



## Board of Directors Annual Meeting

Via Zoom

Susan Slack, Board Vice Chair

Monday, March 22, 2021

### Minutes approved at June 28, 2021 Board Meeting

#### Introductions and Explanation

Vice Chair Susan Slack called the meeting to order at 2:02pm in the absence of Board Chair Ben Wilcox. Dijit read an explanation (Addendum 1) of how the meeting accommodated right-to-know requirements under Governor Sununu's State of Emergency proclamation:

- the meeting was being recorded
- attendance and all votes would be taken by roll call
- Public comments welcomed at end of meeting

During roll call for attendance, attendees stated their Board position/interest and if anyone else was in the room with them. New Board member Senator Tom Sherman introduced himself.

#### Attendance

Voting members: Colin Cabot, Doug Cole, Chick Colony, Rich Cook, Dick Lewis, Mandy Merrill, Tom Sherman (left at 2:30pm), Susan Slack, Judith Spang

Nonvoting members: Jarod Chicoine, Sandy Crystal (DES for Pierce Rigrod), Susan Francher, Shawn Jasper, Jim Oehler, Stephen Walker

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

#### Minutes of January 25, 2021 BOD Meeting

No changes were proposed.

MOTION	To accept the minutes from the January 25, 2021 Board of Directors Meeting.	Colin Cabot
SECOND		Mandy Merrill
VOTE		Approved, Tom Sherman abstained

#### Conflict of Interest Forms

Barb reminded BOD members to return the LCHIP Annual Conflict of Interest Form (due 1/25/2021). The form can be signed electronically and sent back to her via email.

#### Board Contact Information

Provide any updates or corrections to contact information in the Board Packet to Barb.

#### Financial Topics

##### January 2021 Finance Report

Dijit reviewed the January Finance Report. Expenses are under budget and income is good. Bookkeeper fees continue to run over budget. Doug suggested seeking comparable costs from other nonprofit organizations. Line 1700 Deferred Outflow of Resources relates to a NH Retirement System calculation provided by the auditor.

MOTION	To approve the January 2021 Finance Report.	Doug Cole
SECOND		Mandy Merrill
VOTE		Approved unanimously

December Fund Updates

Dijit reported that both the Trust Fund income and the total CCE are higher than at the same time last year.

Proposed change to Financial Policies re check signing

The LCHIP Financial Policies and Procedures Manual, adopted by the Board on September 13, 2013 and revised January 14, 2019 requires two signatures on any check for \$10,000 or more, the Executive Director and either the Board Chair or Vice Chair. When LCHIP was assigned to writing checks for grant payments about five years ago, the number of checks needing dual signatures increased to 50 – 60 a year.

When the required co-signers live and work far from Concord and/or the Executive Director is unable to sign, this this can be a problem. New officers Ben Wilcox and Susan Slack suggested changing the policy to include a local Board member who could also sign checks. Rich Cook is local and willing to serve in this capacity.

MOTION	To revise the language in the Disbursements section of the LCHIP <i>Financial Policies and Procedures Manual</i> to read:  Checks written in an amount equal to or exceeding \$10,000 shall be signed by any two of the following: Executive Director, Board Chair, Board Vice Chair and an additional Board member so designated and authorized by the Board of Directors. Prior to the signing, an elected officer shall approve the payment. Prior to disbursement, a copy of the co-signed check shall be made and submitted with the supporting documentation to the Contract Accountant for filing.  To authorize Rich Cook to serve as the alternate designated signer of LCHIP checks for the next two years from 2021 to 2023 while the elected officers are not convenient to Concord.	Dick Lewis
SECOND		Colin Cabot
VOTE		Accepted unanimously

**Proposed Changes to LCHIP Criteria, Guidelines and Procedures**

The following three proposed changes to the *LCHIP Criteria, Guidelines and Procedures (Guidelines)* were presented and discussed individually but voted on collectively.

Update Guidelines Definition of Eligible Resources per RSA

LCHIP has been very careful since its inception to follow the wording of the RSA as much as possible in the *LCHIP Criteria, Guidelines and Procedures (Guidelines)*. In September 2019 the General Court revised RSA 227-M:2 to amend the definition of “Eligible Resources”. The *Guidelines* need to be updated to reflect that change.

The definition that needs changing (*Guidelines* Section 2 – Definitions) with the new language from the RSA in **bold** is:

“Eligible Resource” – means a natural, cultural, or historic resource including archaeological sites; historic buildings and structures which house cultural events and programs; historic properties including buildings and structures; historic and cultural lands and features; ecologically significant lands; existing and potential public water supply lands; farmland; forestland; habitat for rare species or important wildlife; **wildlife corridors and habitat strongholds as defined in RSA 207:1**, lands for recreation; riverine, lake, estuarine, and ocean shorelands; scenic areas and viewsheds; and wetlands and associated uplands.

#### Clarify Definitions of Eligible and Qualified Applicant

There is some linguistic confusion between LCHIP’s RSA and *Guidelines* about what constitutes an eligible applicant. LCHIP staff propose the following changes and additions (**in bold**) to the existing *Guidelines* definitions to apply the statutory definition of “eligible applicant” consistently and thereby reduce the confusion.

#### Definitions:

- “Eligible Applicant” – means a **municipality or other** political subdivision of the state of New Hampshire or a publicly-supported nonprofit corporation **exempt from federal income taxation under section 501(c) of the Internal Revenue Code**.
- “**Qualified publicly-supported nonprofit corporation**” - means a **publicly-supported nonprofit corporation exempt from federal income taxation under section 501(c) of the Internal Revenue Code**.
- “**Publicly-owned**” - means **owned by a municipality or other political subdivision of the State of New Hampshire**.

#### Perpetual Preservation Easement Interpretation

Recent project work has led staff to a closer examination of and this proposal to clarify the *Guidelines* language with respect to Perpetual Preservation Easements. The two issues that were identified as needing clarification are:

- Whether the requirement that the state of New Hampshire hold an executory interest in all easement interests acquired by the program (RSA 227-M3) applies when a perpetual preservation easement is required for restoration or rehabilitation projects with grant funding over \$400,000. (*Guidelines* 17.C.3) and
- What constitutes an “eligible entity” to hold a Perpetual Preservation Easement (*Guidelines* 17.C.3), specifically whether the state’s Division of Historical Resources is eligible to hold an LCHIP required Perpetual Preservation Easement. The term “eligible entity” appears only in this single place in the *Guidelines* and is not defined.

Staff propose to delete the current language of *Guidelines* Section 17.C. 3 and insert the following:

Current Language <i>Guidelines</i> Section 17. C.3	Proposed New Language <i>Guidelines</i> Section 17. C.3
<p>Perpetual Preservation Easements (PPE) may be acquired by eligible entities in order to protect the integrity of an historic resource, but Perpetual Preservation Easements are required for restoration or rehabilitation projects with grant funding over \$400,000. Any eligible entity other than the applicant may hold the easement; applicant is responsible for finding the entity. The PPE deed will be provided to the applicant by LCHIP.</p>	<p>The owner of any historical building, structure, or site benefitting from a cumulative total of \$400,000 or more in LCHIP financial assistance will be required to convey a Perpetual Preservation Easement (PPE) consistent with NH RSA 477:45-47 on the benefitted resource.</p> <p>The PPE required herein must be conveyed to the State of New Hampshire or the U.S. Government, or any subdivision of either, or a publicly-supported nonprofit corporation exempt from federal income taxation under section 501(c) of the Internal Revenue Code, which entity has among its purposes the preservation of structures or sites of historical significance, which agrees to and is capable of enforcing the terms of the Easement, and which is acceptable to LCHIP.</p> <p>The terms of the PPE will be subject to LCHIP review and approval. PPE conveyed pursuant to this Section are not acquired by the program and therefore there is no obligation to convey an executory interest therein to the State of New Hampshire.</p>

MOTION	<p>To approve the following changes to the <i>LCHIP Criteria, Guidelines and Procedures</i></p> <ol style="list-style-type: none"> <li>1. Amend the <i>Guidelines</i> Section 2. Definitions, by adding the phrase “wildlife corridors and habitat strongholds as defined in RSA 207:1” after the words “important wildlife;</li> <li>2. Revise the <i>Guidelines</i> Definitions section as shown above at <u>Clarify Definitions of Eligible and Qualified Applicant</u>.</li> <li>3. Revise the, <i>Guidelines</i> by deleting the existing language in Section 17.C. 3. and inserting the language shown above in <u>Perpetual Preservation Easement interpretation</u>.</li> </ol>	Mandy Merrill
SECOND		Dick Lewis
VOTE		Accepted unanimously

Stewardship Section

Dijit explained that the proposed changes to this section are needed to bring the *Guidelines* into alignment with current practice and to simplify, clarify and improve the method used to calculate allocations to and disbursements from the CCE. She also expressed appreciation to Dick Lewis for his extensive review of the proposed changes prior to the meeting.

Paula explained that past and current CCE encumbrance calculations for natural resources were based on the appraised value at the time of the proposal. This value often changes as projects develop, meaning that frequently insufficient or excess funds are encumbered for the CCE allocation for projects. The proposed change removes that inexactitude. More importantly, the proposed changes link the encumbrance for both historic and natural resource projects to risk assessment while also allowing for aerial monitoring of large, remote properties. The board was reminded that CCE incentive payments are driven by the “base rate” which is set by the board.

Staff recommends replacing Guidelines Section 16 Stewardship Management and Monitoring with the language in Addendum B. Changes to Section 16A 1 (to provide clarity) and 16 D.2 (to avoid conflicts with RSA 227-M) were proposed during the meeting.

MOTION	To accept the proposed changes to Guidelines Section 16 Stewardship Management and Monitoring along with the two changes made during the meeting.	Doug Cole
SECOND		Colin Cabot
VOTE		Accepted unanimously

## Discussion Topics

### Conflict of Interest Policy

Mandy returned to a question postponed from the October Board meeting: Is it appropriate to include “major donor” as an element of the conflict of interest policy that triggers recusal from discussion about a project and if so, how is “major donor” defined? This element of the conflict of interest policy was added with the last major revision in about 2018. Discussion about the two parts of the question ensued. While recognizing that donations to LCHIP applicants do not provide a direct financial benefit to the donor, there was general agreement that appearance of influence was to be guarded against. Board members were advised to use their judgement about what constitutes being a “major donor.”

MOTION	To continue with the current conflict of interest policy as written.	Doug Cole
SECOND		Chick Colony
VOTE		Accepted unanimously

### Multiple Grants to Single Applicants

Dijit reported that a Board member had observed in 2020 that some applicants received two or more grants while other viable proposals went unfunded. This raises question about the selection criteria and how grant funds are distributed across resources and applicant types. On the natural resource side of the program it’s not unusual to have multiple grants awarded to one applicant in one year. On the historic resource side, it is common for individual resources to receive multiple grants over multiple years which both protects LCHIP’s earlier investment and allows low-budget entities to complete expensive projects over time. Board members recognize that the questions involved are complex and a rigid adherence to any formulaic selection standards might have unplanned negative impact. Suggestions for possible further exploration:

- clarify what work constitutes the “routine maintenance and/or modernization” that the *Guidelines* exclude from eligible costs for historic resource projects;
- prioritize first time applicants or locales
- continue to support the most important resources

- analyze unmet state needs and set annual funding priorities to meet them

### Information Items

#### Proposed schedule for further *Guidelines* revisions

The Board confirmed that making revisions to the *Guidelines* by manageable incremental sections is an effective approach.

#### Summary Status of 2021 Legislation of Interest to LCHIP

Bill Number	Content	Action
HB 82	Allows amending conservation easement between a governmental body and a landowner.	Retained
HB 621	This bill allows registers of deeds to retain up to 10 percent of the surcharge assessed under the land and community heritage program for the sole purpose of archival restoration of the official land record.	Retained
SB 146	Omnibus Environmental Bill Part VII proposes changing LCHIP's RSA to give higher priority to agricultural land for food production	Ought to Pass with the LCHIP change removed
SB 56	Increases the revenue level at which non-profits must submit audits from \$x,000,000 to \$x,000,000	Re-referred to committee

#### Database upgrades—Board volunteer opportunity

The current LCHIP database, created in 2006, has become dramatically inadequate to handle the growing number of projects. Grant management systems exist that would much more effectively handle both the basic data and the entire application and grant management process and thus increase overall staff efficiency. Dijit invited interested Board members to join staff in investigating grant management systems.

#### Projects Completed January – February 2021

A list of projects completed was provided in the BOD Packet.

**Other Business** - None

**Public Comments** - None

Adjourn: 4:00 p.m. Motion to adjourn: Dick Lewis, Second: Colin Cabot

Next Meeting: Monday, June 28, 2021, 2:00 - 4:30 p.m. via Zoom?

Respectfully Submitted,

Barbara A. Beers  
LCHIP Office Manager

Susan Slack  
LCHIP Board Vice Chair

## **Addendum 1**

LCHIP Executive Director read the following at the start of the meeting:

As the Executive Director of the Land and Community Heritage Investment Program Board of Directors, I find that due to the State of Emergency declared by the Governor as a result of the COVID-19 pandemic and in accordance with the Governor's Emergency Order #12 pursuant to Executive Order 2020-04, this public body is authorized to meet electronically.

Please note that there is no physical location to observe and listen contemporaneously to this meeting, which was authorized pursuant to the Governor's Emergency Order. However, in accordance with the Emergency Order, I am confirming that we are:

a) *Providing public access to the meeting by telephone, with additional access possibilities by video or other electronic means:*

We are utilizing Zoom for this electronic meeting. All members of the Board have the ability to communicate contemporaneously during this meeting through this platform, and the public has access to contemporaneously listen and, if necessary, participate in this meeting through dialing the following phone # 1-929-205-6099, meeting ID 884 8994 5541 and password 374807.

*Providing public notice of the necessary information for accessing the meeting:*

We previously gave notice to the public of the necessary information for accessing the meeting, including how to access the meeting using Zoom or telephonically. Instructions have also been provided on the website of the Land and Community Heritage Investment Program at: LCHIP.org and posted on the NH legislative calendars.

b) *Providing a mechanism for the public to alert the public body during the meeting if there are problems with access:*

If anybody has a problem, please email: [officemgr@lchip.org](mailto:officemgr@lchip.org)

c) *Adjourning the meeting if the public is unable to access the meeting:*

In the event the public is unable to access the meeting, the meeting will be adjourned and rescheduled.

Please note that **all votes** that are taken during this meeting shall be done by **roll call vote and that the meeting is being recorded.**

We'll start the meeting by taking a roll call attendance. Dijit will read the Board list. When each member states their presence, please tell what interest you represent on the board and state whether there is anyone in the room with you during this meeting, which is required under the Right-to-Know law. Any members of the public who wish to comment on the meeting can do so at the "Public Comments" section at the end of the agenda.

## **Addendum 2**

### **16 Stewardship**

Stewardship is a critical component of the long-term protection of the resource asset acquired or restored or rehabilitated through the Program. Stewarding resource assets entails planning for and taking action(s) over time to successfully preserve and protect the natural, cultural, or historical values protected. Stewardship requirements vary by the type of property (land vs. buildings), the type of project (acquisition vs. rehabilitation/restoration), and the Steward (a municipality vs. a non-profit), along with other variables. Stewardship activities, including annual monitoring and inspections, will be carried out in a manner sufficient to reasonably determine that the property protected is being maintained and used in accordance with the restrictions in place and NH RSA 227-M.

For those Stewards who need assistance developing Stewardship Plans or programs to meet the LCHIP standards, technical assistance may be made available.

#### **A. Stewardship Plans**

A stewardship plan is required for each acquisition or rehabilitation and/or restoration project. A stewardship plan is not required for projects such as historic structures reports or resource inventories. Generally speaking, a stewardship plan should include the following:

1) Rehabilitation and/or Restoration Projects:

A plan for undertaking the maintenance and improvement activities necessary to manage the property in accordance with the LCHIP Stewardship Agreement, and describing how the Secretary of the Interior Standards will be followed in carrying out those activities. The Stewardship Plan should include a corresponding budget detailing the estimated expenses, including taxes, insurance, maintenance and repairs, and offsetting funds.

2) Acquisition of Fee or Easement Interests - Land:

(a) An overview of the annual monitoring program to be followed, and a description of how violations of, or challenges to, the restrictions encumbering the property will be addressed, and how such monitoring and enforcement activities will be funded.

(b) In addition, for fee acquisitions a general description of how the property will be managed, including proposed uses and activities, should be included.

3) Acquisition of Fee or Easement Interests - Buildings:

(a) Items outlined in 1 & 2 above.

In accordance with NH RSA 227-M, LCHIP staff will work with Grant Recipients to develop Stewardship Plans that meet the particular needs of each resource asset.

The Executive Director will make an affirmative finding that the Stewardship Plan is complete and acceptable before disbursing the final payment for any project.

#### **B. Annual Stewardship Activity**

1) Beginning in the calendar year following project completion and continuing through the term of the LCHIP Grant or Stewardship Agreement, a report of annual stewardship activities must be submitted to LCHIP by the established deadline. Annual reporting must include, at minimum, the following information:

(a) a description of the inspection conducted –attendees, time spent, area(s) inspected, route taken, etc.,

(b) a description of the observed physical condition(s) of the property,

(c) a description of the observed use(s) of the property and/or activities taking place on/in the property, and

(d) a summary of communications with the property owner or other interested parties regarding the property, including a description of any approvals sought or other stewardship matters raised or addressed.

**C. Change in Ownership**

- 1) Recipients will promptly provide to LCHIP the name(s), address, and phone number of any successors in title to the Resource Asset or any interest in the protected property promptly following any sale, transfer or conveyance of any portion of same.
- 2) Consistent with NH RSA 227 227-M:16 Recapture, if property is sold, by a seller who has received funds under this program regarding such property, to a non-eligible applicant, the program trust fund's cash investment in the property shall be returned to the program trust fund by the property seller. This section shall not apply to a sale between eligible applicants.

**D. Community Conservation Endowment fund**

The Community Conservation Endowment fund (CCE) is established under NH RSA 162-C:8 and 227-M:12 and is managed by the State of New Hampshire in accordance with NH RSA 227-M:12 II.

1) Transfers to the CCE

(a) For every acquisition or rehabilitation and/or restoration project, the LCHIP Board will authorize a transfer of funds from the Trust Fund to the CCE in accordance with the following schedule:

Project Type		LCHIP CCE Contribution
Right of Enforcement, Fee Acquisitions or Preservation Easement Acquisitions		\$10,000
Right of Enforcement, Conservation Easement Acquisitions		\$5,000
Stewardship or Term Agreements		
	5-year term	\$2,500
	10-year term	\$5,000
	15-year term	\$7,500
	20-year term	\$10,000

(b) Based on the specifics of any individual project the Executive Director may recommend the Board of Directors adjust the CCE transfer. Such adjustment will not be considered a waiver of this *Guidelines* and may be approved with a simple majority of the Board members in attendance at any meeting at which there is a quorum.

(c) Any principal transferred to the CCE for a term agreement may be returned to the Trust Fund following expiration of that agreement.

2) Expenditures from the CCE

In accordance with RSA 227-M:12 II., the Authority may request that the State of New Hampshire release a portion of the CCE funds accrued for the purpose of supporting annual monitoring of eligible LCHIP-assisted resources and ensuring those resources are managed according to the legal agreements in place. Accordingly, funds deposited in the CCE may be used to provide incentive payments to qualified Stewards in accordance with this Section, to provide technical or other assistance to Stewards in carrying out the obligations described in this Section, or for administrative expenses related thereto.

3) Stewardship Assessment Rubric (see table below)

For each completed Acquisition or Rehabilitation and/or Restoration Project a Stewardship Assessment Rubric will be completed by LCHIP staff and approved by the Executive Director. The Rubric will determine the Stewardship Assessment Score for each eligible project. The Stewardship Assessment Score will remain constant over time, except that the Executive Director may determine that due to changed conditions or circumstances it would be appropriate to update the Rubric for one or more projects.

4) Monitoring Incentive Payments

Each year the Authority may request that the State of New Hampshire release a portion of the CCE funds to qualifying Stewards as an incentive for completing acceptable annual monitoring and stewardship activities.

- (a) Calculation - The amount distributed to each eligible project will be the product of the “Base Rate” as established by the Authority, multiplied by the total points indicated by the Stewardship Assessment Rubric.
- (b) Eligibility - Upon receipt of an annual stewardship report acceptable to LCHIP, the Executive Director will authorize payment of the calculated stewardship incentive payments. Stewards of a resource who do not meet required reporting standards will not receive an incentive payment. Should these circumstances develop, LCHIP may utilize the corresponding incentive payment to undertake monitoring of the resource asset to ensure protection of the resource asset.

Stewardship Assessment Rubric				
Natural Resources	1 Point	2 Points	3 Points	Points
Acres	0-149	150 – 749	750+	
Legal Interest	“Third-Party” Right of Enforcement <i>Easement or Fee Acquisition</i>	Primary Right of Enforcement <i>Fee Acquisition</i>	Right of Enforcement <i>Easement Acquisition</i>	
Abutting Land Use	Low risk Remote, or abuts other conservation land	Moderate Risk Some abutting use may present a risk.	High Risk Abutting residential or other higher-risk uses	
Protected Property Use	Low Intensity Infrequent forest management, no developed recreation planned.	Moderate Intensity Working forestland or limited developed recreation planned.	High Intensity Active agriculture, expansive developed recreation planned, other high intensity use	
Other				
<b>Stewardship Points</b>				<i>max 15</i>

Historical Resource Projects	1 Points	2 Points	3 Points	Points
Legal Interest	5 or 10-year Term Stewardship Agreement	15 or 20-year Term Stewardship Agreement	Perpetual Right of Enforcement, Preservation Easement	
# of Buildings	1 building	2 buildings	More than 2 buildings, or an unusual structure <i>ex. a dam requiring special expertise</i>	
Overall Condition	Good to Excellent	Fair to Moderate	Poor to Fair	
Risk Assessment	Low Risk	Moderate Risk	High Risk	

	Property ownership, use, and construction well aligned with preservation	Ownership, use, or construction may present minor compliance challenges or infrequent requests for approval	Ownership, use, or construction may present compliance challenges and/or frequent requests for approval	
<b>Other</b>				
<b>Stewardship Points</b>				<i>max 15</i>

<b>Incentive Payment</b>		
<b>Total Stewardship Points</b> <i>(from Stewardship Assessment Rubric)</i>	<b>Multiplier</b>	<b>Payment Amount</b>
4-6	1	Base x 1
7-9	2	Base x 2
10-12	3	Base x 3
13-15	4	Base x 4

Example: The LCHIP Authority authorizes a \$200.00 Base Rate.

- The Rubric for Project A assigns it 5 points, therefore a multiplier of 1 is used to calculate a \$200 incentive payment ( $\$200 \times 1 = \$200$ )
- The Rubric for Project B assigns it 15 points, therefore a multiplier of 4 is used to calculate an \$800 incentive payment ( $\$200 \times 4 = \$800$ ).