

**NORTH DAKOTA NATURAL RESOURCES TRUST**

**BOARD OF DIRECTORS MEETING**

**January 22, 2020**

**Ducks Unlimited, 2525 River Rd, Bismarck, ND 58501**

The North Dakota Natural Resources Trust (Trust) Board of Directors meeting held its winter board meeting at the Ducks Unlimited conference room in Bismarck, North Dakota on Wednesday, January 22<sup>nd</sup>, 2020. Attending the meeting were Directors Jerry Doan, Dave Dittloff, Randy Renner, Marshall Johnson, Vawnita Best, and Duane Hauck (via conference call). Chair, ex-officio representative Scott Peterson, deputy director of the ND Game and Fish was also present. Trust employees present were, Keith Trego, Terry Allbee, Jesse Beckers, Rick Warhurst, and Brenda Newton. Also in attendance to give presentations were Dave Dewald (ND Wildlife Federation), John Hagan, (SEI Investment Company), Chris Hildebrandt (Ducks Unlimited) and Randy Bina (Bismarck Parks and Recreation).

**9:00AM**

Chairman Doan called the meeting to order and took roll call. Everyone went around the table and stated their name. Jerry asked for any announcements or changes to the agenda. Jerry asked for a motion **"to approve the agenda."** **Randy motioned and Vawnita seconded, motion carried.** Jerry asked for any additions or corrections to the August 2019 Meeting Minutes. Jerry asked for a motion **"to approve the August 2018 meeting minutes."** **Duane motioned, Vawnita seconded, motion carried.** Jerry and Keith signed the minutes.

Dave Dewald, president of the North Dakota Wildlife Federation, presented on the Land Access Legislative Study. The study is to examine access to private and public lands for hunting, trapping, fishing and related issues and provide recommendations regarding a land access database and the capacity of electronic posting. A trial electronic posting and hunter access information system will be set up in August in three counties, at the direction of Legislative Management. Dave will be attending a Legislative committee meeting today to hear more discussion on the trial that will take place. He noted that public input and comments will be helpful for the committee to hear.

John Hagan presented SEI's performance review of the Trust's portfolio for the fourth quarter of 2019. Despite recent market volatility, returns were up for the quarter and the full year. We are on track for our investment goals. Long term performance has been favorable, outperforming the last six of eight years. SEI suggests no changes to our portfolio.

Terry reviewed the Finance Committee meeting which took place one week prior. He then went over the 2019 actuals to budget, noting that for the last three years our expenditures have increase by \$1 million. This is due to increased grant funding, programs and activities at the Trust. Our income over 2019 also increased, partially due to energy offset contributions. Terry noted that the Trust delivered \$1.4 million

directly to landowners, through conservation projects. Terry went on to present the 2020 proposed budget. He explained that the 2020 budget amounts will have higher income and expenditure totals than 2019.

Keith went over 2020 budget highlights. He then explained that the Trust will be hiring another staff person and the need for this position. The board was supportive of this decision and asked how the Trust will financially support another staff person. This led to Randy discussing the Trust's Fiscal Policy and the need to manage some of the money differently. It was explained that adjusting management of some of our funds will create enough excess money to support another position.

**10:50am – Break. Reconvened at 11:10am.**

Keith continued the discussion on the fiscal policy and proposed some account changes. He proposed to the board that we reinvest all the money in our federal operating reserve account at SEI back into the federal contribution account. We will then relabel that account operating reserve account and use that account to house our excess earnings. SEI will make a recommendation on asset allocation based on market risk and liquidity. Keith also proposed we create an ICS account at Starion for the energy offset dollars, so these dollars can earn some interest. The board had questions and discussion. **Dave motioned “that the Trust moves forward, working with SEI, to develop portfolio proposals within the next four to five weeks, and the staff puts together a proposal based on those numbers and brings it to the finance committee. The finance committee will provide a recommendation to the board and the board will meet by a conference call.” Marshall seconded, motion carried.** Keith also noted that the Trust would like to add dental and vision benefits to the fringe benefits package available to the employees. The Trust will provide 75% employer contribution and 25% will be employee contribution. The board was in favor and determined that since it is embedded in the budget, it would be approved with the budget.

**11:45am** Chris Hildebrandt and Randy Bina gave a presentation on a proposed 120 acre natural city park opportunity. The park will include natural trails for walking and mountain biking that will connect to the existing Bismarck/Mandan trail system. It will also include restored wetlands and native tree and grass plantings that will provide educational opportunities for the public. The board had questions on the management of the park. Randy Bina said the Park Board has recognized that they would maintain it and ensure that the park would stay nature base and not become over developed.

**12:15pm – Break for lunch. Reconvened at 12:50pm.**

Terry continued to presented the 2020 proposed budget. The 2020 budget increase income vs 2019 will be a result of increased successful program grants, energy offsets and investment income. The majority of 2020 budget expenditures will focus on delivering existing grants and finding projects for the energy offset dollars. Jerry asked if the board was interested in donating money towards the Bismarck park project. Keith proposed that the Trust donate \$150,000. The board noted some type of conservation group should have a presence and say in the development and management of the park. It was decided that it would be noted in the motion for budget approval.

Terry next proposed the moving of the January Board of Director's meeting to the end of January, instead of moving our fiscal year. Traditionally the meeting was always held at the beginning of the month. Moving the meeting date back allows the Trust to gather more information on the previous year's budget and income sweeping. This offers more solid numbers for planning the proposed budget. The board was in favor of this move.

Brenda reviewed the Small Grant Program. We have much less outstanding grant dollars at the end of 2019 versus previous years. As a result, Brenda proposed that \$85,000 to be approved for the Small Grant Program (\$10,000 of which was already approved in 2019 as part of a 2 year grant). This would leave \$75,000 available for the 2020 grant round. The deadline for the 2020 grant submission requests is set to be March 31<sup>st</sup>. Grant proposals will be approved at the spring board meeting. The board was in favor and the amount will would be approved with the budget.

Rick gave the NAWCA update. 2019 was the 30<sup>th</sup> anniversary of NAWCA. The Senate has passed the reauthorization of NAWCA with a \$60 Million dollar cap. The House has yet to approve it. Terry Steinwand has been reconfirmed for his position on the council. Rick reviewed the approved NAWCA proposals for each region and noted that the number of proposals is declining. He also mentioned that the Department of Interior would require the Yellow Book appraisal for the acquisition of easements.

Jerry gave an update on the ND Grazing Lands Coalition. He noted that their Winter Conference had a good turnout. The Coalition hired Trish Ferring to help find landowner participants and Rebecca Phillips to address the issue of cattle and methane. The board discussed the need for conservation groups to spread public education on grassland and grazing. Jerry also noted that the Coalition nominated Lewis Heaton as a member of the PPJV board.

**2:10pm** Jesse provided an update on the Bakken Development Working Lands Program. The program just signed its 24<sup>th</sup> contract. So far the program has impacted 7,000 acres. Mike Rabenberg and Jed Rider have been doing great work for the program. Jesse is looking to submit a NFWF grant with other partners to help leverage some of the energy offset dollars to provide more money on the ground for grassland projects.

Dave presented an outline the National Wildlife Federation has been working on. They are drafting a proposal to create a North American Grassland Conservation Plan. It would be modeled after the North American Wetland Conservation Act and would help the protection and restoration of grasslands. The board discussed the proposal and suggested changes for Dave.

**2:50pm Break – Reconvened 3:05pm**

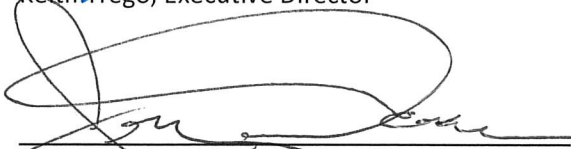
Terry reviewed the Outdoor Heritage Fund. Last April, OHF funding was continued for another biennium, for \$15 Million. Round 15 was in early December. There was \$11 Million available to fund projects. Approximately \$4.2 Million was requested and \$921,478 was approved. The board has discussion about some governance issues with the OHF Advisory Board. Terry addressed the need to present our successes to the advisory board when making a grant presentation. Keith and Marshall agreed that it would be beneficial if the advisory board was able to see completed grant projects that OHF has funded.

Next item was old business. There was no old business to discuss. The board moved onto new business. Randy abstained from motioning or approving the budget due to conflict of interest with the Bismarck park project funding. **Vawnita motioned "to approve the 2020 proposed budget, recognizing that staff has shared with us the significant changes from the previous budget, and also recognizing the \$150,000 identified for the Burnt Boat Park project, includes the stipulation that working lands be considered in the interpretive portion of the project."** Marshall seconded and the motion was carried.

Jerry announced the next item is election of officers and committees. **Duane motioned "to elect the same slate of officers as the board has currently."** Vawnita seconded. Jerry asked for any other nominations or motions. The officers were named, Randy as Secretary/Treasurer, Dave as Vice-President, and Jerry as President. **All were in favor, motion carried. Duane motioned "to keep the Finance Committee members that same as they are currently."** Marshall seconded. The officers were named as, Randy, Vawnita and Jerry. **All were in favor, motion carried.** The current Executive Director Evaluation Committee members are Dave, Marshall and Duane. **Marshall motioned "to approve the Executive Director Evaluation Committee as currently indicated."** Vawnita seconded. **All were in favor, motion carried.**

A tentative meeting date of April 29, 2020 was set for the next board meeting. The exact location is to be determined. For an August meeting date, it was proposed to hold it in the third week of August. Watford City was mentioned as a potential location. Vawnita, Dave, Marshall and Randy were informed that their terms expire at the end of August. The topic of check signatories was reviewed. Terry suggested that Marshall be replaced by Jerry as a signatory on the Starion checking, ICS and new energy ICS account. **Vawnita motioned "to update the signature cards, removing Marshall and including Jerry, and to properly note this for Starion to transfer authority over."** Randy seconded, motion carried. **Marshall motioned "to adjourn the meeting at 4:03."** Randy seconded, motion carried.

Submitted by  Dated 6/30/20  
Keith Trego, Executive Director

Approved by  Dated 6/30/20  
Jerry Doan, President