

# State Natural Resources Conservation Council

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

---

## **NRCC Board Meeting**

Wednesday, October 18, 2023 1:00-4:00 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

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

Chris Von Alt –NRCC SU Representative, Essex County NRCD Vice Chair

## **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, Central Union Rep & Board Chair; Richard Noel, Northwest Rep; Alan Shelvey, South Central Rep; Marli Rupe, Vermont DEC Rep; Nina Gage, VAAFM rep; Linda Corse, Southeast Rep; Bill Manner, Southeast Rep Alternate; Travis Thompson, USDA NRCS Rep; Jill Arace, VACD Rep.

Other Attendees: Chris Von Alt, Northeast Rep Alternate; Molly Varner, VACD Communications Coordinator; Jess Miller, VACD Grants & Finance Specialist; Clare Ireland, NRCC Finance Manager; Sarah Damsell, District Rep, Orleans County NRCD District Manager; Emily Nummer, VACD Agriculture Programs Manager; and Lina Smith, NRCC Grants & Finance Specialist.

# State Natural Resources Conservation Council

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

---

## AGENDA

1:00 pm	Call Meeting to Order Welcome & Introductions	Chair
1:05 pm	Review & approve Minutes of the July Meeting	Chair
1:15 pm	Review & Approve FY24 Budget	Clare Ireland
1:45 pm	Discussion of FY24 Core Services Budget	Clare Ireland
2:00 pm	Discussion of FY25 Appropriations Request	Clare Ireland
2:30 pm	Discussion of Statute Review	Chair/Full Board
3:00 pm	Report from EJ Rep	Jennifer Byrne
3:14 pm	Flood Response Discussion	Clare Ireland, Jill Arace/Full board
3:30 pm	Report from VACD	Jill Arace
3:35 pm	Report from DM Rep	Cory Ross
3:45 pm	Other Business, As required	Chair/Full Board

### Welcome & Introductions

Rick Hopkins called to order at 1:05 pm. Introductions were made.

### Review & approve Minutes of the July Meeting

Clare presented the finance committee meeting minutes for July, 2023.

Linda made the motion to accept the minutes of the July meeting with the addition of Chris Von Alt as representative from ECNRCD, a voting member. Richard seconded. Upon a call for a vote, all were in favor.

Linda noted that even though there were 6 supervisors attending the meeting, only 5 districts are represented. It was noted that there was still a quorum.

# State Natural Resources Conservation Council

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

---

## **Review & Approve FY24 Budget**

Rick reported that the finance committee had met and approved the budget as presented and were now seeking Board approval.

Income notes:

Clare reported that this year's income is similar to last year's with the addition of the AgCWIP Capacity Building grant, which is 100% passthrough to districts, and the Enhancement Design & Implementation Block Grant through DEC.

Pur Projet will not be a funder for our Trees for Streams projects but are negotiating funding for future years.

Sources of Funding:

- 97% of funding of the overall budget is from state grants
- 3% is passthrough federal funding
- There is only minimal funding from non-governmental sources.

Expense notes:

- Projected expenses are developed by grants managers based on existing sub-agreements.
- The NRCC personnel budget is provided by VACD staff. All personnel work is done by contract through VACD, and the contract has been approved.
- The personnel contract increased 9.5% due to base salaries increases as well as a full year of 401K plan.
- \$24,000 is budgeted for a new position to assist districts with bookkeeping and administrative needs.
- Overall program expenses are expected to increase by \$591,000 due to large projects through Design & Implementation and Project Development grants, which represent 45% of the total contractual expense.
- Also increases under some of our pre-existing grants including Tactical Basin Planning, AgCWIP, and Core Services.

Upon a question from Cory, Clare confirmed districts would be contributing towards the bookkeeping position according to their usage and noted it would be a VACD employee.

She noted the statute will be under review this year. There may be future changes that would make Council more of a state agency in terms of how it functions. Rick added that Council lost its executive position years ago, and now it's very hard to get back.

# State Natural Resources Conservation Council

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

---

Clare went on to explain how NRCC personnel are budgeted for under each grant:

- Core Services is a set amount. It generally supports NRCC administration.
- AgCWIP is a set amount for defined positions and FTEs. It supports administration of the AgCWIP grant as well as certain capacity building activities.
- Design & Implementation, Project Development, and Woody Buffer Block Grants are less certain because they are cost reimbursable with the potential for large budget variability year to year. Council's income under these grants is based on a flat 15% administrative fee. If the projects don't get done or are delayed, it impacts our personnel budget.
- Tactical Basin Planning is a set amount and supports Clare's time and work on Act 76 as well as administration of the Tactical Basin Planning grant.
- NRCS RCPP hasn't begun spending because there is no staff capacity to manage this grant currently. There is relatively little overhead associated with this grant.

Clare gave an overview of how she arrives at the budget and noted that there are sometimes cash flow problems when reimbursable grant invoices are delayed. Cory confirmed this is also a problem for districts, especially with large projects. There was discussion around how being recognized as a state agency might help with this since interagency transfers or agreements might allow for options outside of traditional subgrant protocols and since there is no new or external liability incurred since NRCC is covered under the same insurance provisions as the rest of state government.

Clare went on to report:

- The budget shows an increase of \$526,00 to the overall budget continuing a trend over the past 5 years.
- This budget supports 3.25 FTEs for NRCC staffing.
- NRCC staff time includes direct services to districts.
- 87% of the budget is passthrough to districts.
- 13% is personnel and other overhead categories.
- 85 sub-agreements are projected for the coming year.

## **Discussion of FY24 Core Services Budget**

Clare reported that at the July NRCC meeting when she presented a budget for use of the \$612,000 appropriation request there was discussion about revisiting this if there was a surplus from the \$50,000 for Council personnel. Under this budget there will be no surplus. Other options would be to budget time for Project Development or Design & Implementation, but because of the uncertainty of income from these, she did not feel comfortable doing that.

# State Natural Resources Conservation Council

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

---

Other topics discussed:

- More funding is needed for staff both for NRCC and districts.
- Nina encouraged a conversation/policy around indirect costs to Council and districts.
- The VACD Capacity Development Committee might tackle this as an issue and form guidance around indirect and billable rates.

Linda made the motion to approve the FY24 budget as presented. Richard seconded. Upon a call for a vote, all were in favor.

## **Discussion of FY25 Appropriations Request**

Clare explained the process to submit an appropriations request and the history from the past few years, noting the Council budget is a line item under the Agency of Agriculture's budget. Nina gave context of the general conversation around budgeting. The ARPA funds bubble is bursting in FY25. The flood has caused a significant impact. Although it is expected that IRA funds will be making their way to Vermont eventually, FY25 will be a tight budget year for the state.

Together, the total request for FY25 stands at \$5,589,615:

NRCC Total + NRCDs Totals	FY25 Request	FY24 Request
Operational Expense (Ongoing)	\$3,289,612	\$2,252,000
Capital Items (One-time)	\$1,843,355	\$98,000 (wrapped into general budget)
Flood-related Expense (One-time)	\$79,800	\$0
Community Engagement (Ongoing)	\$379,848	\$450,000
Ag Resource Specialist Training (Ongoing)	\$0	\$200,000
<b>Total</b>	<b>\$5,592,615</b>	<b>\$3,000,000</b>

Clare explained that the proposed FY25 budget is a result of Districts identifying their needs primarily through Core Services funding. The increases have come primarily from:

- Increases in staffing, staff pay, and benefits, and
- Capital items. Two districts are looking to buy buildings because of district growth and others are looking to purchase vehicles and equipment.

The FY25 budget request has been divided into three categories:

- Normal operating expenses,
- Flooding related expense (\$80,000 for unfunded staff time from the flooding, plus some equipment), and
- Community engagement expense

# State Natural Resources Conservation Council

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

---

Linda asked how districts who wish to buy a building would support the ongoing funding needed to maintain the building? Michael Fernandez, District Manager of Bennington, noted there is no office space in Bennington County. There are high costs in travel/staff time to Rutland and currently no presence in Bennington County. In his request he noted that the ongoing expense of maintaining the building has been built into his budget. He anticipates co-housing with partner agencies to offset operational expenses.

Nina asked what consideration is being given to being located in NRCS offices and the benefits of that arrangement. Clare noted that everyone agrees there is a benefit to housing with NRCS. These offices would likely be supplemental, and districts would still maintain some degree of office presence in the USDA service centers, but this would help alleviate the pressure of space and accessibility. Travis noted that because NRCS recognizes IRA funding will end in 2026 they are not taking on a commitment to expand their footprint. He supports the district's 100% if there is a need to expand, but noted he can't give the districts the same things if they are not co-located and would be happy to have individual discussions with districts.

The comments on this request included:

- Clare noted that this budget request is the ideal amount needed subject to a process of negotiation.
- Jill commented that to fill our mandate and to provide services, we need serious funding which includes Council positions. We have a vision for the Council that is more than just managing subgrants.
- Clare added that VACD has engaged an advisor on how to work with the legislature, and they have not looked at these numbers yet. These numbers are big picture.
- This budget includes support for approximately three full-time positions for Council. This would help with supporting overhead, including attendance at meetings, time for staff to attend district board meetings, more time to provide districts with guidance, and time to work on administrative issues related to NRCC's agency status. The budget also includes contractual services for challenges we might see with rapid growth, including legal and admin support.

Next Steps:

- Need board approval to have discussions with the Agency of Ag.
- Council will meet with the Agency of Ag once finalized to present this budget, and this will be the budget used for advocacy efforts in the legislature.

Board comments/questions:

- Marli noted she would like to understand this budget more but noted that as a state employee she may have to recuse herself in the future.
- Linda noted that she wants to see full time funding for District Managers, and Jill explained that most district proposals include this.

# State Natural Resources Conservation Council

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

---

- Jennifer asked how Council could be in a position to be included in the Governor's budget. Clare noted this relates to Council status and will be part of the discussion in the statute review portion of the agenda.
- Chris and Rick both expressed concern that this is asking for too much too fast. Rick noted that ANR also has an interest in the success of Conservation Districts and suggested approaching ANR as well as the Agency of Ag.
- Marli noted this conservation has come up in the past. It would not happen this year but asking ANR for money is worth discussing. She reminded the board that the way ANR helps the districts is with the various grant programs (Design & Implementation Block Grant, Project Development, etc). Many are project related but some, like Tactical Basin Planning and the new Capacity grants coming out, are more general.
- Clare noted that guidance was given to districts that this is not meant to replace things currently being funded by DEC grants, but, as in other states, given that Council is a state agency and because districts are government entities, it seems appropriate to have a certain amount of base funding. This has historically been a gap in funding for districts in Vermont.
- Nina noted that in light of the fiscal challenges of the state general budget she is concerned about building bases that need long-term, sustained continued funding, but she would support other areas of the budget.
- Richard suggested that the capital items (\$1.8 M) could be pulled out.
- Clare confirmed that this is why the budget request is structured the way it is: each of the three buckets of budget items might not come from the same funding source, and not all of it is ongoing. She is concerned about self-limiting the request when there is a real need behind it.
- Nina noted that less capital funding is available this year, but there might be unallocated ARPA funds.

Nina made the motion to schedule a meeting with the Agency of Agriculture as the next step, Marli seconded the motion.

After discussion, Nina withdrew the original motion and made the motion for NRCC to continue to finalize a proposed FY25 budget, to differentiate some of the base funding and some of the capital eligible one-time funding within that request, and to present that to the Agency of Agriculture. Richard seconded. Upon a call for a vote, all were in favor.

## **Report from EJ Rep**

Jennifer gave a link to the Principles of Environmental Justice that are the foundation of this work.

# State Natural Resources Conservation Council

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

---

She specifically referenced:

1. Affirming the right to environmental self-determination of all people, and
2. The right to participate as equal partners at every level of decision making.

She gave an overview of the work being done noting the following that there is agreement to:

- Extend the due dates,
- Remove annual meeting caps, and
- Amend the law to raise the stipend to \$250 per meeting.

After further discussion, Jennifer was thanked for her ongoing work and asked to keep the board apprised going forward.

## **Discussion of Statute Review**

Clare reviewed a list of legislative recommendations from the Legislative Council, Michael O'Grady. She noted the VACD Governance Committee has also been looking at this. Chris called attention to the statement made by Michael O'Grady: *"this is the result of an entity's erosion through appropriations. When you start defunding something, they can't continue to do what they're established to do"*

Clare thought this is one of the strongest statements of support in our favor of increasing our appropriations.

Nina noted the risk in opening this conversation but acknowledged the need to answer the bigger questions making it worthwhile. She noted that in her experience districts value their independence, but being a state agency means the governor is the boss. She asked to share this information with the Agency of Ag to understand what the Council is undertaking.

Jennifer said she would not like to see this document be the only one the Agency of Ag sees because it is an older document that doesn't reflect ongoing questions and conversations. Clare said that she would try to include more updated information in the notes from this meeting including questions that we've sent and a summary of the discussion that has taken place to date.

It was noted that the House Ag Committee requested this process last year because they did not understand the funding request.

## **Flood Response Discussion**

This item was tabled due to time constraints.

---



# State Natural Resources Conservation Council

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

---

## **Report from VACD**

- Jill invited everyone to the VACD Annual Meeting on November 1-2
- She reported that VACD is working with Action Circles doing advocacy with participation of supervisors and district managers.
- VACD has been reinvigorating the full Board of Directors, and a number of committees have been formed composed of supervisors, district managers, and VACD and NRCC staff:
  - Board Development. This committee is tasked with recruitment and training of board members and nomination of officers.
  - Governance Committee. This committee is tasked with reviewing our statute and the VACD bylaws.
  - Finance Committee. This committee is tasked with reviewing and overseeing VACD finances.
  - Capacity Building Committee. This committee is tasked with reviewing salaries and benefits for staff and developing a District Manager job description, among other capacity building items.

## **Report from the DM Rep**

Cory and Sarah's report outlined recent work undertaken by the DM Rep and DM Rep Alternate:

- Both attended the NACD NE regional meeting in September.
- They are helping to plan the VACD annual meeting.
- Both Sarah and Cory are serving on VACD subcommittees.
- Sarah noted that she and Jennifer have been tasked with "defining core services" and feels this may be something the Board should be involved in as well at a future meeting.

Clare noted this is a lot of work that was originally designed as 0.15 FTE.

## **Other Business**

- Rick reported he had attended the annual meeting of the National Association of State Conservation Agencies.
- Marli asked to be updated on the statute changes.

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

Meeting adjourned at 4:14 pm.