

Maryland Environmental Trust
Special Session Board Meeting
December 19, 2017

Maryland Environmental Trust Board of Trustee Chairman James W. Constable called the meeting to order at 4:00 p.m. in the conference room at 100 Community Place, Crownsville, Maryland 21032.

Trustees in attendance were Sarah Taylor Rogers, Toby Lloyd, David Greene, Jay Plager, Gary Burnett, Richard D'Amato, Tom McCarthy, Mike Pretl, Mary Burke, Phil Hager. Julia Jitkoff, and Royden Powell participated via conference call. Also in attendance were Director Bill Leahy, MET staff John Turgeon and Wendy Hershey, and Ted Sudol, managing director of Carter.

Chairman Constable provided a 10-year overview of sustained interest by Maryland's Department of Budget and Management (DBM) to consolidate Maryland Environmental Trust staff and functions into Maryland's Department of Natural Resources:

- In 2014, Mr. Constable and Judge Plager met with a Joint Study Group, which affirmed the unique roles of MET and the various state agencies engaged in land conservation.
- In 2016, Mr. Constable met with Senator Bobby Neall, Director of the Office for Transformation and Renewal, who described current efforts to make government more efficient and to privatize government functions where possible.
- In 2016, Mr. Constable, Judge Plager, and Director Leahy met with Assistant Secretary JoAnne Throwe, Rob Etgen, and Deputy Secretary J. Daryl Anthony to consider a response to renewed discussions by DBM regarding consolidation of MET within DNR Land Acquisition and Planning. Emerging from these discussions was agreement that MET could proceed with forming within a 3-5-year timeframe a nongovernmental organization as a nonprofit charitable foundation to assume some of the responsibilities of MET.

Director Leahy added to Chairman Constable's report, noting that the discussions with DNR also led to a recommendation to not consolidate MET with DNR LAP; but rather, to seek increased opportunities for collaboration and efficiencies as separate units. DNR agreed to identify and assign a Land Conservation Liaison to support efforts for greater collaboration between MET, DNR and other State agencies. Trustee Tom McCarthy served as an interim in this role until Ms. Hershey was assigned in June 2017.

Director Leahy also noted that former AAG Kristen Maneval had, prior to her departure, confirmed with the State Office of the Attorney General and State Ethics Commission that MET could move forward with developing the new foundation as an appropriate step given MET's roles and responsibilities as to fundraising and other matters. Mr. Leahy noted that we are following the guidance derived from these discussions in moving forward with planning for the Forever Maryland Foundation.

I. Forever Maryland Foundation.
Presentation of Findings and Recommendations derived from the work of the Plan Implementation Committee.

- Director Leahy and Mr. Sudol provided an overview of the Plan Implementation Committee's work over the past four months, highlighting its meetings, findings, and recommendations. This work resulted in the development of a Concept Plan for the Forever Maryland Foundation; the document was distributed to the Board in advance. Director Leahy and Mr. Sudol prepared a detailed timeline and recommendations for a phased launch of Forever Maryland based on the Concept Plan.

Highlights of the presentation:

- The plan for Forever Maryland expands on and refines the idea of a unique public-private partnership as called for in MET's 2016 Strategic Vision Plan. The focus is on creating a stronger Maryland Environmental Trust as the state of Maryland's land trust, and Forever Maryland Foundation providing a statewide presence for the land conservation movement, serving as an honest broker, developing new funding networks, strengthening the land trust sector, and attracting, engaging, and inspiring more people to get involved in land conservation.
- Director Leahy presented comprehensive recommendations for launch of Forever Maryland which includes proposed priority activities, a proposed organizational structure, and a proposed operating budget for each phase. This includes:
 - Pre-Launch Phase: February – June 2018.
 - Ramp-up Phase: July 2018 – June 2020.
 - Scaled-up Launch Phase: July 2020 – and beyond.
- It was noted that action regarding MET funding for the Pre-Launch Phase and DNR approvals to proceed were matters still to be pursued.
- An overview of the proposed fundraising plan and strategic approach was presented by Mr. Sudol. He also described the wealth screening process that Carter recommends as a way to help identify and evaluate prospective donors.

II. Discussion by Board of Trustees

Following the presentation, the Board presented questions and engaged in discussion regarding the proposed plans for Forever Maryland.

Questions raised during the discussion:

- What will be the nature of the relationship between Maryland Environmental Trust and Forever Maryland Foundation? That is, would they be equal partners or would there be some other way to describe the relationship? As a preliminary response, Mr. Constable noted that the organizations likely would use

agreements, memoranda of understanding, and other such arrangements to define and establish the nature of the relationship.

- How would agreements between MET and Forever Maryland be structured? As a preliminary response, it was noted that memoranda of understandings, contracts, and agreements may be reasonable ways to define, clarify, and establish such matters as funding and joint priorities.
- Would there be a phase-out plan for some of MET's activities? That is, how would MET's role change - or not change - over time?

Mr. McCarthy left the meeting at 5:40 p.m.

- What is the current level of involvement, interest, and role of the existing Maryland Land Conservation Foundation Board. As a preliminary response, Judge Plager noted that plans are in development for the MLCF Board members to serve as an interim Board for Forever Maryland, for the purpose of approving a revised by-laws; adopting the name change from the Maryland Land Conservation Foundation to the Forever Maryland Foundation; and, voting in a new Board for Forever Maryland.
- What funds would be available from Maryland Environmental Trust private funding that could be used to seed the launch of Forever Maryland?
- Are there any restrictions on MET's available funds; and, if so, what is the nature of any restrictions?
- What will be the potential impact on MET's private fundraising as a result of Forever Maryland's efforts and activities in fundraising? As a preliminary response, Director Leahy noted that a principal role of Forever Maryland will be to engage in fundraising that supports MET's priorities and projects that are outside the scope of state funding.
- A request was made for a visual representation to identify and clarify MET's and Forever Maryland's distinct and overlapping roles and responsibilities.

Mr. D'Amato left at 6:00 p.m.

BREAK FOR DINNER 6:00 p.m. – 6:30 p.m.

Discussion (continued) by Board of Trustees:

- If Forever Maryland's Board will be an independent board, what will its relationship be with the MET Board? As a preliminary response, Chairman Constable noted that one scenario may be that MET's Board would have a power of appointment to name one-third of the Forever Maryland Board, at least for a period.
- Would Forever Maryland's Board have the authority to change the Foundation's by-laws once the Board was elected/appointed?
- What might be the impact in the state if MET were to cease to exist at some point in the future? As a preliminary response, Chairman Constable noted that, under such a circumstance, DNR may simply absorb the conservation easements currently held by MET.
- Does MET have the power and ability to create a non-profit foundation and can the Director of MET then become employed by the same non-profit? Mr. Constable responded in the affirmative. Director Leahy reminded that former AAG Kristen Maneval had contacted the State Office of the Attorney General and State Ethics Commission to confirm and affirm how MET and the current Director could move forward with developing the new foundation given its responsibilities for fundraising and other matters. We are following the guidance from those conversations as we move forward.

Observations:

- Judge Plager: That as an ex officio member of the Plan Implementation Committee he has been and continues to be enthusiastic, excited and in favor of the Concept Plan that has been prepared and distributed to the Board; but, he has concerns regarding the matter of seed funding for Forever Maryland by MET.
- Judge Plager reviewed for the Board the statutory authorization under which MET was created and noted that Forever Maryland's launch may be a way to help MET fulfill the roles and responsibilities it has not yet addressed.
- Judge Plager also noted that the emergence of Forever Maryland may prove to be a step that leads to the acquisition of a facility to house and support Forever Maryland, MET, local land trusts, and other such organizations.


- Mr. Hager noted that he believes the most important role for Forever Maryland is fundraising to increase MET's capacity to fulfill its mission.
- Mr. Hager also noted that he believes the Plan Implementation Committee has accomplished its assignment in defining the purpose and work of Forever Maryland and suggested that the MET Board needs to act to accept the Committee's recommendations, in whole or in part, to move the process forward.
- Mr. Sudol noted that if July 1, 2018 is to be the launch date for Forever Maryland, then there are a number of tasks, actions, and Board resolutions that need to be accomplished in a relatively short period; and, many of the steps will need to be completed in sequence, which will require time to arrange. The work ahead will need to be done -
 - By staff and counsel.
 - By the MET Board of Trustees.
 - By the Maryland Land Conservation Foundation/Forever Maryland Board.
 - By DNR.
- As to the likely launch date for Forever Maryland it was noted that while it may coincide with the start of the fiscal year (July 1), a public announcement of the launch may be held in the fall.
- Mr. Sudol suggested that if the members of the Board have any other questions regarding plans for Forever Maryland and MET, then it may be appropriate for the questions to be sent to Mr Leahy and Mr. Sudol by e-mail by early January.
- Chairman Constable noted that he and Judge Plager will continue working on a revised draft of by-laws for Forever Maryland, to be submitted to the MLCF Board for its action.
- Mr. Constable also noted that he believes the plan and timeline that has been presented to the Board regarding the launch of Forever Maryland Foundation represent a good step forward.
- Judge Plager noted that while he needs more time to complete his review of the plan, he believes it offers a good picture of how Forever Maryland Foundation will operate.
- Judge Plager also noted his concern regarding the potential impact and implications of Forever Maryland's launch on the future of MET; and, he requested a detailed plan and timeline for MET staff for FY 2019, including expectations by Mr. Leahy regarding his current dual roles for MET and Forever Maryland.

III. Board Direction and Next Steps:

- A. The February 12, 2018 Board meeting will be scheduled to start at 4:00 p.m. to allow sufficient time to first conduct regular Board business and then focus the balance of the meeting on discussion and formal action regarding the launch of Forever Maryland, including the matter of seed funding for Forever Maryland by MET. The change in time will be duly noted on the website to comply with the Maryland Open Meeting rules.
- B. Mr. Leahy and Mr. Sudol will include in their presentation at the February 12 Board meeting responses to the questions that have been raised in this special meeting. Mr. Leahy noted that Board members will be asked in a follow-up email to send any additional questions to him and/or Mr. Sudol by January 2, 2018. Their report and responses to questions will be prepared and distributed to the Board by February 1.
- C. Mr. Leahy requested Board approval to extend the Carter contract for January and February at the current monthly contract rate of \$7,000. Ms. Taylor-Rogers moved for approval to extend Carter contract through February 28, 2018. Mr. Burnett seconded. The motion passed unanimously.
- D. There will be no January special Board meeting.

IV. Adjourn - The Board voted to adjourn at 7:45 p.m.

Respectfully submitted,



James W. Constable
Chair

These minutes were approved/revised by the Board of Trustees on February 12, 2018

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 be attached here.