

Minutes of a Meeting of the
Maryland Heritage Areas Authority
Executive Committee
April 2, 2020

The April 2, 2020 meeting of the Maryland Heritage Areas Authority (MHAA) Executive Committee was convened via web conference call. The public was notified about the meeting on March 25, 2020 and had the opportunity to listen via phone or web.

MHAA Executive Committee Members Present:

Robert McCord, Secretary, MD Department of Planning, and Chair, Maryland Heritage Areas Authority; Robert D. Campbell (Governor's Appointee for Historic Preservation and serving as Vice Chair for the Maryland Heritage Area Authority); Marty Baker (representing MD Department of Transportation Secretary Gregory Slater)

MHAA Executive Committee Members Absent: None

Staff Present: Jennifer Ruffner, Ennis Barbery Smith (Maryland Historical Trust); Paul Cucuzzella (Maryland Office of the Attorney General)

Others Present: Elizabeth Hughes (Maryland Historical Trust); Elizabeth Shatto (Heart of the Civil War Heritage Area); Carol Benson (Four Rivers Heritage Area); Julie Gilberto-Brady (Heart of Chesapeake Country Heritage Area); Rebecca Ballo (Historic Preservation Office, Montgomery Planning); Pete Leshner (MHAA)

Please note that those who called in after the introductions did not have the opportunity to introduce themselves and are not included in the list above. Not all callers stayed for the entire call.

CALL TO ORDER

The meeting was called to order at 11:05 a.m. by MHAA Chair and Secretary of the MD Department of Planning, Robert McCord.

WELCOME AND INTRODUCTIONS

Mr. McCord began by welcoming everyone and thanking everyone for taking the time to join the teleconference meeting. He introduced himself and the other Executive Committee members, Bob Campbell and Marty Baker, and the Maryland Heritage Areas Authority staff in attendance, Jennifer Ruffner and Ennis Barbery Smith.

Ms. Ruffner noted that Paul Cucuzzella with the Maryland Office of Attorney General was also in attendance.

Mr. McCord invited the others joining by phone to introduce themselves. Those who were already on the phone at this time did so.

PROCEDURES

Mr. McCord went over the procedures for the teleconference meeting, asking that each member of the committee state their name before speaking, so that attendees can follow along. He explained that the public who joined online and by phone were muted for the duration of the call. He said that the Committee would not be entertaining questions from the audience during the meeting. He asked that anyone who experienced technical difficulties, or who found themselves unable to hear, please type their issue in the chat box to the right of the screen and MHAA staff would try to help.

Mr. McCord went over the agenda for the meeting, listing four action items:

1. MHAA's Emergency Response to the COVID-19 Pandemic
2. An Emergency Grant Request from the Town of Rock Hall (Stories of the Chesapeake Heritage Area)
3. An Emergency Grant Request from the Sandy Spring Museum (Montgomery County Heritage Area)
4. An Emergency Grant Request from the Scotland Church (Montgomery County Heritage Area)

Mr. McCord explained that all actions taken by the Executive Committee today would be implemented immediately but would need to be ratified by the full Maryland Heritage Areas Authority at their meeting on July 9, 2020, which he noted may need to be a virtual meeting.

ACTION ITEMS

MHAA's Emergency Response to the COVID-19 Pandemic

Mr. McCord directed the Committee Members' attention to the first item on the agenda: a memo from MHAA staff, recommending four responses to the COVID-19 pandemic.

Mr. McCord invited Ms. Ruffner to summarize the memo's recommendations.

Ms. Ruffner reported that, to better understand how the COVID-19 pandemic is affecting MHAA's partner organizations and grant recipients, MHAA and MHT staff developed an online survey. She asked Ms. Smith to report on the preliminary findings of the survey.

Ms. Smith said that from March 26 to the morning of April 1, 2020, the survey had received 165 responses, which were the basis for the preliminary data shared at today's meeting. There are plans to produce a more comprehensive report in the coming weeks and to conduct a second survey when stakeholders have a better understanding of how the COVID-19 crisis has affected their organization's operations and finances.

Ms. Smith shared the following data, based on the first 165 surveys received: 70% of respondents reported they have lost income; 84% of non-profit organizations (one subset of

the respondents) reported they have lost income; \$30,080 is the average estimated amount of income lost to-date; 22% of respondents have already dipped into financial reserves; 15% of respondents have already reduced staffing levels, while 14% have reduced salaries or payroll; 48% of respondents rated the likelihood of temporary or permanent staff reductions at a 3 or higher on a scale of 1-5, for which 1 is "not at all likely to make staff reductions" and 5 is "Extremely likely to make staff reductions"; 59% of respondents predicted that it would be 6 months or longer after the national and state emergency declarations are rescinded before their organizations would return to pre-COVID-19 income levels; 56% of respondents said that providing emergency funding for their organization's operations would be helpful; 44% of respondents said that allowing grantees with existing grants to use their already-awarded grant funds for operations, as needed, would be helpful.

Ms. Smith said that, as demonstrated by the survey data, the COVID-19 crisis is having a substantial impact on the frontline cultural heritage organizations that are key partners for the Maryland Heritage Areas Program. She said that the staff recommendations are intended to help these organizations make it through the crisis and be visitor-ready when they can reopen to the public again.

There was discussion.

Mr. Campbell thanked MHAA staff for their work on the survey and encouraged them to look closely at the ideas for how MHAA and MHT can help that were put forward by respondents as part of the survey.

Mr. McCord thanked MHAA staff for their work on the survey and noted that this is one way to show MHAA's partner organizations that we are listening, which is particularly important at this time.

Ms. Ruffner reviewed the components of the April 1, 2020 Briefing Memo: "Request for MHAA to Consider COVID-19 Relief Measures."

1. Allow current MHAA nonprofit grantees, in coordination with MHAA staff, to amend a current grant project scope to reallocate unexpended MHAA grant funds to uses that are the most crucial to the organization's continuing operations during the public health crises.

She noted that this is the fastest way for MHAA to get funding to stakeholder organizations who are in need of funds to stay afloat. She also noted that MHAA staff has begun hearing from some current grantees that the projects for which they have been awarded grants are no longer viable due circumstances related to COVID-19.

2. Immediately extend all outstanding reporting and project completion dates for active MHA grants by 90 days.

3. Allow eligible nonprofit entities to apply for emergency operating grants of up to \$20,000. Entities would be required to provide a 1 to 1 match towards operating expenses, but the match could include any combination of cash or in-kind contributions to meet that requirement. The grants would be used to reimburse eligible emergency operating expenditures retroactive to costs incurred on and after March 5, 2020, the date of the State of Emergency, through a maximum of one year after the State of Emergency has been rescinded. Priority would be given to organizations that are experiencing hardship caused by the COVID-19 pandemic and are not able to convert an existing MHAA grant award to cover operating costs.
4. Allow heritage areas that currently have mini grant funds to allow their sub-grantees to use these funds for emergency operating expenses.

Ms. Ruffner noted that items one and four require action by MHAA or the Executive Committee. She then noted that while the MHAA administrator is already empowered to carry out actions two and three, MHAA staff are seeking the Executive Committee's guidance, advice, and approval for these items as well.

Mr. McCord asked the committee to address item two first: extending all outstanding reporting and project completion dates for active MHA grants by 90 days immediately.

There was discussion. Committee members and staff agreed that the 90-day extensions may need to be revisited and extended further at a later date as the crisis unfolds.

There was consensus among the Committee members that MHAA staff should move forward with extending all grant project completion and reporting deadlines by 90 days, effective immediately.

Mr. McCord asked the Committee to consider item three: allowing eligible nonprofit entities to apply for emergency operating grants of up to \$20,000.

There was discussion.

Ms. Ruffner said that MHAA staff are working on developing criteria for these emergency grants and would be asking the Executive Committee to approve the criteria. She also said that MHAA staff intended to get feedback on the potential criteria from the heritage area directors as well.

There was further discussion of potential criteria and anticipated demand for the emergency funding.

Mr. McCord asked if it would be feasible for MHAA staff to draft criteria, circulate the criteria, and reconvene the Executive Committee about one week from April 2 in order to further discuss and potentially approve the criteria for emergency operations grants in response to COVID-19.

Ms. Ruffner answered that it would be feasible and the committee members agreed that they would attempt to reconvene in about one week.

Resolution R-100 to allow current MHAA nonprofit grantees, in coordination with MHAA staff, to amend current grant project scopes to reallocate unexpended MHAA grant funds to uses that are the most crucial to the organization's continuing operations during the public health crisis

Mr. McCord initiated the discussion of item one in the MHAA staff memo by reading the proposed resolution.

He noted that while the resolution in the memo from MHAA staff ended with the phrase "from March 5, 2020 until a maximum of one year after the State of Emergency rescinded," he would recommend changing this language to "until a maximum of 30 days after the State of Emergency is rescinded," in order to be consistent with Governor Hogan's other mandates related to the State of Emergency.

Mr. Paul Cucuzzella weighed in and discussed the legal rationale, based upon the exigencies of the State of Emergency, for allowing current grant funds to be used for operating expenses, and explained that the rationale would lose its connection to the State of Emergency as time lapsed following the lifting of the State of Emergency.

There was further discussion of the timing.

The Committee members agreed that "a maximum of 90 days after the State of Emergency is rescinded" would be appropriate.

Mr. McCord called for a vote and made the following motion:

WHEREAS, the System of Maryland Heritage Areas generally, and each of the System's thirteen certified heritage areas specifically, rely on participating nonprofit entities to support and undertake projects, programs, and other diverse activities that advance the goals, objectives, and strategies of heritage area management plans;

WHEREAS, the activities of these participating nonprofit entities are essential to the successful implementation of heritage area management plans;

WHEREAS, participating nonprofit entities include those nonprofit entities that are current grantees under the grant programs operated by the Maryland Heritage Areas Authority (the "MHAA");

WHEREAS, the current State of Emergency in the State of Maryland concerning COVID-19, and the economic implications and ramifications of the various Executive Orders signed by the Governor that address the State of Emergency, threaten the ability of many participating nonprofit entities to continue operations and could result in the financial failure of some entities;

WHEREAS, the failure of participating nonprofit entities, or their inability to continue operations, will reduce the capacity within certified heritage areas to undertake those projects, programs, and other activities that are necessary to advance the goals, objectives,

and strategies of heritage area management plans, and such reduced capacity could adversely impact successful implementation of management plans; and

WHEREAS, the MHAA Executive Committee finds that it is in the best interest of achieving the purposes of the System of Maryland Heritage Areas to permit participating nonprofit entities that are grantees of current grants made by the MHAA to amend the project scope of a current grant to allow for the nonprofit entity to use grant funds to finance the operating expenses incurred during the State of Emergency.

NOW, THEREFORE, IT IS RESOLVED, that the MHAA Executive Committee delegates to the Administrator of the MHAA the authority to amend the project scope of current MHAA grant agreements, if, as determined by the Administrator, a grantee is at risk of financial failure or is unable to continue business operations due directly to the economic implications and ramifications of the State of Emergency, to permit the nonprofit entity to use unexpended grant and match funds to be used for operating expenses incurred by a grantee from March 5, 2020 until a maximum of 90 days after the State of Emergency rescinded.

Dr. Baker seconded the motion, and it was approved unanimously.

Resolution R-200 to allow heritage areas that currently have mini grant funds to allow their sub-grantees to use these funds for emergency operating expenses

Mr. McCord invited discussion on the proposed motion by reading the motion, updating the text to reflect a 90-day maximum period following the State of Emergency, as discussed for MHAA project grants.

There was discussion of how the heritage areas would decide which grantees should be allowed to use their mini grants for operating expenses. There was consensus that the resolution should include language advising the heritage areas to use the criteria for COVID-19 MHAA emergency grants, which MHAA staff will be developing over the next week, as guidance for allowing recipients of mini grants to use their awarded funds for operating.

Mr. McCord called for a vote on the following resolution as amended:

NOW, THEREFORE, IT IS FURTHER RESOLVED, that the MHAA Executive Committee approves suspending the prohibition contained in the section titled “Ineligible Activities” in the FY 2021 MHAA Block Grants for Mini Grants Guidelines which bars the use of mini grants to reimburse sub-grantees’ overhead expenses and salaries and/or benefits of permanent or temporary staff, in order to enable heritage areas to amend the project scope of current MHAA mini grant agreements, if, as determined by a heritage area—with due consideration given to the criteria established by MHAA for providing emergency grants to cover nonprofit entity operating expenses—a sub-grantee is at risk of financial failure or is unable to continue business operations due directly to the economic implications and ramifications of the State of Emergency, to permit the sub-grantees to use

unexpended mini grant and match funds to be used for operating expenses incurred by a sub- grantee from March 5, 2020 until a maximum of 90 days after the State of Emergency rescinded. The suspension is effective retroactively to operating expenses incurred on and after March 5, 2020, the date of the State of Emergency, until a maximum of 90 days after the State of Emergency has been rescinded.

Mr. Campbell seconded the motion, and it was approved unanimously.

Emergency Grant Request from the Town of Rock Hall

Ms. Ruffner summarized the MHAA Emergency Grant Request from the Town of Rock Hall in the Stories of the Chesapeake Heritage Area. She reported that the request is for \$85,000 for “Museum Roof Replacement,” explaining that the town had discovered the roof was leaking on their Town Hall building, which serves a number of functions, including housing a small history museum. The grant request would specifically fund replacement of the roof over the portion of the building that houses the museum. She said that the town had not provided documentation of their match and noted that the Maryland Department of Housing and Community Development was also reviewing a request for funding a portion of the project.

Ms. Ruffner further explained that a portion of the budget would cover costs for a study to determine the cost of the interior renovations and another portion would fund exterior roof repairs over the museum area of the building. The request notes that insurance will be covering the interior renovations.

There was discussion. The Committee decided to defer action on the grant proposal as written to the July meeting of the full Authority. They discussed that they would reconvene to consider a request for emergency funding to relocate and/or safeguard the artifacts and documents in the Town of Rock Hall’s museum if the Town decides to put forth such a request.

Resolution R-300 Emergency Grant Request from the Sandy Spring Museum

Ms. Ruffner summarized the MHAA Emergency Grant Request from the Sandy Spring Museum in the Montgomery County Heritage Area. She reported that the request is for \$36,017 for “Emergency Fire and Mold Remediation,” explaining that the Museum discovered mold in January and shortly afterward a fire occurred, further damaging the building. The grant request would fund replacement of the security system and mold remediation activities, some of which would be retroactive, as work needed to be completed quickly. These costs were not covered by the Museum’s insurance coverage.

There was discussion.

Mr. Campbell made the following motion:

RESOLVED, that the MHAA Executive Committee approves the request for MHAA Emergency Grant retroactive funding to the Sandy Spring Museum in the amount of

\$36,017 for “Emergency Fire and Mold Remediation,” contingent upon the Museum verifying that grant funds will not be allocated to cover activities or reimburse expenses that were covered or reimbursed by the Museum’s insurance company.

Mr. McCord seconded, and it was approved unanimously.

Resolution R-400 Emergency Grant Request from Scotland AME Zion Church

Ms. Ruffner summarized the MHAA Emergency Grant Request from the Scotland AME Zion Church in Montgomery County. She reported that the building was a historic, African American church and the request is for \$100,000 for emergency stabilization and a conditions assessment report. The church was damaged by flooding, and the conditions assessment would include recommendations for storm water management. The church is currently outside the boundaries of the Montgomery County Heritage Area. A public hearing on the boundary amendment had been scheduled for March but was cancelled due to social distancing mandates related to the COVID-19 public health crisis. Ms. Ruffner explained that, if the grant is awarded, it must be awarded conditionally, contingent upon approval of the proposed boundary amendment for the Montgomery County Heritage Area. She also recommended that, since the Authority would not be able to ratify the Montgomery County boundary amendment until the July 2020 meeting, the Executive Committee should consider awarding this grant using FY 2021 grant funds that would specifically be approved to retroactively cover expenses incurred after the Montgomery County boundary amendment is approved.

There was discussion.

Rebecca Ballo of the Historic Preservation Office of Montgomery Planning, who wrote the grant request in collaboration with the church congregation, had called into the teleconference. When questions came up about how the project would prevent future flooding of the church, Ms. Ballo was invited to discuss her understanding of this matter. Ms. Ballo provided a more detailed description of what the conditions assessment would include and how it would inform stormwater management on the site.

While Ms. Ballo was speaking, Dr. Baker was disconnected from the teleconference due to technical difficulties. She rejoined the call after a few moments, and Ms. Ruffner summarized the discussion she missed.

There was further discussion.

Mr. McCord made the following motion:

RESOLVED, that the MHAA Executive Committee approves the request for MHAA Emergency Grant funding to the Scotland AME Zion Church for \$100,000 for emergency stabilization and a conditions assessment, to be funded with FY 2021 MHAA funds, contingent upon subsequent approval by the MHAA of a boundary amendment that includes the Church in the boundaries of the Montgomery County Heritage Area. All

eligible expenses incurred after the approval of the boundary amendment may be covered by the grant and required matching funds.

Mr. McCord asks if there is any new business. The Committee members and MHAA staff answer no.

ADJOURN

Mr. McCord called for the meeting to be adjourned at 1:10 pm. Mr. Campbell motioned to adjourn, and Dr. Baker seconded. The motion was approved unanimously.