

MARYLAND HISTORICAL TRUST
BOARD OF TRUSTEES' MEETING
Thursday, January 25, 2024 at 10:00 AM

Pursuant to notice, the regular meeting of the Board of Trustees of the Maryland Historical Trust was held as a virtual meeting.

Trustees present: Sarah Kunkel Filkins, Howard Freedlander, James Delgado, Samuel J. Parker, Jr., Laura Davis Mears, Franklin A. Robinson, Jr, Jeffrey Buchheit, Al Feldstein, LaShay Harvey, Kristine Roome, Secretary Rebecca Flora, and Barbara Paca

Area Representatives present: W. Dickerson Charlton, Tom Vitanza, Sakinah Linder, Douglass C. Reed, Harry Spikes, II, Dean Camlin, Charles Stek, and Lisa Sasser

Office of the Attorney General: Rieyn DeLony, Adam Snyder

MHT Staff: Elizabeth Hughes, Anne Raines, Collin Ingraham, Kathy Monday, Carey Jones, Dana Halpert, Alan Gibson, Carolyn Nosacek.

Guests: Kenneth Brink, Elizabeth Comer

AGENDA

L1 CALL TO ORDER

Chair Mears called the meeting to order at 10:04 AM. Board members introduced themselves.

L2 APPROVAL OF MINUTES

Mr. Freedlander made a motion, seconded by Dr. Delgado, to approve the December 7, 2023 meeting minutes. The Board voted unanimously to approve the minutes.

L3 PUBLIC COMMENT

No public comment was offered.

L4 COMMITTEE REPORTS

L100 Capital Programs Committee

L101R Easement Appeal: Reed-Stitely House, Frederick County

Ms. Nosacek, the MHT Easement Administrator, reported that the owner of the Reed-Stitely House is appealing the MHT Director's denial of his request to replace the existing historic two-over-two windows and install six-over-six windows at the property. Ms. Nosacek provided an

overview of the history and significance of the property and explained the basis for MHT's decision on the window replacement request.

Kenneth Brink, the property owner, and Elizabeth Comer, President of the Catoctin Iron Furnace Historical Society, presented their argument in favor of replacing the two-over-two windows with a six-over-six window.

Following discussion, Dr. Delgado offered the following motion, seconded by Mr. Robinson, which was approved unanimously.

RESOLVED, that the Maryland Historical Trust Board of Trustees upholds the Director's denial of the request to replace the existing historic two-over-two windows and install six over six windows as this work is inconsistent with the Secretary of the Interior's *Standards for the Treatment of Historic Properties*, specifically *General Rehabilitation Standards* 3, 4, 5, and 6.

L200 Survey, Registration, Community Education & Museums Committee

L201R Heritage Preservation Fund – Prior Year Award Amendments

Ms. Hughes reported that MHT staff are requesting approval to repurpose prior year Heritage Preservation Fund monies previously approved by the Board of Trustees. The prior year awards include: 1.) \$30,000 award made to the MHT Office of Research, Survey, and Registration in fiscal year 2019 to conduct a survey of historic properties related to the Maryland dairy industry; and 2.) \$62,700 award made to the Office of Preservation Services to hire a contractual easement inspector in fiscal year 2024.

Staff are requesting approval to transfer all of the \$30,000 award and up to \$25,000 of the contractual easement inspector award to support continuation of ORSR's Architectural Survey Data Analysis project. By repurposing \$55,000 of previously awarded Board funds, combined with other funds already approved by the Board for the Data Analysis project, MHT will be able to hire a contractual staff position for a period of one year to support this priority project.

Mr. Feldstein inquired if Maryland dairy industry research would still be conducted in the Western Maryland region. Ms. Hughes indicated that while an Appalachian Regional Council grant request for that project had been denied in prior years, it may be time to revisit the ARC as a potential funding source since this work was still needed.

The following motion was made by Dr. Delgado, seconded by Mr. Freedlander, and approved unanimously.

RESOLVED by the Board of Trustees of the Maryland Historical Trust, that Resolution F204R from the February 1, 2018 meeting, which was approved by the Executive Committee on February 20, 2018, be amended as follows:

From approved language:

- Up to \$30,000 to support a Maryland dairy industry historic sites survey and context

To revised language:

- Up to \$30,000 to support staff positions for the ORSR data gap analysis project;

and **FURTHER RESOLVED**, that Resolution H201R from the May 18, 2023 meeting be amended as follows:

From approved language:

- Up to \$62,700 for the MHT Easement Inspector position

To revised language:

- Up to \$37,700 for the MHT Easement Inspector position
- Up to \$25,000 to support staff positions for the ORSR data gap analysis project.

L300 Management & Planning Committee

L301 Investment Committee Report

Mr. Freedlander, Chair of the Investment Committee, reported that the Board's investment portfolio performed well during the last quarter. Due to anticipated reductions in the interest rate by the Federal Reserve, the coming year may also yield positive results in the equities market. Mr. Freedlander noted that in 2023, the portfolio was up 15% over the trailing 12 months and no changes to the Board's investments are recommended at this time.

Ms. Mears reported that there are vacancies on the Investment Committee. If Board members are interested in serving on the Committee please let her know.

L302 Heritage Preservation Fund Disposition Policy Revision

Mr. Freedlander reported that expenditures from the Heritage Preservation Fund are guided by the Maryland Heritage Preservation Fund Disposition Policy. This policy, approved by the MHT Board, sets forth an annual limitation on expenditures from the Fund. Currently, the policy states that:

“Expenditures from the General Fund during a fiscal year (July 1 through June 30, annually) shall not exceed **six percent** of the value of the General Fund, not including expenditures authorized but not expended, during a prior fiscal year.” (the “Maximum Annual Expenditure”). In calculating the value of the General Fund, values shown on portfolio holdings statements for the General Fund shall be reduced by expenditures approved during a prior fiscal year, but not yet expended, and by any restricted funds and interest earned on such funds that are included in the General Fund. The value of the General Fund shall be based on a four year rolling average of the General Fund's market value and will be calculated using the valuations on March 31 of each of the four years preceding the first day of the new fiscal year.

When first created, this policy established the annual withdrawal rate as 4% of the value of the General Fund. At the October 4, 2012 meeting of the Board, at a time when the Fund was averaging an overall return of 7% annually, action was taken by the Board to increase that percentage to up to 6% of the value of the General Fund.

Studies show that a 4% withdrawal rate has the best chance of preserving a portfolio in perpetuity. In order to perpetuate a strong portfolio in good times as well as bad, the MHT Board Investment Committee is advising the return to a 4% withdrawal rate. Brown Advisory concurs with this recommendation.

Ms. Roome inquired if this 2% decrease in funds that are made available for special projects of the Board would have a substantial impact on the annual distribution. Mr. Freedlander indicated that it would not.

The following motion was made by Mr. Feldstein, seconded by Ms. Filkins, and approved unanimously.

RESOLVED, by the Board of Trustees of the Maryland Historical Trust, that the Maryland Heritage Preservation Fund Disposition Policy, adopted on February 1, 2007 and then subsequently amended, be further amended such that expenditures from the General Fund during a fiscal year (July 1 through June 30 annually) shall not exceed **four percent** of the value of the General Fund, not including expenditures authorized but not expended, during a prior fiscal year.

L303 Budget & Legislation

Ms. Hughes reported that funding for grant and tax credit programs are all fully funded in the FY25 budget that is under review by the Maryland General Assembly as follows:

African American Heritage Preservation Grant Program - \$5M

Capital Historic Preservation Grant Program - \$600,000

Maryland Heritage Areas Authority Financing Fund - \$6M

- \$300,000 of these funds may be allocated for the Non Capital HP Grant Program

Historic Revitalization Tax Credit Program

- \$20M for competitive commercial
- \$2M for small commercial

Ms. Hughes reported that there is one bill of concern to MHT. SB43, sponsored by Senator Hayes, would allow MHT or an applicant to MHT for a permit, grant, or tax credit to seek arbitration to resolve disputes between MHT and the applicant. Fees resulting from the arbitration are to be divided equally between MHT and the applicant. This provision applies to applicants requesting approval of alterations to easement properties as well. Ms. Hughes will be meeting with the bill sponsor later today to get a better understanding of the issue the bill seeks to address.

Ms. Hughes also reported that a bill has been introduced that would mandate funding for the MHT Historical and Cultural Museum Assistance Grant Program at \$5M annually. This program has not been funded since fiscal year 2012.

L304 Litigation & Legal Issues

Mr. Snyder stated that there is no active litigation or legal issues to report on at this time.

Announcements

MHT Board Meeting Location Updates for 2024

March 21, 2024 – 100 Community Place, Crownsville, MD

May 16, 2024 – Claggett Center, 3035 Buckeystown Pike, Adamstown, MD

July 25, 2024 – 100 Community Place, Crownsville, MD

October 17, 2024 – B&O RR Station, Silver Spring, MD

December 5, 2024 – 100 Community Place, Crownsville, MD

Meeting adjourned at 11:42 AM