CCE to make payments for calendar year 2019 monitoring reports. CORD approval has already been attained. The payments are a bonus provided to grant recipients who submit annual monitoring reports documenting that they are fulfilling their legal obligations to LCHIP. The Board discussed the purpose and amount of the incentive payments. Staff reported that the monitoring compliance rate is high typically over 90%. The request is for the same \$200 per unit as each year since 2013 but the number of units increases as projects are added. LCHIP staff investigates negative or concerning monitoring reports and sends a staff person (usually summer intern) to monitor non-compliant sites.

MOTION	To approve the expenditure of \$200 per unit up to \$87,200 from the LCHIP Community Conservation Endowment fund as incentive payments for LCHIP grant recipients who submitted annual reports documenting timely monitoring and acceptable conditions of LCHIP-assisted resource conservation and protection projects in calendar year 2019.	Bob Giuda
SECOND		Colin Cabot
VOTE		Accepted unanimously

Action Items

Proposed 2020 Grant Round Schedule

Staff presented a proposed grant round schedule similar to 2019:

- April Grant Orientation Workshops (dates TBA)
- May 1 Grant Round Opens
- May 15 Intent to Apply Forms Deadline
- June 26 Applications Due
- July – September Site Visits
- Early October Review Panels
- Mid November Board Grant Selection Meeting
- Early December Awards Announcement (pending availability of governor)

MOTION	To accept the proposed grant round schedule.	Bob Giuda
SECOND		Rick Cook

VOTE	Approved unanimously
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Project Extensions and Change Requests

Dijit reminded the Board that a change in extension policy in 2018 simplifies the process by having all projects scheduled to complete in December or June, so extension requests are generally seen only at January and June Board meetings.

Project details for each were included in the Board Packet. The projects below were handled in consent calendar format with the opportunity to discuss as needed.

Town	Project Name	Project Summary	Current Completion Deadline	Remaining Work	Requested Extension
Danbury	South Danbury Church	Full rehabilitation	12/31/19	Due diligence	June 30, 2020
Derry	First Parish Church 1	Tower/steeple rehabilitation	12/31/19	Due diligence	June 30, 2020
Fracesttown	Beehive	Full rehabilitation	12/31/19	Exterior painting, final site visit and due diligence	July 31, 2020*
Hampton	James House	Exterior stabilization	12/31/19	Window opening and frames, replacing sheathing on half of back, staining and due diligence	July 31, 2020*
Laconia	Colonial Theater	Rehabilitation of theater and associated spaces	12/31/19	Construction is just beginning	December 31, 2020

MOTION	To approve extensions of the South Danbury Church, First Parish Church (1) GR14, Fracesttown Beehive, and James House projects to June 30, 2020 and of the Colonial Theatre to December 31, 2020.	Ben Wilcox
SECOND		Martha Fuller Clark
VOTE		Approved unanimously

*Board decision to limit extension just to June allows the project to be completed within the 54-month limit set in LCHIP extension policy.

Project Extension requests not handled via consent calendar per request of Mandy Merrill.

Derry, First Parish Church (2) - GR 15, 2016)

Project involves repair of the slate roof, sheathing and framing, as well as installation of supplemental roof supports. The church has repaired several leaks to the roof, reducing the urgency. The building has been unusable since April 2016 when foundation repairs began. The church requests shifting their GR 15 roof repair grant award to the interior to make it safe and accessible. Alternatively, the church requests a one-year extension for this grant while keeping

it focused on its original purpose, the roof system rehab. The Board felt that allowing a major change in the scope of work would set a bad precedent, but was more sympathetic to the extension request.

MOTION	To approve a one-year extension for the roof rehabilitation work on the First Parish Church (2) – GR 15 project.	12/18/19
SECOND		Colin Cabot
VOTE		Approved unanimously

Milton, Plummer Homestead (GR 14, 2015)

Project involves repair and reconstruction of the foundation, installation of new drainage, and the restoration of the side entryway. The Museum has had staff turnover since receiving the grant and is currently operated by volunteers. In December, LCHIP received a description of the scope of work, an estimated timeline, a stewardship plan, and proof of match funds. On 12/18/19, LCHIP requested clarification of several questions in order to evaluate compliance with the Secretary’s Standards in December. Response was received on 1/20/20.

Because the proponent cannot find a qualified contractor to complete the foundation work within the LCHIP’s 54-month project completion time frame (June 30, 2020), they seek a reduction in the scope of work to just drainage which can be completed within the time frame. Shawn Jasper stated he visited the site recently and drainage is a major part of the problem. Staff noted that this request differs from the Derry change request because it entails work included in the original grant.

MOTION	To approve a reduction in scope of work and revised budget for drainage work only and an extension of the Plummer Homestead project to June 30, 2020	Bob Giuda
SECOND		Ben Wilcox
VOTE		Approved unanimously

Project Updates:

The Preservation Alliance has withdrawn acceptance of a 2015 grant for a Preservation Easement on the House of Seven Gables in Lancaster.

2019 Year in Review Summary

This being the Annual Meeting, Dijit shared a summary of LCHIP’s work and accomplishments during 2019.

Staff works to fulfill the expectations and policies of the Board in three main areas:

1. To ensure that funded projects are completed to high professional standards and on time
 - a. 35 projects were completed in 2019.
 - b. 14 NR projects including six projects protecting forests, water resources, wildlife (8658 acres) and eight farm projects (761 acres) for total of 9419 acres
 - c. 21 HR projects, covering more than 200 years (1750 – 1967): nine planning studies, three providing housing (Rogers House, Chamberlin House and Oceanic Hotel), two each government buildings and churches and one each school/historical society, library and house museum

- d. Total cost to LCHIP = \$3,263,060. Total project cost = \$19,701,199 so each dollar from the state through LCHIP brought in just over \$5 from other sources.
 - e. 56 mid-point, final or project problem site visits made to Historic Resource project sites.
 - f. Worked with DOJ to determine implications and changes of deed language related to change to the *LCHIP Guidelines* approved by Board in January 2019
2. To support Board in selecting projects to receive grant awards from those submitting applications
 - a. held 13 meetings with applicants who did not get funding in 2018, positioning to present better applications in subsequent years (out of 14 non-funded that year)
 - b. reviewed 57 applications received seeking \$7.6 million (~ same # applications as previous year, but total request up by \$500K+, unusual proportion of HR projects and high cost HR projects)
 - c. visited 40 of the applicant sites with 14 review panel members
 - d. Board selected 33 projects for funding, 21 HR and 12 NR
 - e. successful grant award announcement with Governor
 - f. increased number of Historic Resource Grant Orientation Workshops from 1 to 3, providing geographic diversity
 3. To ensure that all properties under legal agreement with LCHIP are being maintained to the required standard
 - a. LCHIP oversaw 323 natural, cultural and historic resources in the care of 129 different organizations
 - b. two seasonal employees (one HR & one NR) visited 66 sites to monitor and teach monitoring to grant recipients
 - c. paid out \$74,700 to previous 106 grant recipients to incentivize continued good care of the resources with legal obligation to LCHIP
 - d. addressed issues related to properties where interest holder was not correctly fulfilling their responsibilities - 2 appear settled, 1 is pending

Other

- Legislative testimony, most notably about a proposal to increase the fees that support LCHIP's grant-making
- Staff members serve on committees related to Moose Plates, federal Land and Water Conservation Fund grants, and Preservation Planning grants at NH Preservation Alliance, NH Land Trust Coalition Outreach & Education, Saving Special Places conference
- Produce monthly newsletter
- Added an additional part time temporary staff member, HR Assistant Kristen Powell
- Allocated a portion of the income from the CCE to pay for summer employees
- Completed FY 19 within budget in spite of additional expenses related to office move and higher rent at new & improved office location
- Began required new quarterly "Dashboard" reports to Treasury

Proposed schedule for *Guidelines* revisions

Dijit has developed a schedule for long-awaited *Guidelines* revisions. Changes range from straightforward to complex. Some updates may be brought to the Board soon. For example, currently the *Guidelines* require hard copy photo prints even though digital images are now standard. The Board will be updated as progress is made with the goal of adopting all changes

in January 2021. Dijit, Mandy, Ben, Dick and all LCHIP staff will work on this. Other help might also be needed.

Projects Completed September – December 2019 were included in the Board packet.

Legislation of Interest to LCHIP

Three proposed bills impacting LCHIP were summarized in the Board packet, SB-493-FN-A, SB 617-FN and SB 638-FN. SBs 493 and 617 increase LCHIP fee, 493 as a required fee increase and 617 as a voluntary increase. Martha and Bob explained the strengths and weaknesses of SBs 493 and 617 as they see them. SB 638 establishes a housing and conservation planning program in the Office of Strategic Initiatives.

Other Business – none

Public Comments - none

Adjourn: 4:14 p.m.

Next Meeting:

Monday, March 23, 2020, 2:00 - 4:30 p.m. Tilton Mansion, Tilton

Respectfully Submitted,

Barbara A. Beers
LCHIP Office Manager

Amanda Merrill
LCHIP Board Chair