

F.M. KIRBY FOUNDATION SOLICITATION EVALUATION FORM

DATE: March 25, 2022

REQUEST DATE: January 20, 2022

Last grant acknowledgement: Yes

Program Area: Environment/Animals

APPLICANT:

The Adirondack Council, Inc.

Suite 3

103 Hand Avenue

PO Box D-2

Elizabethtown, NY 12932-0640

CONTACT: Mr. William C. Janeway, Executive Director

PHONE: 518-873-2240

PAYEE OTHER THAN ADDRESSEE:

AMOUNT REQUESTED: \$80,000 **NATURE OF REQUEST:** Toward general operating support

GRANT HISTORY

LAST GRANT DATE: 5/3/2021

LAST GRANT AMOUNT: \$80,000

FYE DATE: 6/30/2022

AFS DATE: 10/15/2021

2017	\$50,000	2/28/2017	
2018	\$75,000	5/31/2018	Toward management and organization of regional Acid Rain conference in the fall of 2018-\$25,000
2019	\$65,000	4/30/2019	Toward actions to advance the goals identified at the 2018 Acid Rain Symposium-\$15,000
2020	\$65,000	4/30/2020	Toward continued support to defend clean air rules that protect the Adirondacks from acid rain pollution-\$15,000
2021	\$80,000	5/3/2021	Toward continued support to defend clean air rules that protect the Adirondacks from acid rain pollution-\$20,000

DLK COMMENTS: Financial analysis attached. No red flags. Nice growth in unrestricted assets.

LDC COMMENTS: The Adirondacks boast the most collaborative and cohesive nonprofit strategy toward common conservation goals of our three regional areas of interest in the environmental docket. This can be in large part attributed to the fact that the conservation and preservation of the Adirondack Park is a very obvious and long-held shared common goal for not only the organizations themselves but also the individuals who are employed (both paid and volunteer) by these organizations. This cohesiveness and nature of collaboration are obvious when reading multiple grant proposals from our Adirondack partners and seeing how the same campaigns, concerns, and advocacy efforts are mentioned in each proposal, though from different lenses (such as the future of the Follensby Pond and Whitney properties). To paraphrase the words of Peg Olson of The Nature Conservancy-Adirondacks, each organization pulls a slightly different lever in the work towards a common goal. **(JJK: What could NJ and NC learn from them?)**

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As exemplified by both the proposal and the included Vision 2050 report, the Adirondack Council has a crucial role in the ecosystem of Adirondack conservation nonprofits, providing environmental policy advocacy both on the regional and federal levels (as well as scientific research and data collection) and spearheading the thirty-year vision for the park. The Adirondack Park represents one of the U.S. locations most sensitive to critical load (the quantitative measure of the minimum amount of pollutants in the air above which certain environmental effects can be seen) and, therefore, acts as an important measuring tool for National Ambient Air Quality Standards (NAAQS) which affect guidance around acceptable levels of air pollution throughout the country. On the federal level, using their 50 plus years of uninterrupted data and research on topics such as environmental pollutants, AC does the work of representing the Adirondacks as part of a larger national environmental agenda. Fortunately, many environmental rollbacks (both fiscal and regulatory) put in place during the previous presidential administration are now being reversed, and AC is leading some of the policy advocacy in this realm. For example, in 2021 they worked in partnership with FMKF grantee Environmental Defense Fund to successfully overturn an EPA decision that denied New York and New Jersey protection from smog and acid rain generated by coal-fired power plants in the Midwest. They also continue to monitor the federal budget and actively advocate for increases that will lead to improvements in air quality monitoring pollution limitations in the Adirondacks. In reflection of my discussions with SDK about the Kirby family's interest in environmental conservation in the Adirondacks, I was recalling the anecdote about how the family noticed that the population of fish had declined rapidly over the course of a few years after they first purchased the Jerseyfield property (due to acid rain). It occurs to me that this type of federal advocacy is precisely what FMKF values about its longstanding partnership with AC.

On a more local level, the AC is protecting water quality by advocating for road salt limitations, more stringent septic system requirements, and the decontamination of boats to protect against invasive species. Perhaps the highlight of the proposal is the AC's Wilderness and Overuse Campaign. Over the pandemic, an increased interest in both general outdoor access and U.S.-based vacation destinations brought the Adirondacks (as well as many National Parks) to the brink in terms of human usage. Overuse threatens to degrade both the aesthetics and the ecology of the nature and wildlife of Adirondack Park. To safeguard the park while simultaneously maintaining its recreational value, a use management system based on research and data must be put into place. After over 20 years of advocating for policies that address overuse, AC is now positioned to lead this effort at a moment when it is finally gaining the cross-sector attention it requires. The plan that is being advocated includes several measures such as replenished sustainable trail infrastructure, increased staffing, and increased limits on daily visitation based on standards of capacity that take overuse into account. While the proposal states that there has been success in gaining enthusiasm about the problem of overuse, they also concede that this acknowledgment is only the first step towards a long process of implementation of a solution. The project is estimated to require a \$590K investment from AC over a two-year period (2022 and 2023).

Before I conclude, I would like to point out two more issues that AC has "taken up" that I think are significant points at the intersection of conservation and economic health of the Adirondacks. The first is increased broadband infrastructure in the Adirondacks region. The Common Ground Alliance (nonprofit collaboration in the Adirondacks) has identified the lack of broadband infrastructure and digital access as a key roadblock for economic growth in the region. Our conservation interests are directly affected, though perhaps less obviously, by the inability to recruit a population of talented and visionary professionals into the region's year-round population. **(JJK: Great point.)** While offering incredible access to nature, the region's limited economic

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opportunities and access to essential resources such as childcare and WiFi limit its appeal to the younger and more diverse generation of professionals that are desperately needed to ensure the professional capacity of the conservation in the area is preserved and developed. More on this topic can be found in the Vision 2050 report on pages 27-37 and I look forward to seeing the multi-agency efforts to improve and diversify the local economy

On a similar note, AC (along with other partners) promotes farmland preservation and sustainable farm practices through its Essex Farm Institute (EFI). Farmland in the Adirondack region is becoming difficult to obtain and preserve. Small farmers, in particular, are experiencing hardship as farms in the region decrease, but the farms that remain become larger. The preservation of farmland and the promotion of sustainable and environmentally friendly farming practices is an important piece of the conservation puzzle of the Adirondacks: healthy soils provide a source of carbon sequestration and regenerative farming practices limit harmful chemical runoff and ensure maximum agricultural yield over the long term. Additionally, the importance of agriculture to the economy and communal health of the Adirondacks is hard to overstate. EFI partners with the Open Space Institute to provide micro-grants to Adirondack farmers to implement environmentally sustainable agricultural practices. The hope is that investment in the next generation of young farmers can ensure that farmland in the Adirondacks is enduring and that the agricultural economy is able to attract and support young professionals to an area that has harbors few incentives for a year-round population.

I recommend the requested and budgeted \$80K, with \$20K towards continued support to defend clean air rules that protect the Adirondacks from acid rain pollution and \$60K in general operating support. Given the large scope of the legal advocacy work done by the Adirondack Council and the crucial nature of implementing federal environmental policies that protect our natural resources at this moment in time, I think our \$80K grant is timely. Additionally, I would like to keep an eye on the efforts to preserve farmland and increase agricultural production in this region as I foresee this becoming a pivotal issue in the near future.

JJK COMMENTS: No other community-based group that I am aware of in the Adirondacks has the staffing, expertise, and strategy to represent the Park in Washington, D.C. and Albany, where decisions on pollution standards, budgets, and other policies can have major consequences for the Park. So I continue to believe that support for Adirondack Council, as a strategy, provides support to just about every other organization as well, whether it be for protecting conserved lands, like Follensby, or strengthening the human communities of the park, such as Adirondack Foundation works towards. Furthermore, some of the challenges that the Adirondack Park Agency faces are the result of a lack of long-term vision and piecemeal legislation and policy-making. Thus, I think only an organization with the breadth of the Adirondack Council could take up the leadership mantle of the VISION 2050 project and really consider what a long-term, climate-resilient strategy looks like.

All this said, I am a bit disappointed to see little progress – and much repetition between two years of requests – on the Visitor Use Management Plan, although the proposal does note that the consultant group responsible for the plan is nearing completion.

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FM KIRBY FOUNDATION Financial Statement Analysis

Grantee Name:	The Adirondack Council	Date:	<u>2/17/2022</u>
Prepared By:	DLK		
Grant Request Amt.	\$ 80,000	Type of Financial Report Submitted	<u>Audit</u>
Budgeted Amt.	\$ 80,000	Period Covered in Financial Report	<u>FY 6/30/21</u>
Audit Firm	Bonadio & Co., LLP	Date of Report Issuance	<u>10/15/2021</u>
Opinion	Present fairly		
Basis of Acctg.	GAAP		

Current Ratio (Liquidity Ratio/Working Capital Ratio)	74.38	Amount of Unrestricted Net Assets (Operating Reserve)	\$ 10,425,154
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Note: A current ratio measures an organization's ability to pay short-term and long-term obligations. The higher the ratio, the more capable the organization is of paying its obligations. A ratio under 1 indicates that the organization's liabilities are greater than its assets.

Allocation of Functional Expenses	6/30/2021	%	Must Read Financial Statement Notes
A. Program Services	\$ 2,199,631	84%	Ideally program expenses should be at least 70% of total budget.
B. Management /General	\$ 329,722	13%	
C. Fundraising	\$ 89,882	3%	
D. Total Expenses	\$ 2,619,235	100%	

Comments/ Notes:

FY22 Budget: The Council has budgeted an operating deficit of \$693K for FY22. Total operating revenues (incl. transfers) are budgeted to decline by \$396K (14%), with individual donor revenues down \$595K (31%) while foundation/corporate donations are up \$42K (14%) and Adirondack Vision revenues are up \$44K (54%). Total expenses are budgeted to increase by \$671K (26%), with the largest increases in salaries/benefits (\$398K/25%), professional fees \$140K(57%), public relations \$78K (65%) and printing \$46K (54%).

FY21 Audit: The Council had a \$3.5M surplus vs a \$76K surplus for FY20. Total revenues were up \$3.8M (159%), with a positive swing on gain on investments of \$2.7M, as well as increased contributions of \$864K (38%). As their PPP loan was forgiven in January 2021, the \$266K was recognized as revenue for FY21. Total expenses grew by \$314K (14%), with program expenses growing by \$334K (18%) and fundraising by \$26K (40%). Management expenses declined by \$46K (12%). The Council had \$8.9M in investments as of June 30, 2021, which included \$783K in a beneficial interest in assets held by the Adirondack Foundation. The beneficial interest serves as the Council's endowment assets. The Council purchases Carbon Credits at the quarterly Regional Greenhouse Initiative auctions. While none were purchased for FY21, the Council had retired/donated a total of 16,039 credits as of June 30, 2021. 400 credits were donated to local radio stations. Every allowance the Adirondack Council buys and retires mean one less ton of carbon in the air. There were no red flags as a result of my review.

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I recommend \$80K, as designated below.

DISPOSITION:

- Declination
- Hold for review on/about:
- Approval for: **\$80,000**
- Hold for Board Review
- Insert Information: **Toward continued support to defend clean air rules that protect the Adirondacks from acid rain pollution-\$20,000**
- Other:

Initials: AAK Date: 4/8/22
Check #: _____ Date: _____