

State Natural Resources Conservation Council

An Agency of State Government, Serving Vermont's 14 Conservation Districts

NRCC Board Meeting

Wednesday, February 8, 2023 1:00 pm – 4:00 pm

Join Zoom Meeting

<https://us02web.zoom.us/j/8798107090?pwd=c3luK1lzZm5MSTc4eWVTWFo2ZWYdz09>

By Phone: (929) 205-6099 Meeting ID: 879 810 7090, Passcode: 524884

NRCC Voting Members:

Rick Hopkins - Board Chair, Central Union Rep, Winooski NRCD

Alan Shelvey - South Central Union Rep, Otter Creek NRCD

Linda Corse - Southeast Union Rep, Windham County NRCD

Richard Noel - Northwest Union Rep, Franklin County NRCD

Tim Buzzell – Northeast Union Rep, Orleans County NRCD

Katy Crumley – Southwest Union Rep, Bennington County NRCD

Nina Gage - Vermont Agency of Agriculture, Food and Markets Rep

Marli Rupe - Vermont Agency of Natural Resources, Department of Environmental Conservation Rep

Dan Lerner - University of Vermont Extension Rep

NRCC Non-Voting Board Members:

Travis Thomason - USDA Natural Resources Conservation Service Rep

Jill Arace - Vermont Association of Conservation Districts Rep

Attendees:

Meeting held remotely via Zoom:

Board members: Rick Hopkins, Southeast Rep; Richard Noel, Northwest Rep; Tim Buzzell, Northeast Rep; Alan Shelvey, South Central Rep; Katy Crumley, Southwest Rep; Dan Lerner, UVM Extension Rep; Marli Rupe, Vermont DEC Rep; Jill Arace, VACD Rep, Chris Von Alt, Northeast Rep Alternate

Other Attendees: Molly Varner, Jess Miller, Clare Ireland, Travis Thomason, Nina Gage, Sarah Damsell, Cory Ross, and Lina Smith

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AGENDA:

1:00 pm	Call Meeting to Order Welcome & Introductions	Chair
1:05 pm	Review & Approve Minutes	Full Board
1:10 pm	Review & Approve FY22 Financial Report	Clare Ireland
1:40 pm	Review & Approve FY23 Budget	Clare Ireland
2:10 pm	Review FY22 Annual Report	Jill Arace and Molly Varner
2:40 pm	District Manager Representative Report	Sarah Damsel
2:55 pm	Environmental Justice Representative Report	Jennifer Byrne
3:10 pm	Update on VACD Board Development & Legislative Work	Jill Arace Clare Ireland
3:25 pm	Other business, as required Schedule Next Meeting	Chair/Full Board
3:30 pm	Adjourn	Chair/Full Board

Minutes:

Rick Hopkins called the meeting to order at 1:04 pm and welcomed everyone. Introductions were made.

Review of Minutes

Linda Corse made a motion to approve the minutes of the July 14, 2022 NRCC board meeting as presented. Alan Shelvey seconded the motion. Linda Corse noted the date of minutes from the previous meeting (July 14, 2022) should have been included in the agenda. Upon a vote, all were in favor. Minutes approved.

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Review of FY22 Financial Report

Clare gave an overview of the financial report. She explained that due to the accrual method of accounting, invoices are applied to the period when the work is done so invoices are still coming in after June that are applied to the previous year. This causes some delay in producing annual statements.

She noted that three grant agreements were closed out in FY22:

- FY22 Core Services
- FY22 Tactical Basin Planning
- FY18 AgCWIP

Several grants remain open into FY23:

- Project Development
- Design & Implementation Block Grant
- Trees for Streams

Revenue was 53% of the budget amount because of timing or underspending of grants. In particular, several large Design & Implementation projects that were budgeted for FY22 ended up happening in FY23 instead.

Balance Sheet

Clare noted the high accounts receivable and payable balances and explained this is because invoices are booked at the end of the period in which the work occurred, regardless of when the invoice was dated. Because of this, the accounts payable and receivable detail is not a good estimation of invoice aging, but it does provide a snapshot of what assets and liabilities look like at year end.

Clare added that there would be a discussion with the finance committee at the close of next fiscal year on how to handle balances in cases where the grant has been closed out.

Nina asked why there was a delay of the final AgCWIP agreement. Clare responded that it had to do with staff capacity and turnover. Because the program has transitioned between multiple program managers across the 4 years, there have been challenges in maintaining consistent tracking and reporting under the grant. New systems are being implemented to address these issues in future, and Clare and Jill are cross training in multiple NRCC grants to provide better support to program managers. Nina appreciated the work to get to a better place and noted that delays like those experienced this year cause issues on the state side as well.

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Profit and Loss Statement

Clare gave an overview and explained that the net income on NRCC's P&L statements will always be 0 because income is accrued against expense.

Marli asked if approval of the financial statements could be postponed to give time for review. Jill noted the finance committee has reviewed and approved them and the board did not have to approve the financial statements. They could just acknowledge receipt of them.

Review of FY23 Budget

Income

Clare reported that several funding sources are expected to continue through FY24:

- Tactical Basin Planning
- Project Development
- Design and Implementation
- Woody Buffer Block Grants
- Core Services
- AgCWIP
- Trees for Streams: Pur Projet and Lake Champlain Basin Program

In addition, two new grants were received in FY23, but are not expected to begin until FY24:

- National Fish and Wildlife Foundation grant to support Trees for Streams
- NRCS RCPP Streams Aquatic Organism Passage Grant

Overall, NRCC is 94.5% funded by state grants and 4.5% from federal sources with 1% of private funding.

Expense

The budget expense projection was developed using 7 months of actual expense and 5 months of projection.

Projected expenses are developed by looking at open sub-agreements. Some grants, like Tactical Basin Planning, AgCWIP and Core Services are known numbers because payments are made on a schedule based on deliverables. Others, like Design & Implementation, Project Development, and Trees for Streams, have projects whose amounts and timelines vary. Budgets for these grants are projected based on anticipated timelines.

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Personnel continue to be contracted with VACD, and this budget supports an increase to salaries and more direct involvement by Jill in grant administration.

Two new district manager representative positions are being funded through the Core Services agreement, and \$24,000 for a new bookkeeping and administration position to support districts.

Program expenses are 100% passed through districts, municipalities, and watershed groups.

The \$1.2 million increase is due to timing of Design & Implementation and Project Development grants and increased funding provided to districts from Core Services, Tactical Basin Planning, and AgCWIP.

Under this budget:

- 85.7% of expense goes to districts
- 14% of expense is for NRCC personnel
- Overhead is minimal

The \$1.1 million increase in the budget and the general upward trajectory were discussed.

Sarah asked about increased salaries and how they compare to district manager salaries and how much Design & Implementation grant funds go to outside entities.

Jill noted that VACD technical staff will receive raises to align them with the NRCS system. Clare will be doing a review for middle managers in the next month to see if they are aligned with the market. A review of district manager's salaries could be done as well. Clare noted that the 10% increase budgeted was an estimate for the purposes of budgeting only. Retaining staff is the main driver behind the budget increase.

Marli agreed on the need to cut down on staff turnover. She asked if exit interviews were conducted to understand the reasons for turnover. She noted this directly impacts grant deliverables.

Jill replied that she does exit interviews when she can. Limited benefits as well as salaries are an issue. The burden of fundraising for your own position and staff as well as the burden of the administrative minutia associated with grant management is not what district managers have signed up for. When another opportunity presents itself doing fulfilling natural resource work that pays better and has benefits, it's pretty attractive.

Cory made the point that this is tied into billable rates. Block grants often dictate what can be charged. The only way to pay staff better is with billable rates that continue to keep pace with needs. Districts

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should have boards that are fully aware of the complexities of the conservation district delivery system in Vermont.

Nina made the motion to accept the FY23 budget as presented. The motion was seconded by Chris. Upon a call for a vote, all were in favor.

Review FY22 Annual Report

Molly presented the 2022 Vermont Natural Resources Conservation Districts Annual Report.

<http://www.vacd.org/2022annualreport>

District Manager Representative Report

Sarah Damsel gave an overview of the DM Rep position:

- DMs were feeling the need to have more open lines of communication with VACD
- The DM Rep and DM Rep Alternate will serve as a representative to the National Association of Conservation Districts (NACD), to Council, and to VACD. They will attend VACD and NRCC board meetings.
- The DM Rep and DM Rep Alternate will also work on projects:
 - How to best work with VACD and Council staff.
 - A resolution procedure to enable individual district boards to provide Council and VACD with specific goals or action items for consideration.
 - Improvements to DM meetings.

Clare thanked Sarah and Cory for the work they have done to support communications and facilitation with the DM's. Jill added that this has been a nice development and has provided a sense of community. She also noted a report of what services Council and VACD provide to the districts is being done and will be presented at a later time.

Update on VACD Board Development & Legislative Work

Jill reported that VACD has engaged the advocacy firm Action Circles who helped achieve the successful campaign last year adding \$498,000 to last year's legislative request. Action Circle helped identify needs and focus on messaging. Districts articulated their needs, and a unified \$3 million request was made. This went in through the Agency of Agriculture Governor's budget. Districts were

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mentioned in the first committee meetings of both agriculture committees and invited in to give testimony early in the process.

Districts are growing and the goal of the budget request is to provide foundational funding for districts that are not entirely grant led.

The Appropriations Request handout listed the following specifics:

- Core distributions to Districts - \$1,370,000
- Agricultural Resource Specialist Training - \$200,000
- Community Engagement and Outreach - \$450,000
- Board and Supervisor Compensation - \$50,000
- Equipment and Facility Upgrades - \$98,000
- NRCD Leadership Expenses - \$30,000
- 3 Positions at NRCC - \$313,000
- Capacity Development & Overhead - \$489,000

Marli asked if districts are doing legislative breakfasts and local outreach. Jill replied that almost all District Managers have met with legislator's one on one, but are now more focused on the request in key committees. Richard added that in Franklin County, legislators had attended an event at his farm and received good reviews.

Jill noted there are many new legislators who ask questions like how districts are different from everybody else and how all the organizations fit together.

Chris asked the agency representatives (DEC and VAAFM) attending the meeting how getting increased core funding to the districts is viewed from their perspective? Nina stated that as agency staff, VAAFM supports the Governor's budget and can't comment other than to say that there is unprecedented COVID related funding available. Marli added that in general, DEC strongly supports the Conservation Districts and the need for building capacity. She stated that helping the Conservation Districts is a value to all of us.

Travis said he was scheduled to testify at the state senate Ag Committee Friday regarding NRCS's work and he plans to cover the role of NRCC, VACD and the Conservations Districts and the importance of locally led conservation and how it drives NRCS investments at the state level. He will reiterate the importance of locally led investments.

VACD Board Development

Jill noted that there has been interest from districts in engaging with the full board, composed of one representative per district. There has been an Executive Committee that has for many years functioned as a board and an annual meeting to elect officers and approve the budget. The full board fell by the

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wayside because it was difficult to get a quorum. Now the stakes are getting higher and there is more interest. There were three open information sessions in January that went very well and were attended

by 13 board members from different districts. A full board meeting is planned for February 23 at 6:30 pm.

She looks forward to bringing in the expertise of the board members to help us and their district managers. Clare stated that she was excited about more engagement and support to tackle issues such as human resources, legislative work, and strategic planning. It is hoped the VACD board will meet quarterly.

Adjournment

After discussion about future meeting dates, May, August, November, and February were chosen. The next meeting was scheduled for May 10 at 1:00 pm.

Marli made the motion to adjourn. Richard seconded the motion. Upon a call for a vote, all were in favor.

Meeting adjourned at 3:37 pm.

Meeting minutes approved May 10, 2023