



**Minutes of the Archives Partnership Trust Board Meeting
4:00 PM - October 26, 2023
Hearst Tower / Zoom-Teleconference**

Board Members Present

Stephen Pagano, Chair; George R. Hearst III, Vice Chair; Patricia Dohrenwend, Kristi Fragnoli, Kimberly Gilmore, Harold Holzer, Peter Millock, Tom Ruller, Catherine Stollar Peters, Rosemary Vietor, Joyce Shenker, and Christine Ward

Zoom-Teleconference

Barbara A. Brinkley, Treasurer; Desiree Potvin, Secretary; Scott Fein, Trust Counsel; Pat Fahy, and Harold Iselin

Guest

Richard Comstock, Trust Steward Representative

Staff Present

Janet Braga, Director; and Monica Gray, State Archives – Head, Archival Services

Board Members Excused

Daniel Cunningham and Gary Smith

Call to Order

Mr. Pagano called the meeting to order at 4:10 pm, noting the presence of a quorum.

News and Updates

Mr. Pagano began by noting dates set for 2024 Board meetings: **March 7** (Zoom/telephone); **June 6** (Zoom / telephone); and TBD in **October**. Mr. Hearst offered to host the October 2024 meeting at the Hearst Tower in New York City and Stewards Reception to follow. Mr. Pagano and members of the Board thanked him for his generosity.

Administrative Items

Resolution for Approval of the Minutes of the June 8, 2023, Board Meeting (Items 2.1)

The first item was a resolution to approve the minutes of the June 8, 2023, Board meeting. The motion to approve was made by Ms. Ward, seconded by Ms. Dohrenwend, and unanimously passed.

Resolved, that the minutes of the June 8, 2023, Board meeting are hereby approved.

Resolution: Approval of APT Procurement Policy (Item 2.2)

At the recommendation of Mr. Cunningham, Trust staff met with the New York State Disabled Veterans Business Development Program. The program has been added under Section III in the Trust's Procurement Policy.

Ms. Brinkley (referencing section G in the policy) asked in the absence of an Executive Officer, what is the process for preparation, assessment and management of purchases and contracts. Ms. Braga stated should the need for a major purchase or contract be necessary, she would work closely with Mr. Pagano and Ms. Gray from the State Archives. Ms. Gray is the lead

manager in the absence of a State Archivist. Ms. Gray also has check signing privileges for the Trust.

The motion to approve was made by Ms. Ward, seconded by Ms. Dohrenwend, and unanimously passed.

Resolved: The Board approved amending Section III item D to include NYS-certified service-disabled veterans-owned businesses:

- D. Comparable consideration shall be given to minority and women owned firms, as well as firms owned by individuals with disabilities. The Trust shall consult with the Governor's Office of Minority and Women Business Development for assistance in identifying certified enterprises, as well as refer vendor prospects to the Governor's Office of Minority and Women Business Development. Where possible consideration shall be given to NYS-certified service-disabled veteran-owned businesses via the New York State Disabled Veterans Business Development Program directory.

Zoom Considerations

Mr. Pagano reported Ms. Brinkley alerted the Trust that Zoom updated their terms of service agreement to include A.I. features. The updated terms state Zoom could use customer recordings for testing and training of their A.I. products. There was immediate backlash from librarians, educators, and others. Zoom officials quickly modified the policy and clarified use of customer recordings. Customer recordings would only be used if an organization grants permission by turning on the "opt-in" feature located in account settings. At the request of Ms. Brinkley, Ms. Braga with assistance from Mr. Pagano and Trust Counsel, Scott Fine researched the issue. Zoom is an approved platform for communication within the NYS Education Department and was vetted by NYSED's Information Security Office. Ms. Braga confirmed the Trust, and the State Archives share an account and the A.I. feature in the account is and will remain disabled. Mr. Fein offered that he reviewed Zoom's Terms and Conditions and feels the current safeguards are adequate if (i) we make certain never to opt in and, (ii) follow developments in Zoom's Terms and Conditions to ensure that future interpretations do not adversely impact the Trust. Mr. Pagano offered to follow up with Ms. Brinkley and any other Board members wanting to discuss the topic further.

Planned Giving Program

Mr. Pagano reported that this past summer, he along with Mr. Millock and Mr. Comstock met with Ms. Braga and a representative from website/program service provider, FreeWill. FreeWill offers a user various online estate planning tools such as the creation of a Will. Ms. Braga stated organizations dependent on philanthropy need to provide supporters options for legacy giving and recognition. FreeWill provides program development services, marketing, and hosting. After checking references and evaluating the cost, Mr. Pagano, Mr. Millock, and Mr. Comstock agreed a two-year agreement with FreeWill is reasonable. Ms. Brinkley ask why the Trust doesn't consider hiring a part-time person to do this program. Mr. Pagano stated working with FreeWill is much more cost effective and offers the Trust a high-level of expertise and a platform to rebuild and manage a planned giving program. In many ways, working with FreeWill will be like having a two-year part time employee.

Financial Reports (Item 2.3)

Mr. Ruller noted the Trust is at the halfway point in its fiscal year (April 1, 2023 – March 31, 2024), with no substantive issues or changes to budget trajectory. Referring to previously distributed packet materials, effective September 30, 2023, the Trust is tracking as predicted in both revenue and expenses.

Resolution to Approve Renewing the Minnesota Charitable Registration (Item 2.4)

The next item was a resolution to approve the Minnesota Charitable Organization registration form. The motion to approve the resolution was made by Mr. Ruller, seconded by Mr. Hearst and unanimously passed.

WHEREAS, sections 309.52 and 309.53 of the Minnesota Charitable Solicitations Act require charitable organizations that solicit in the state of Minnesota and that are not otherwise exempt to register as a soliciting charity;

WHEREAS, the Minnesota Charitable Organization Initial Registration & Annual Report Form requires a resolution by the Archives Partnership Trust (“Trust”) Board (“Board”) approving the contents of the document and authorizing the Trust’s officers (Executive Officer and Director) to execute the document;

WHEREAS, the Trust seeks to solicit financial contributions from individuals, corporations, law firms, and foundations in the state of Minnesota; and

WHEREAS, the Trust has completed the Minnesota Charitable Organization Initial Registration & Annual Report Form and presented it to the Board to approve the contents of the document;

RESOLVED, the Board approves the contents of the attached Minnesota Charitable Organization Initial Registration & Annual Report Form as presented at its October 26, 2023, meeting, and authorizes the Trust’s officers (Director) to submit the document to the Attorney General of Minnesota.

Annual Statement Regarding Conflict of Interest

Mr. Pagano drew attention to the Annual Statement Regarding Conflict of Interest distributed to all Board members. Ms. Braga requested members review, sign, and return the document to her via email or postal mail.

Board Committees

Audit Committee

Ms. Ward reported the Audit Committee met on September 7, 2023, with UHY via Zoom to review the audit covering fiscal year ending March 31, 2023. As usual, procedures were the same as in past audits focusing on financials and a review of internal controls, which were all in accordance with government auditing standards and the generally accepted auditing standards. UHY issued an “unmodified” (clean) opinion, finding no significant deficiencies or material weaknesses – the highest level possible. As there were no management issues or recommendations, a management letter was not issued. Mr. Kearns noted the Trust has done well with dealing with rising costs and the state support never increasing. Fund raising efforts and yearly budgeted drawdowns from the endowment cover personnel and program expenses associated fulfilling the Trust’s mission. Ms. Ward offered congratulations to APT staff.

Resolution for Acceptance of FY22/23 Audit (Item 3.1.a-b)

The motion to accept the FY22/23 Audit was made by Ms. Ward, seconded by Ms. Shenker, and unanimously passed.

Whereas, the New York State Archives Partnership Trust Board’s Audit Committee, at its September 7, 2023, meeting, examined and discussed in detail the audited Financial Statements and Compliance Report of the New York State Archives Partnership Trust for the year ending March 31, 2023, and dated September 7, 2023; and

Whereas, the Audit Committee adopted by resolution a recommendation that the Trust Board accept these audit documents;

Resolved, That the audited Financial Statements and Compliance Report of the New York State Archives Partnership Trust for the year ending March 31, 2023, is accepted by the Board.

Executive Committee – No report

Investment Committee

Ms. Brinkley reported the Investment Committee last met on October 24, 2023. At the meeting, Mr. Murray updated the committee on the following:

- Market rally stalled in September with a slight pullback. On 9/30/2023 the endowment balance was \$4,931,300 after crossing the \$5 million mark this summer with Q2

6/30/2023 value at \$5,039,079. There were no deposits/withdrawals in Q3, so the net loss for the quarter was -\$107,779. Year-to-date gains were positive at +\$312,519. Total Return of the portfolio for the quarter was -2.05% vs +-3.65% for the S&P Index and -2.89% for our blended benchmark of stocks and short-term bonds. For the year-to-date, the portfolio is up +6.63% vs the S&P +11.68%.

- Interest rates rose in the Q3 quite substantially. 10- year Treasury yields moved from 3.81% to 4.57%. The benchmark Bloomberg Aggregate Bond Index declined -3.23% for the quarter and pushed bonds into negative returns YTD. The yield curve continues to be inverted, meaning short term rates are higher than long term rates, although not nearly as much as earlier in the year.
- Our mutual fund holdings are diversified and all funds continue to show acceptable ratings and returns. All fund holdings are very representative of the general market. Those that fell the most last year, have bounced the most this year (i.e., Growth Fund of America +22.17% YTD, whereas the more conservative areas (Capital Income Builder, American Mutual) held their own relatively well last year but lagging to the upside this year. This is another way of showing the disparity in returns among the different areas of the market.
- The Trust's portfolio allocation on 9/30/23 was roughly 32% cash/bond funds/CDs (fixed) and 68% stocks/mutual funds/Equity Mutual Funds-EFTs. CDs are structured as a ladder of maturities extending no longer than 5 years. This is designed to assure cashflow to meet our operating needs.

As of market close on 10/23/23, the account value was \$4,850,917. Although down from the peak this summer, the return is still positive year-to-date at +4.93%. Stock prices have weakened, and bond yields have risen. The S&P 500 (market cap weighted) is still positive +9.83% with technology stocks still holding their gains for the year. The Dow has slipped into negative territory for the year at -0.64% and the "equal weighted" S&P500 is also negative for the year at -3.68%.

- Interest rates continue to be a concern. Short term yields have held steady, but the long end of the curve has risen, with 5- and 10-year Treasury yields briefly touching 5.00% last week. These yields are at nearly 20-year highs.
- Upcoming CDs maturing include \$70,000-10/30/23 and \$100,000-11/21/23. Mr. Murray noted as we quickly approach year-end, we must be mindful of the cash needs for January 2024 and the annual withdrawal. Ms. Braga noted "We are holding our own; and won't need funds before our annual drawdown of \$228K in mid-January 2024. Mr. Murray observed that with the cash on hand (\$50,000), these two maturities plus interest and dividends, should put us in good shape. However, if we let these CDs mature and then ultimately withdraw the cash, our allocation to equities will naturally increase. It might be prudent to reinvest the \$70,000 now, hold the \$100 k in cash and then re-examine our positions at yearend. I do not want to get caught in an over-allocation to equities in this volatile market. Extending our ladder into 2028 as we did last time, fetches us a rate of 4.80% on an insured CD. Certainly, a nice improvement on the 3.45% that is maturing and maintains some fixed income discipline.
- The Investment Committee will next meet on January 24, 2024.

Program and Development Committee Report

Ms. Braga reported on the following:

Fall Appeal – Ms. Braga reported this year's theme is, "*In Their Own Words.*" She thanked members for their past support and consideration for including the Trust in their yearly charitable giving plan.

Steward Program Update – Ms. Braga reported the Steward Program remains around 30 donors. Ms. Braga thanked Mr. Hearst for hosting the Steward Reception which helps to engage supporters in the New York City area.

ESAHA 2022 Program & Sponsorship – Ms. Braga thanked the following Board members: Mr. Holzer as host; Mr. Iselin as chair of the event committee as well as Greenberg Traurig’s sponsorship; Dr. Gilmore for HISTORY; Mr. Pagano for Charter; Mr. Hearst for *Times Union’s* media sponsorship and for personally supporting the event at the Premier Level; and Richard Comstock for introducing Continental Grain Company to the event as Supporting Sponsor.

2022-2023 New York Archives Online Speaker Series continues to resonate with audiences across the state (and beyond). The season opener in September about the Erie Canal has already had 500 post-program viewings on You Tube. Ms. Braga stated a listing of all programs can be found on the Trust website.

Trust & Archives Updates

Ms. Braga reported on the following:

Consider the Source Online Project Update – The federal grant to develop the Trust’s Diversity & Collaborative Knowledge Program ended in September. The program was a great success with over 100 organizations participating. ConsidertheSourceNY.org now has over 3,500 primary sources and over 2,500 learning activities. A 3-year grant from the Robert David Lion Gardiner Foundation to support the development and launch of a *New York Archives Jr!*, a companion publication for educators to use in the classroom has had a success first year. Three *Jrs!* Have been created and close to 7,000 have been distributed to students across the state.

Student Research Award – 2023 winners were recently announced, with strong showings from schools in Western New York and Long Island.

Ms. Gray reported on the following:

The Research Room continues to get busier as people are becoming more comfortable traveling and being in public spaces. She reported the State Archives is hosting a New York Genealogical and Biographical Society study trip next week. In addition, together with the Trust, the State Archives has offered hands on sessions to college students from RPI and the University at Albany to high school students. Last month we hosted the National Network of Firefighting Museums, along with colleagues from the State Library and Museum. For this year’s History Month (October), the Andre Papers were exhibited alongside a recent donation to the State Museum – the Fidelity Medallion or “Andre Capture Medal.” This medal is the oldest decoration of the US military dating from 1780. We are working with the Trust to bring the papers to Westchester County next year.

So far in 2023, the State Archives have brought in around 800 cubic feet and 14,000 electronic files from various agencies. One item was the return of a single volume, long estranged from our holdings. After the Civil War, the Adjutant General’s Office asked town and city clerks to compile registers of men who served in the Civil War and send those registers to Albany. The volume was added to this collection.

The successful local Government Records Management Improvement Fund grant program which gives grants to local governments to support special records management projects. A total of 87 grants was awarded this year to local governments in 33 counties totaling \$5.3 million.

The State Archives booth at the State Fair was a big success. Staffed by 13 volunteers we answered questions about the Archives, APT, and state history. We had close to 2000 meaningful contacts which is a great return on the investment of staff time.

Representatives from the State Archives and Trust attended the Council of State Archivists annual conference in Washington DC last summer. New York State Archives was recognized as a national leader in particularly for the Trust which is unique among State Archives. The Archives and Trust received a national award for the *Partners in History* video.

Conclusion

Mr. Pagano adjourned the meeting at 5:05 pm and thanked all for their participation.

Respectfully submitted,

Janet Braga
November 30, 2023