

**MARYLAND HISTORICAL TRUST  
BOARD OF TRUSTEES' MEETING  
May 19, 2016  
Vandiver Inn  
301 S. Union Ave, Havre De Grace, MD**

Pursuant to notice, the regular meeting of the Board of Trustees of the Maryland Historical Trust (MHT) was held at the Vandiver Inn, 301 S. Union Ave., Havre De Grace, MD on May 19, 2016.

Trustees present: Mmes. Bailey and Filkins and Messrs. Edson, Feldstein, Gibson , Parker, Poffenberger.

Area Representatives present: Messrs. Brown, Callan, Camlin, Eshelman and Spikes.

Maryland Department of Planning: David Craig, Secretary; Brandon Wright, Chief of Staff.

Office of the Attorney General: Rieyn DeLony

Maryland Historical Trust Staff: Elizabeth Hughes, Kathy Monday, Nell Ziehl

Guests: Margaret DeArcangelis, Preservation Maryland

**W1            CALL TO ORDER**

Mr. Edson, Chair, called the meeting to order at 10:05 a.m. A quorum of Trustees was not present. A majority of the Board's Executive Committee was present.

Mr. Edson invited Secretary Craig to address the Board. Secretary Craig welcomed the Board and provided a brief history of the City of Havre de Grace.

**W2            APPROVAL OF MINUTES**

Mr. Camlin made a motion, seconded by Mr. Callan that the March 16, 2016 minutes be approved as submitted. The motion was approved unanimously.

**W3            COMMITTEE REPORTS**

W100        Capital Programs

W200        Survey, Registration, Community Education & Museums

W201R      CLG Grant awards

Mr. Callan indicated that he would recuse himself from this discussion as he serves on the board of the Maryland Association of Historic District Commission and then left the room.

Nell Ziehl provided an overview of the Certified Local Government grant application rating and ranking process. She noted that staff had solicited and reviewed applications for a total of \$152,900 in federal fiscal year 2016.

Ms. Bailey made the following motion. The motion was seconded by Ms. Filkins and approved unanimously.

**RESOLVED**, that the Maryland Historical Trust Board of Trustees approves federal FY 2016 Certified Local Government Grants-in-Aid in the amount of up to \$79,780 as set forth below, which have been approved by the State Historic Preservation Officer:

1. **Calvert County** – Up to \$13,000 to survey and conduct vulnerability assessments on archeological resources threatened by sea-level rise, coastal erosion and flooding along Hunting Creek. Project includes public outreach and education in the affected area, as well as vulnerability scenarios for archeological and Maryland Inventory of Historic Properties (MIHP) sites using state mapping tools. This planning component may serve as a model for other jurisdictions.
2. **Charles County** – Up to \$10,000 for landscape investigations of Rich Hill, a nationally significant 18<sup>th</sup> century property associated with John Wilkes Booth's escape, to locate the sites of outbuildings and landscape features.
3. **City of Cumberland** – Up to \$17,000 to create an individual MIHP form for the Jane Gates House and update the MIHP documentation for multiple districts, potentially including new midcentury resources.
4. **City of Frederick** – Up to \$12,000 for a MIHP survey of East Frederick to determine eligibility for designation as a local historic district and recommend boundaries.
5. **City of Salisbury** – Up to \$12,500 to update Salisbury's Design Guidelines for the commercial and residential historic districts reviewed by the Historic District Commission.
6. **Maryland Association of Historic District Commissions (on behalf of eligible CLGs)** – Up to \$7,000 to provide educational and training programs for historic preservation commissions and up to \$4,680 for historic preservation commissioners and staff to attend the 2016 National Alliance of Preservation Commissions *Forum* training in Mobile, AL. MAHDC will receive an administrative fee of \$2,000 to distribute funds, as well as \$1,600 to host a new commission training, *Legal Symposium: Creating, Defending and Enforcing a Strong Historic Preservation Ordinance*.

W202R            UMD Graduate Assistantship

Ms. Hughes reported that the University of Maryland Urban Studies and Planning Program (URSP) has internship arrangements with several Maryland State agencies. These internships benefit the program's most outstanding master's students who were given program research or teaching assistantships for their first year. The Graduate Assistant (GA) Internship is undertaken during the student's second year. Currently, URSP has this arrangement with the Department of Housing and Community Development, the Maryland Department of Transportation, the Maryland Transit Administration and with the planning offices of Montgomery and Prince George's County. In a GA Internship arrangement, the student works 20 hours per week at the State agency for two semesters (9.5 months) and is paid approximately \$7,995 for each semester.

A current student who is seeking a dual degree in Community Planning and Historic Preservation has expressed interest in doing a GA internship with the Maryland Historical Trust. The Trust has interviewed this student and would like to offer her an internship with the Office of Research, Survey and Registration. It is anticipated that she will work with staff to conduct survey work in priority areas (identified through the data gap analysis) and on threatened properties. The intern will also produce an historic context; the exact topic will be determined based on survey and compliance needs.

The cost of this internship totals \$15,990. Funds remaining in the FY2016 Heritage Preservation Fund for the purposes of disposition in FY2016 total approximately \$10,682.48. All of this remainder will be needed to fund the internship. The \$5,307.52 shortfall will be supported with general funds in the Trust's operating budget.

Ms. Bailey made the following motion. The motion was seconded by Mr. Feldstein and approved unanimously.

**RESOLVED**, by the Board of Trustees of the Maryland Historical Trust, that an expenditure of up to \$10,682.48 from the MHT Heritage Preservation Fund in fiscal year 2016 to support a Graduate Assistant Internship in FY17.

W203            PM/MHT Special Grant Fund

Ms. Hughes explained that a Grant Agreement was entered into on December 15, 1994, and subsequently amended and extended in 2002 and again in 2004, by MHT and Preservation Maryland (PM) to establish a fund (the "Fund") held and managed by PM and dedicated for historic preservation projects throughout the State. Interest earned on the Fund supports the Preservation Maryland Heritage Grant Program. Currently, the Fund's Grant Selection Committee meets three times per year to evaluate and select grant projects for funding. The Selection Committee has seven members: three appointed by the Board of Trustees of PM; three appointed by the Board of Trustees of MHT; and one selected jointly by the President of PM and the Chairman of the MHT Board of Trustees.

Ms. Ziehl, the MHT staff representative at meetings of the Selection Committee, noted that MHT staff have recently become aware of certain issues related to the administration of the Fund which require guidance from the Board. Specific action is not requested at this time. However, based on the Board's feedback, it may be desirable to pursue revision of the existing Grant Agreement, or creation of new procedures for the Board's review. The issues are as follows:

1. Eligible Activities – Legal Fees: Currently, legal fees are an eligible activity for funding. Does the Board continue to support this as an eligible activity of the Fund?

The Board discussed this issue and concluded that no change or modification to this eligible activity was desired. The Selection Committee should have the flexibility to exercise its own discretion and determine grant terms and conditions when applicants request funds for legal fees.

2. Eligible Activities – Projects with MHT Regulatory Involvement: Periodically, applications are submitted for projects that entail a MHT regulatory duty, such as Section 106 review. At Selection Committee meetings, staff representing MHT indicate where such involvement exists, if known, and make recommendations for avoiding conflicts of interest between the Fund and the MHT programs. Should the Grant Agreement direct the Committee to take any particular action in such cases?

The Board discussed this issue and concluded that no change is desired.

3. Eligible Properties – Maryland Register: The Grant Agreement stipulates that historic properties funded must be eligible for inclusion in the Maryland Register of Historic Places. This means that properties must be listed in or be determined eligible for inclusion in the National Register, which limits the flexibility of the Selection Committee to fund locally significant properties or other properties that may not meet National Register criteria.

The Board discussed this issue and determined that broadening eligibility of properties that may benefit from the Fund to include those that are locally significant or permitting a waiver of the Maryland Register requirement would be desirable. This change will require an amendment to the Grant Agreement.

4. Quorum and MHT Representation: The Selection Committee consists of three appointees each from the PM and MHT Boards, and one joint appointee. Quorum is defined in the Grant Agreement as four committee members. This quorum number enables issues before the Selection Committee to be determined by three members of one Board, plus the joint appointee. Should the Grant Agreement be amended to stipulate that quorum requires that the four member quorum include at least one member of each Board, in addition to the joint appointee?

The Board discussed this issue and supports amending the Grant Agreement to make this change.

Nell Ziehl will work with Margaret DeArcangelis of Preservation Maryland to make revisions to the Grant Agreement pursuant to the Board's discussion. Approval of the revised Grant Agreement will then be sought from the MHT and PM Boards.

W300            Management & Planning  
W301R          MHT Board Audio Recording Retention Schedule

Ms. Hughes reported that the Open Meetings Act does not require that public bodies record their meetings in audio form, but if such audio recordings are produced, then the body is required to retain those recordings for a certain period of time. Previously, that period of time was one year. During the 2016 legislative session, SB17 amended that requirement such that public bodies are now required to retain audio recordings of meetings for a minimum of five years.

Currently, both written and audio recordings of the Board's meetings are retained indefinitely. The Office of the Attorney General advises that retaining audio recordings indefinitely is not a best practice, provided that written meeting minutes are retained. There may be circumstances related to on-going, potential or threatened litigation that necessitate retention of certain recordings beyond the five-year limit; the Board can retain such recordings as the OAG may advise on a case-by-case basis.

Mr. Callan made the following motion. The motion was seconded by Mr. Camlin and approved unanimously.

**RESOLVED**, that, except as the Office of the Attorney General may advise on a case-by-case basis, the MHT Board of Trustees will retain audio recordings of the Board's meetings only for a period of five years as required by Senate Bill 17, 2016 Session of the General Assembly, which amends the State's Open Meetings Act.

W302            Investment Committee – Report

Mr. Poffenberger reported that the Investment Committee met by teleconference on May 12<sup>th</sup> for its annual review of the Board's investment policy, as required by the Bylaws. Brown Advisory investment advisor Hunter Purcell participated in the call.

Mr. Poffenberger reminded the Board that the Investment Committee had received a letter from Brown Advisory on August 31, 2015 noting that the Board should consider whether a per transaction fee structure would be more advantageous than the percentage of assets managed fee structure that is currently in place. The Committee learned that this letter was sent to all of Brown Advisory's clients in compliance with federal regulation, but does not represent a recommendation. The Committee has asked Brown Advisory for a summary of the Trust's fee history before making a final decision on whether to change the fee arrangement.

Mr. Poffenberger noted that since 2006, the overall return on the Board's investment has outpaced withdrawals, with Board expenditures totaling approximately \$850,000 compared to investment account's growth by \$1.1 million. The Committee intends to continue to pursue a moderate growth profile, keeping little to nothing in cash in order to grow the account to the fullest extent possible.

W303            Nominating Committee

Ms. Hughes reported that the Nominating Committee includes Jim Lighthizer, Chair, and Trustees Barrie Tilghman and Larry Gibson. The Nominating Committee has begun seeking nominations for Officer and Area Representative positions. The Board will vote on these positions at the July 28th Board meeting.

W304            Budget & Legislation

Ms. Hughes reported on the effect of various bills of interest to the Trust. She noted that SB759, which reauthorized and extended the Heritage Structure Rehabilitation Tax Credit, is being signed by the Governor today.

Ms. Hughes reported that the fiscal year 2017 budget bill requires a reduction in the state work force totaling 657 vacant permanent positions and the return of \$20 million in general funds and \$5 million in special funds to the state treasury. The Trust currently has seven vacant positions and it is likely to lose some of these to the 2017 budget cuts. The Board asked the Director to advise whether it would be helpful to send a letter from the Board to the Secretary of the Department of Budget and Management or to the Governor's expressing concern about the proposed reductions and communicating the Board's priorities. Ms. Hughes responded that she would follow up with the Chair regarding the most effective course of action.

Ms. Hughes reported that *The Report on the Fiscal 2017 State Operating Budget (SB190) and the State Capital Budget (SB 191) and Related Recommendations by the Chairmen of the Senate Budget and Taxation Committee and House Appropriations Committee* (otherwise known as the Joint Chairmen's Report, or JCR) included language requiring the development of a report that will address Preservation, Survey, and Museum Operating Funding needs. The specific language of the report is as follows:

**Preservation, Survey, and Museum Operating Funding Needs:** The committees are concerned that MHT no longer provides non-capital and capital grant funding for the work done by the Historic Preservation Grant Program, and the Museum Assistance Program. Therefore, the committees request that MDP work with the Department of Budget and Management (DBM) and preservation advocates to identify the need and demand for preservation, survey, and museum (operating and capital) grant funding and future plans to address these statewide needs in a report to be submitted by September 1, 2016. For the report, MDP and DBM should also comment on potential innovative funding options available, the experience of nearby states, and the staff capacity necessary to administer these programs.

Trust staff have begun working on this report in partnership with Preservation Maryland and other statewide preservation and museum organizations.

Ms. Hughes also reported on the status of federal Historic Preservation Fund reauthorization legislation and the Military Land Act.

Ms. DeLony reported that the Board is involved in no litigation at the present time.

Ms. DeLony reported that no response has yet been received from the Baltimore Urban League, Inc., regarding their default on the \$300,000 loan they received from the Maryland Historical Trust Historic Preservation Loan Program in 1992. A Bank of America loan for the project, secured by first lien mortgages on collateral properties, has been in default since 2008. The Office of the Attorney General will assess the value of MHT's collateral properties in order to recommend how to remedy the default.

Announcements

Ralph Eshelman inquired if any studies had been done on the impact that insensitive new development to historic communities like Port Deposit and Crisfield to local economies. He suggested that it would be desirable to analyze the before and after effects of this type of development.

Mr. Edson reminded Board members to join Secretary David Craig on a tour of historic sites in the City of Havre de Grace following the meeting.

As a reminder, the dates and locations of upcoming meetings are as follows:

July 28, 2016 – Crownsville, MD  
October 6, 2016 – St. Mary's City, MD  
December 8, 2016 – Crownsville, MD

Meeting adjourned at 12:05 p.m.

Mr. Charles L. Edson, Chair

Elizabeth Hughes, Director