

**MARYLAND HISTORICAL TRUST
BOARD OF TRUSTEES' MEETING
100 Community Place, Crownsville, MD**

December 8, 2016

Pursuant to notice, the regular meeting of the Board of Trustees of the Maryland Historical Trust (MHT) was held at 100 Community Place in Crownsville, MD on December 8, 2016.

Trustees present: Mmes. Bailey, Filkins, and Mears and Messrs. Edson, Feldstein, Gibson, Lighthizer, Luckenbach, Neall, Poffenberger, and Robinson.

Area Representatives present: Messrs. Azola, Brown, Callan, Eshelman, Reed, Spikes, and Stek.

Maryland Department of Planning: Ewing McDowell, Deputy Secretary.

Office of the Attorney General: Rieyn DeLony

Maryland Historical Trust Staff: Kate Bolasky, Michael Day, Elizabeth Hughes, Collin Ingraham, Natalie Loukianoff, Allison Luthern, Marcia Miller, Kathy Monday, Anne Raines, Patricia Samford, and Nell Ziehl.

Guests: Nicholas Redding, Preservation Maryland; J. Rodney Little.

Z1 CALL TO ORDER

Mr. Edson, Chair, called the meeting to order at 10:05 a.m. A quorum of Trustees was present.

Mr. Edson welcomed Senator Robert Neall, recently appointed as the Governor's Representative to the MHT Board. Mr. Edson then invited Rodney Little to address Senator Neall's many contributions to historic preservation efforts in Maryland over the period of his long public service career.

Z2 APPROVAL OF MINUTES

The October 7th Board meeting minutes were reviewed and amended to reflect Mr. Stek's attendance at the meeting.

Mr. Reed made a motion, seconded by Mr. Callan that the October 6, 2016 minutes be approved as amended. The motion was approved unanimously.

Z3 COMMITTEE REPORTS

Z100 Capital Programs

Z101 Introduction of New Staff Members

Mr. Reed, Chair of the Capital Programs Committee, invited Mr. Day to introduce two new staff members who recently joined the Office of Preservation Services.

Mr. Day first introduced Natalie Loukianoff, who serves as a Preservation Officer working in the Review and Compliance Program. Ms. Loukianoff fills a vacancy that was created over a year ago following the departure of Jonathan Sager.

Mr. Day then introduced Allison Luthern, who acts as the Trust's Easement Inspector. Mr. Day pointed out that while this position carries out a critical function for MHT, it is now a contractual position supported with MHT Board funds due to budget reductions that have occurred over time.

Z102R Easement Appeal Procedures

Mr. Reed explained to the Board that the Capital Programs Committee had discussed the development of Easement Appeal Procedures that would guide the decision making process of the MHT Board and asked Mr. Day to present the procedures to the Board.

Mr. Day explained that where terms of a preservation easement held by the Trust require prior consent of the Director for, among other things, changes or alterations of or to the property encumbered by the easement, the easement grantor is required under the easement to make a written request for consent to the Director. The Director has forty-five (45) days after the Director's receipt of grantor's request to make a written determination on the request. Pursuant to the easement, any such written determination that includes a denial, in whole or part, of the grantor's request may be appealed to the MHT Board of Trustees.

Mr. Day noted that staff has worked with legal counsel to develop the procedures presented to the Board today which are designed to outline for the Board the basis on which easement appeals must be considered. The procedures, as proposed, clarify that the decision of the Board to reverse or modify, in whole or part, the Director's determination shall be based upon the Board's proper application of the Secretary of the United States Department of the Interior's *Standards for the Treatment of Historic Properties* (Part 68, Title 36, Code of Federal Regulation), as such standards have been consistently interpreted by the Trust, and such basis shall be articulated in the Board's resolution on the appeal.

Mr. Day also explained that the procedures point out that the decision of the Board on an appeal, as adopted by resolution, is final, may not be revised by the Board, and is not subject to administrative or judicial review. The Board's review of an appeal is not a contested case proceeding within the meaning of Administrative Procedure Act, State Government Article, Title 10, Subtitle 2, Annotated Code of Maryland.

Board members discussed the proposed easement appeal procedures, expressing concern about whether the procedures, as crafted, overly restricted the Board's authority.

Mr. Callan made a motion, seconded by Dr. Eshelman, to establish a working group that would work with staff to further refine the easement appeal procedures. The motion was approved unanimously.

Dr. Luckenbach and Messrs Gibson, Reed, and Edson expressed interest in serving on the working group.

Z103 Tax Credit Award Announcements – New Business Item

Mr. Reed expressed his concern about the late announcement of the Maryland Heritage Structure Rehabilitation Tax Credit awards. Scheduled for December 16th, he noted that this late announcement date which followed the August 31st application deadline cost developers money as the onset of winter weather often prevented projects from beginning until the spring. He urged the Trust and the Administration to seek ways to announce the state tax credit awards earlier in the year. Discussion on how to best accommodate the need of developers to begin projects earlier in the year while at the same time providing an opportunity for the Governor to announce the awards followed.

Z200 Survey, Registration, Community Education & Museums

Z201 Jefferson Patterson Park and Museum Report

Dr. Patricia Samford, Director of the Maryland Archaeological Conservation Lab at Jefferson Patterson Park and Museum (JPPM), provided an overview of recent activities at JPPM.

Z202 PM/MHT Heritage Fund Agreement

Mr. Callan reminded the Board that at its May 2016 meeting in Havre de Grace, the Board discussed challenges relating to the administration of the Heritage Fund and the agreement between Preservation Maryland (PM) and MHT. To that end, staff member Nell Ziehl prepared a proposal and timeline for the Board's review at the October 2016 meeting. A draft revision and update of the PM/MHT Heritage Fund Agreement was included in the Board packet for the Board's discussion today, with the goal of finalizing the agreement when the Board next meets. Mr. Callan then invited Ms. Ziehl to review the current status of the draft document.

Ms. Ziehl reported that the Maryland Historical Trust and Preservation Maryland have prepared a revised agreement that merges the original document with the two subsequent amendments and reflects the following changes suggested by the Board:

- Properties that benefit from the Fund will no longer have to be determined eligible for inclusion in the Maryland Register of Historic Places. Instead, eligibility will be broadened to allow the committee to fund locally significant properties or other culturally or historically important properties that may not meet National Register criteria.
- The review committee consists of three appointments from each board (PM and MHT) and one joint appointment. Quorum is defined as four committee members. The agreement would be changed to stipulate that at least one member representing each organization should be present, in addition to the joint appointment.

She noted that changes to the agreement that were proposed in October include the following:

- The structure and form of the document have been tightened considerably with assistance from the Office of the Attorney General. This will provide greater protection and clarity for both MHT and PM.
- The Rules of Procedure outlining how the Selection Committee conducts business has been incorporated into the agreement, rather than made a separate document.

Ms. Ziehl explained that issues still to be resolved are reflected in comments in the draft document. The first issue of concern relates to temporary priorities for the fund. Originally the Selection Committee had to have the approval of both Boards to establish temporary priorities. MHT recommends maintaining that process, which would require the Office of the Attorney General to change the language in the attached draft document. PM supports amending the process to allow the Selection Committee to set priorities without Board approvals.

The Board discussed the relative advantages and disadvantages of this approach.

Mr. Callan made a motion, seconded by Mr. Stek, that the Boards of Preservation Maryland and the Maryland Historical Trust would retain their authority to jointly establish temporary priorities for the Heritage Fund. The motion was approved unanimously.

Ms. Ziehl explained that a second outstanding question involved whether proxy voting by Committee members should be allowed. It is not currently permitted under the existing Agreement.

Mr. Feldstein made a motion, seconded by Ms. Bailey, that proxy voting by Committee members shall not be permitted. The motion was approved unanimously.

Ms. Ziehl indicated that she would communicate the Board's actions on these issues to Preservation Maryland and work with staff to develop the final version of the Agreement for action at the February Board meeting.

Z203R Resolution Honoring Richard Hughes

Mr. Callan reported that long time MHT staff member Richard Hughes will be retiring effective December 31, 2016.

Mr. Callan made a motion, seconded by Ms. Filkins, that the following resolution in appreciation and thanks to Richard Hughes for 35 years of service to the Maryland Historical Trust be approved. The motion was approved unanimously.

Whereas the Maryland Historical Trust was created in 1961 as an instrumentality of the State of Maryland for the purpose of preserving, protecting, and enhancing districts, sites, buildings, structures, and objects significant in the prehistory, history, upland and underwater archeology,

architecture, engineering, and culture of the State, to encourage others to do so and to promote interest in and study of such matters; and

Whereas Richard Hughes served MHT since 1981 and became Chief of Archeology in 1987, where he worked on the development and passage of legislation establishing the Office of Archeology, the Maryland Maritime Archeology Program, and State procedures for the treatment of Native American and other human remains; and

Whereas for nearly thirteen years, Richard Hughes led the nationally recognized Maryland Heritage Areas Program, governed by the Maryland Heritage Areas Authority, supporting thirteen certified heritage areas that foster economic development and heritage tourism throughout the state; and

Whereas Richard Hughes has advised the development of national and regional destinations such as the Harriet Tubman Underground Railroad State and National Park and Scenic Byway, Star-Spangled Banner National Historic Trail and, most recently, a master plan for the creation of a Piscataway Indian Heritage Trail; and

Whereas, over the course of his time with the Maryland Heritage Areas Program, he has read over 1,200 grant applications, as well as Arts and Entertainment district applications and Tourist Area Corridor signage applications, and it is high time he read something for pleasure; and

Whereas he wants, for some reason, to spend time travelling in his plane or on his motorcycle instead of attending meetings; and

Whereas his patience, guidance, knowledge, kindness and excellent service have been critical to the success of MHT and the Maryland Heritage Areas Program;

Now, therefore, be it resolved that the Maryland Historical Trust Board of Trustees wishes to express its deep appreciation to Richard Hughes for his thirty-five years of service and to wish him a healthy, happy and prosperous retirement and a rewarding next phase of life.

Z204R Orlando Ridout V Lecture Sponsorship

Mr. Callan reported that at its July board meeting, the MHT Board approved an allocation of up to \$500 for the first annual Orlando Ridout V Memorial Lecture. This lecture featured Willie Graham, of Colonial Williamsburg, presenting his talk, "Documenting Our Architectural Past." The event was hosted by the Historic Annapolis Foundation and the City of Annapolis; MHT was listed as a sponsor for the event.

Originally, Board funds (and matching funds from the agency's operation budget) were requested to pay overtime for the security guards at the Maryland State House. The State has agreed not to bill for security for this event. Thus, MHT is requesting the funds be used for a general sponsorship fee to assist in defraying the production costs of the lecture event. This includes, but is not limited to, printing, postage, speaker honorarium, and event expenses.

Mr. Callan made a motion, seconded by Mr. Feldstein, that the following resolution be approved. The motion was approved unanimously.

RESOLVED, by the Board of Trustees of the Maryland Historical Trust, to approve a change in the use of already approved expenditure of up to \$500 from the MHT Heritage Preservation Fund in fiscal year 2017 to support production costs for the first annual Orlando Ridout V Memorial lecture on October 12, 2016.

Z300 Management & Planning
Z301 Litigation & Legal Issues

Ms. DeLony reported that the Trust is involved in no litigation or legal issues at this time.

Z302 Budget & Legislation

Ms. Hughes reported that the Fiscal Year 2018 operating budget has been submitted and the Maryland Department of Planning's hearing with the Department of Budget and Management was held on November 9th. Release of the Governor's final version of the operating budget will take place in January.

Ms. Hughes also noted that the required Joint Chairmen's Report on the status of MHT grant programs was completed and submitted to the budget committees by the revised October 15th deadline. There have been no follow up questions or comments about the report. Copies of the report were distributed to Board members for review.

Ms. Hughes noted that the only legislation of note that is anticipated during the upcoming session of the General Assembly would be a bill to increase the ceiling on funding available to the Maryland Heritage Areas Program from \$3 million to up to \$6 million. This is not expected to be an Administration bill.

In terms of federal budget and legislative issues, Ms. Hughes reminded the Board of the importance of the Historic Preservation Fund (HPF), funded by Outer Continental Shelf drilling leases, which provides support for State Historic Preservation Offices (SHPO) like MHT by formula. These funds are matched by each state to fund SHPO activities that have been delegated to the states by the federal government. The HPF authorization expired on 9/30/15 and during this Congress the National Conference of State Historic Preservation Officers and its partners have been working to reauthorize the fund.

At this point in time, the National Park Service Centennial bill includes a seven year HPF reauthorization provision which has passed the house and is now working its way through the Senate. Whether or not reauthorization will be accomplished this Congress remains unclear.

In terms of appropriations, Fiscal Year 2016 ended on September 30, 2016, but because Congress has failed to pass Fiscal Year 2017 appropriations bills, the government has been funded since then with a continuing resolution that funds the federal government at Fiscal Year

2016 levels. The current continuing resolution expires on December 9th but is expected to be extended through the end of March.

Ms. Hughes also noted that as tax reform becomes a major topic of discussion in the next Congress, the federal rehabilitation tax credit may be in danger. Continued advocacy on the federal rehabilitation tax credit program is hoped to educate members about the impact of the credit and secure their support for its survival in advance of comprehensive tax reform efforts.

Z304 Investment Committee – Report

Mr. Poffenberger, Chair of the Investment Committee, reported on the Committee's December 1st conference call. Hunter Purcell, the advisor assigned to the Board's account, meets with the Board semi-annually. At this meeting, he recommended no specific changes to the Board's investment strategy.

Mr. Poffenberger reported that the Committee asked Mr. Purcell to address the Board's current "percentage-based" vs. "transaction-based" fee structure with Brown Advisory. Mr. Purcell continues to strongly endorse the percentage based (also known as "fee-based") structure in which the broker charges a percentage of the fund's value. The Committee has no recommended changes.

Mr. Poffenberger noted that the Committee will be discussing internal controls around account reconciliation at its next meeting.

Z303 2017 Meeting Schedule

Ms. Hughes noted that there has been a change in the 2017 meeting schedule. Instead of a January Executive Committee conference call, there will be a full Board meeting on Tuesday, February 7th to coincide with Maryland History Advocacy Day. The Maryland History Day Advocacy briefing will take place from 9-10 AM at the Brice House, 42 East Street, Annapolis.

On this day there will be no Board Committee meetings. The full Board will meet from 10 AM - 12 PM at the Brice House. A box lunch will be provided. Board members will be encouraged to schedule visits with their legislators during lunch or in the afternoon. Preservation Maryland can assist in scheduling these visits.

The MHT Board preservation awards event will take place on Tuesday, March 14 in the President's Conference Room in the Miller Senate Office Building. Unlike in previous years, the Board will not meet on this date. The MHT Board Preservation Awards ceremony will take place from 4:30 - 7 PM and Board members are strongly encouraged to attend.

The remaining dates are unchanged from what was previously announced:

Thursday, May 11, 2017

Carroll County Farm Museum
500 South Center Street
Westminster, MD

Thursday, July 13, 2017

MHT Offices
100 Community Place
Crownsville, MD

Thursday, October 5, 2017

Location TBD
Berlin, MD

Thursday, December 7, 2017

MHT Offices
100 Community Place
Crownsville, MD

Announcements

There were no announcements.

The meeting adjourned at 12:30 p.m.

Mr. Charles L. Edson, Chair

Elizabeth Hughes, Director