

Maryland Environmental Trust
Board of Trustees Meeting Minutes
May 16, 2017

Maryland Environmental Trust (“MET”) Board of Trustees (“Board”) Chair James W. Constable called the meeting to order at 10:05 a.m. at 100 Community Place, Crownsville, Maryland 21032. Trustees in attendance were James Constable, David Greene (arrived late), Connie Lieder, Tom McCarthy, Doris Blazek-White, Gary Burnett, Mary Burke (via telephone for morning session only), Royden Powell III, Julia Jitkoff, Toby Lloyd, Judge Jay Plager, Sen. Adelaide Eckardt (afternoon session only), Sarah Taylor-Rogers, Dick D’Amato and Steve Quarles (arrived late). Assistant Attorney General Kristen Maneval attended. MET staff Bill Leahy, John Turgeon and Tanya Mekeal attended (both arrived late and departed early). Robert Carter and Ted Sudol of Bob Carter Companies, LLC attended.

I. Board Work Plan and Governance Topics

A. May 1, 2017 Board Meeting Minutes: *Mr. Lloyd moved approval of the minutes, Ms. Taylor-Rogers seconded and MET Board unanimously approved and adopted May 1, 2017 Board Meeting Minutes.*

B. Governance Committee & Nominating Subcommittee:

•Election of Trustee:

Judge Plager announced that the Speaker of the House of Delegates recommends Grant DeHart, Lori Lynch and Michael Pretl for a trusteeship. Judge Plager reported that the Nominating Subcommittee recommended to the Governance Committee and the Governance Committee recommended to the Board the election of Michael Pretl as trustee for a term of June 1, 2017-May 31, 2021. *The Governance Committee moved and seconded, and the Board approved the election of Michael Pretl as trustee for a term of June 1, 2017-May 31, 2021.*

MET is still waiting for nominations from the Governor.

C. Chairman’s Report:

Mr. Constable with the consent of the Trustees announced the following committee appointments effective June 1, 2017 (italics = non-Trustee):

Accreditation Working Group:

Jay Plager, Chair
Mary Burke, Vice Chair
Doris Blazek-White
Toby Lloyd

Agricultural Advisory Committee

David Greene, Chair
Toby Lloyd

Tom McCarthy
Royden Powell
Sarah Taylor-Rogers

Development Committee

Jim Constable
Julia Jitkoff
Geb Byron
Doris Blazek-White
Jay Plager
Richard D'Amato

Easement/ Stewardship Committee

Julia Jitkoff, Chair
David Greene
Royden Powell
Gary Burnett
Jim Constable
Steve Quarles
Ann Jones
Charlie Wells

Executive Committee

Jim Constable, Chair
Jay Plager
Doris Blazek-White
Mary Burke
At-large member (TBD)

Finance Committee

Doris Blazek-White, Chair
Jay Plager
Toby Lloyd
Geb Byron

Governance Committee

Jay Plager, Chair
Julia Jitkoff, Vice Chair
David Greene
Senator Adelaide Eckardt
Michael Pretl

Nominating Sub-Committee

David Greene, Chair
Julia Jitkoff
Geb Byron

Jay Plager, ex officio

Land Trust Advisory Committee

Phil Hager, Chair
Tom McCarthy
Senator Adelaide Eckardt
Kevin Case
Wally Lippincott
Rick Leader
Ann Jones

Legislative Committee

Phil Hager, Chair
Senator Adelaide Eckardt
Richard D'Amato
Del. Dana Stein

Hollman & Hughes Grants

Mary Burke, Chair
Ellie Kelly
Margot Bartosh (SHA)

KMB Bill James & Margaret Rosch Grants

Gary Burnett, Chair
Ellie Kelly
Mary Burke
Margot Bartosh (SHA)

KMB Clean-up and Green Up.

Mary Burke, Chair
Gary Burnett
Margot Bartosh
Carol Gilbert (DHCD)

II. Strategic Vision Plan Overview

Mr. Leahy said that Mr. Carter and Mr. Sudol will present their findings on research they have done on the feasibility of a nonprofit corporation to strengthen land conservation in Maryland. He reminded trustees that in February they adopted a strategic vision plan that called for four (4) focus areas: strong land trusts, strategic land conservation, strengthening MET's ability to steward easements and making MET the go-to organization on this issue, and broadening constituency and support. MET has an agreement with DNR to allow MET to spend time creating a new nonprofit corporation dedicated to strengthening land trusts and expanding

constituency and support, and staff has begun to move forward with some ideas. Another aspect of MET's agreement with DNR is strengthening the partnership between MET and DNR.

Office of Attorney General (OAG) Research

Ms. Maneval presented her research on the parameters of MET's ability to spend State time and resources on launching a nonprofit corporation. She distributed a memo to trustees. Certain rules are clear but on other topics there are only guidelines.

Mr. Green, Mr. Turgeon and Ms. Mekeal arrived.

Feasibility Study

Mr. Carter gave a slide presentation of the results of the feasibility study. (Trustees will receive a copy of the slide show and Carter's written report). A successful launch would need leadership; a compelling, urgent and emotional case for support; adequate internal resources; a great campaign plan; and access to contributable dollars. Carter Companies conducted 28 interviews with stakeholders, including potential first and second tier donors and potential leaders of the nonprofit corporation. Carter tested interviewees' perceptions about MET's capacity to implement a major fundraising initiative.

Mr. Sudol presented key observations. Interviewees consider OAG enforcement to be a unique facet of MET, and high levels of satisfaction with MET are tempered by perceptions of inflexibility and bureaucracy.

Mr. Quarles arrived.

Interviewees had a strong, positive feeling about the need for a statewide organization to support local land trusts, but some were unclear why a new organization would be needed to fill this role (why MET could not do it itself) and what precise niche the new organization would fill. Interviewees did not perceive the current MET Board as well-known or engaged with local land trust leaders and landowners. Directors of the new nonprofit corporation would need to be actively involved and be fundraisers and donors. The initial interviews did not reveal a lead donor who would contribute \$2 million or donors who would collectively contribute the desired \$10 million. The nonprofit corporation would need to build internal and external resources before some would be ready to donate. Interviewees would like to be certain that their gift is beyond the reach of State government and won't be used to offset a decline in State appropriations. Some interviewees commented that not all MET trustees are supportive of the launch of a nonprofit.

Carter Companies also worked with focus groups to test the following possible names: Conservation Maryland, Forever Maryland, Conservation Maryland Foundation and Forever Maryland Foundation. The focus groups preferred Forever Maryland Foundation so that was the name mentioned in the case for support. (During the process, some suggested that Maryland Environmental Trust change its name to Maryland Land Trust).

Mr. Sudol then presented the recommendations. The primary objective is to establish the nonprofit corporation as a leader in statewide land conservation. About nine months of work is needed before the suggested January 2018 launch. The slideshow contained a projected timeline. The respective roles of the MET Board and the nonprofit board would need to be precisely defined. Potential board members of the nonprofit corporation could be invited to serve on an advisory group to gauge their interest. For next steps, Mr. Sudol suggests establishing the advisory group, appointing its chair, creating task forces, conducting a governance audit, crafting policies and procedures, being prepared to receive planned gifts, etc. The committee would be charged with planning from the bottom up and would also work on short and long-term staffing. Mr. Sudol suggests that MET seed the fundraising with a grant from its own funds to the extent that such a grant would not violate donor intent. Volunteers would host awareness events. Some interviewees thought that \$10 million raised should be placed into an endowment from which MET could spend earnings to be supplemented by annual fundraising, while others thought initial donations should be spent and not put into an endowment. Carter's final analysis is that the concept of MET launching a nonprofit corporation is possible but requires work.

Trustees then asked questions. Ms. Lieder asked what crisis was prompting the discussion of a nonprofit corporation. Mr. Leahy stated that interviewees who are active in Maryland land conservation expressed need for an advocate and an entity that would generate new resources and perhaps even provide back office support for local land trusts. Mr. Quarles cautioned that any message about the nonprofit addressing unmet needs should not demean MET and its capabilities. Ms. Jitkoff wondered whether Partners for Open Space could expand its mission to encompass the niches that Forever Maryland might fill. When asked what niche Carter sees for Forever Maryland, Mr. Sudol responded that he sees a need for a nonprofit statewide group to focus on advocacy. Judge Plager pointed out that MET's statute is broad but over time MET has focused on donated conservation easements; he sees options as remaining as-is, expanding and working more ably with DNR, and finding an outside organization to help MET fundraise.

Mr. Sudol thinks Forever Maryland would be modeled on a hybrid of a university foundation and a community foundation. Even though Forever Maryland's bylaws would not give MET control of its board of directors, Mr. Quarles pointed out that its mission statement could include language about supporting MET. Mr. Carter emphasized the importance of public-private partnerships and a strong MET. Ms. Taylor-Rogers sees Forever Maryland as a way to enhance consistency as it would be a solid entity with a purpose consistent with that of MET. Mr. Quarles would not like to see funding from Forever Maryland go to the same activities that State general funds do because of the possibility of the legislature cutting MET funds proportionally. Mr. Constable sees Forever Maryland as a builder of political support to keep funding coming.

Sen. Eckardt arrived.

The Board adjourned for lunch at noon.

Chair Constable called the afternoon portion of the meeting to order at 12:50 p.m. for Board discussion and next steps. Carter suggests forming an advisory group with 10-12 members. Mr. Constable thought that might include MET trustees and former trustees, representatives of local land trusts, easement donors, and representatives of County programs. Mr. Sudol will provide names of possible advisory group members as suggested by the interviewees. The group would address how Forever Maryland would be distinct from MET, a governance structure, a business plan and budget. Mr. Leahy added that the group could consider whether there is a future role for Carter Companies. Sen. Eckardt suggested that legislation might assist MET with temporary ethics issues during the launch of Forever Maryland. Ms. Maneval informed the Board that the Ethics Commission counsel is available to speak to them and answer their questions. Mr. Leahy will consider whether existing MET staff and Board have the capacity to launch a new entity while fulfilling current obligations.

Mr. Sudol hopes the Board will be in a position to adopt Carter Companies' recommendations at the June meeting. Mr. Constable asked trustees to send their comments on the report to Mr. Leahy before the June meeting.

IV. Adjourn: The Board voted to adjourn the meeting at 1:23 p.m.

Respectfully submitted,



James W. Constable
Chair

These minutes were approved/revised by the Board of Trustees on June 5, 2017.

Attachment(s):

Please note that for most attachments listed and that are considered regular meeting handouts (like Stateside Budget/Finance, MET Administered (non-State) Funds Budget/Finance and Director's reports), a copy is stored with Handouts and MET Board Packets for the meeting at which that information was distributed to the Board. In that case, a duplicate copy will not be attached here.