
Official Minutes of the January 16, 2019, Pierce Conservation District Board Meeting:

Present:

Supervisors:

Scott Gruber, Vice Chair
Cindy Haverkamp, Member (arrived 5:28 pm)
John Hopkins, Member
Don Gourlie, Associate Supervisor
Bill Schiller, Associate Supervisor
Hannah Febach, Associate Supervisor

District Personnel:

Ryan Mello, Executive Director
Kathryn Lewis, Budget & Development Coordinator

Not Present:

Supervisors:

Jeanette Dorner, Chair, Excused
Brian Sullivan, Auditor, Excused

The January 16, 2019 meeting of the Pierce Conservation District was called to order at 5:12 pm. The meeting was held at the District office. There was no quorum when the meeting was called to order.

Introductions:

Board, staff & visitors introduced themselves.

Please See Exhibit A: [..\Attachments\January\A - Sign In Sheet.pdf](#)

Agenda Change:

Scott started the meeting with item #7: Program Highlights (an informational item only), since a quorum of Board members was not present.

Program Highlights:

Ryan gave a brief presentation to the Board highlighting some of the District's major successes of 2018.

Please See Exhibit B: ..\Attachments\January\B - 1.16.19 Meeting PPT.pptx

Board member Cindy Haverkamp arrived at 5:28 pm and a quorum was present.

Cindy asked who develops the goals and approaches for the Environmental Education program's approach to student interaction and how these are developed, as she had some thoughts as an educator on such topics. Ryan said that he'd have the EE team follow up on this.

Approve Minutes of the December 19, 2018 Meeting:

The Board reviewed the minutes of the December 19, 2018 Board meeting. There were no corrections.

John moved to approve the corrected minutes of the December 19, 2018 Board Meeting. Cindy seconded the motion. The motion passed unanimously.

December 31, 2018 Treasurer's Report:

Kathryn presented the Treasurer's Report and financial activities for the month of December 2018. She went through the Profit and Loss statement, highlighting several items in the Income and Expense sections. Grant reimbursements were down compared to December 2017, due in part to delays in some grant funding partners processing payments.

Accounts receivable has trended higher in recent months and several partners are slower on reimbursements than they have been in the past. Part of the reason for this is that the District is conducting larger-scale grant funded projects and balances carried can be expected to be higher. In most cases the District has submitted invoices for payment on a quarterly basis, but financial staff has decided that some partners will need to be billed on a monthly basis for cash flow reasons.

It is unknown why some partners are taking longer to pay invoices and financial staff is continuing to research this and communicate often with grant funders to determine when invoices will be paid.

The Federal shutdown will also have an impact upon cash flow. The District is currently holding about \$40,000 in direct-bill expenses from the Federal government and since Federal employees

are on furlough there is no communication about when and how these expenses will be reimbursed. For the time being District management has decided to keep federally funded work going to avoid service breaks to our constituents, but this could be problematic if the shutdown were to continue for another 45-60 days.

In addition, some District projects are pass-through Federal funding via our state and local partners. Kathryn described the Conservation Commission's pass through of Renewable Energy Development Assistance as an example. The District will submit a billing to the Commission and Commission staff have indicated that the District will be reimbursed, but the Commission has no idea when they will be reimbursed by United States Department of Agriculture. The District is holding over \$100,000 in reimbursable expenses which are pass through to Federal agencies and there is uncertainty as to how each funder will deal with our invoices.

Between this issue and standard Rates "twin peaks" revenue scenario (*see Budget Presentation from August 2018 Board meeting ..\..\2018\Attachments\8 - August\J - MidYear Budget Presentation.pptx for context*), the District may face temporary cash flow issues in March of this year.

Scott asked if the previous Board action to authorize use of contingency reserve funds would cover this potential cash flow issue. Kathryn said that no, that action expired last month, and that staff would have to approach the Board for authorization if future use of contingency reserve funds were anticipated to be necessary. Ryan agreed and assured the Board that they would be kept informed on this issue as it develops.

Kathryn continued with the Profit & Loss statement and pointed out that Tree Sale pre-orders are much higher this year compared to 2017, resulting in approximately double the previous year's revenues. Kathryn also pointed out nearly \$800 in donations for the Harvest Pierce County program.

In the Expenses portion Kathryn showed the expected increase in payroll over the previous year and explained that the large increase in office lease cost was due to the landlord's delayed billing of November lease cost, which resulted in two lease payments being processed in December. Also, payroll costs were not paid in December (not an unusual situation) but will be paid in January.

In the Balance Sheet section Kathryn showed that the cash account was lower than normal for this time of year and explained how the increase in accounts receivable was partly responsible for this. She also showed that the reserve account ("1st Security Checking) would soon be reduced by about \$63,000 due to a Board-authorized transfer of funds to the checking account. That transfer was authorized during 2018 budget adoption in December 2017 but hadn't taken place at that time in order to maximize interest. The new balance of the reserve account will be about \$944,930 and should be reflected in the financial statements presented at the February Board meeting.

The Board reviewed ordinary deposits and expenses for the month of December.

John moved to approve the December 31, 2018 Treasurer's Report. Cindy seconded the motion. The motion passed unanimously.

Please See Exhibit C: ..\..\Board Meeting Financials\2019\Jan 2019.xlsx

Termination of SIMPLE IRA Accounts and Implementation of 457(b) Retirement Accounts:

Ryan briefed the Board upon recent work to enact the retirement system improvements discussed at the December Board meeting. At that time, it was anticipated that 403(b) accounts were the proper vehicle for District retirement accounts. In the last stages of due diligence, it was determined that the proper accounts would be 457(b), which are more aligned with special purpose district government organizations like the District.

Very similar features exist between both types of accounts and financial impact to the District is the same.

There was discussion, and Kathryn mentioned that news of the retirement changes had been received extremely well by staff. Cindy related that she had received a thank you card from a staff member and had shared that among Board members.

John moved to authorize the Executive Director or his/her designee to terminate Simple IRA Retirement Accounts and replace them with 457(b) deferred compensation accounts as the District's Social Security replacement accounts). Cindy seconded the motion. The motion passed unanimously.

2019 Executive Director Goals:

Ryan presented his draft goals for 2019. This document serves to ensure alignment with the Board on Ryan's major focus areas for the year. There was discussion. It was pointed out that the list wasn't in priority order and that all items were more or less of equal priority.

Ryan mentioned that he thought it was possible that working on the investment fund might be dropped, as mostly the work was done, and a list of options was created in 2018. There was discussion and it was decided to leave this on the goals statement, with potential check-backs with the Board later in 2019.

There was discussion about item #6 "Enhance Partnerships and Relationships." Cindy asked who else at the District does or could do this. She mentioned that when she is in other groups of people and the question arises "who to ask about things to do with the District?" the answer is always "Ryan," and it might not be effective or reasonable for so many people to think of Ryan as their direct contact to the District. There was discussion about widening the understanding of external partners that there are other people at the District who could be contacted for assistance with things that the District does.

Please See Exhibit D: [..\Attachments\January\D - ED 2019 Goals.docx](#)

2019 Board Work Plan and Goals:

Ryan and the Board walked through the proposed Board work plan for 2019. A concern was expressed about the length of some Board meetings and the potential to stay on time with agenda items. Ryan expressed that staff proposes a rough time agenda for Board meetings, but that meeting length is based upon Board discussion and Board desire to be informed about items on the agenda.

There were some ideas discussed about potentially varying the meeting calendar based upon the weight of agenda items, or other ways for Board members to have conversations in advance of Board meetings, so that business will flow more efficiently during business meetings.

There was some discussion about the District's 70th year and how this would be celebrated. It was noted that although materials would be created and distributed throughout the year to the public, the best opportunity for celebrating the event would be the Conservation Celebration in March. The Board would like to be kept apprised of preparations to publicize this anniversary.

John asked about the possibility of retreat-type meetings where things such as strategic plan items could be discussed at length. There was further discussion about ways to hold such conversations.

Please See Exhibit E: ..\Attachments\January\E - 2019 Board Calendar.xlsx

2019 District Legislative Priorities:

Ryan led the Board through the District's proposed legislative priorities for the 2019 Legislative session. These items were developed through Board discussions in 2018. Don asked some questions about various items on the list and talked about the importance of supporting all items, not just individual ones, as often large projects require funding from more than one grant source to be implemented.

He asked about his understanding that all items on the priorities list were budgetary/funding items and wondered about District input to the Legislature on policy issues. He offered a few examples, such as proposed changes to Department of Fish & Wildlife's Hydraulic Permit Approvals. Ryan and the Board talked about the areas where it was proper for the District to provide information to the legislature and the areas that the District typically avoids, to honor its role as a non-regulatory agency.

There was conversation about how the upcoming Conservation District Association Legislative Days would happen and how Board members' time would be scheduled to maximize efficiency.

Board members asked how the District supports the Conservation Commission's overall agenda, and after some discussion, crafted an item #5 for the Legislative Priorities document, to "Support policy proposals that align with the strategic priorities of the Conservation Commission and support the District's mission and strategic plan."

John move to adopt the 2019 Legislative Priorities for the Pierce Conservation District as amended. Cindy seconded the motion. The motion passed unanimously.

Please See Exhibit F: ..\Attachments\January\F - 2019 Legislative Priorities.docx

Equity Statement Adoption:

Ryan presented the District's draft equity statement, which is a continuation of discussion at previous meetings on the District's Equity Statement. The statement has been discussed previously with the Board and is a product of ongoing work with staff and the District's equity consultant Coleman & Associates.

Like the organization's Vision, Mission and Values, this Equity Statement is a high-level articulation about what equity means to the District and how we are committed to delivering our programming and administration of the organization in an equitable way.

There was discussion about how the statement could best be disseminated to show the work that the District is doing, beyond just the statements of vision and ideals. Board members suggested that the statement include some reference to concrete actions that the District is taking to enact the ideals of the statement. There was some discussion about how the website could be crafted to show these actions.

Cindy moved to adopt the Equity Statement as presented. John seconded the motion. The motion passed unanimously.

Please See Exhibit G: ..\Attachments\January\G - External Equity Statement Final Board Review Version.docx

NRCS Update:

There was no NRCS Update.

WA State Conservation Commission Update:

There was no WA State Conservation Commission Update.

Executive Director's Report:

a. Grants and new Revenues Report – January 2019

Please see Exhibit H: ..\Attachments\January\H - January 2019 Grant Report.docx

b. Mobile Meat Unit Operations Update

Ryan related that Puget Sound Processing has begun operations at the Rochester site that was discussed at the December Board meeting.

c. 70th Anniversary Planning

Ryan talked about some ideas for this event, including that he has contacted a historian named Michael Sullivan who will assist in storytelling. This item will be discussed in more depth at the February Board meeting.

Board Member Comments & Open Discussion

John talked about the potential for green retrofits at his church, and presented some information related to a potential event promoting art along the Puyallup Riverwalk.

Cindy mentioned that her internship at Pierce County has ended, which will free up her calendar for other activities.

Scott told the Board how much he appreciates the intelligence and energy they are bringing to meetings.

There being no further business, the Pierce Conservation District Board Meeting was adjourned at 7:32 pm.

SUMMARY OF MOTIONS:

1. *John moved to approve the minutes of the December 19, 2018 Board Meeting. Cindy seconded the motion. The motion passed unanimously.*
2. *John moved to approve the December 31, 2018 Treasurer's Report. Cindy seconded the motion. The motion passed unanimously.*
3. *John moved to authorize the Executive Director or his/her designee to terminate Simple IRA Retirement Accounts and replace them with 457(b) deferred compensation accounts as the District's Social Security replacement accounts). Cindy seconded the motion. The motion passed unanimously.*
4. *John move to adopt the 2019 Legislative Priorities for the Pierce Conservation District as amended. Cindy seconded the motion. The motion passed unanimously.*
5. *Cindy moved to adopt the Equity Statement as presented. John seconded the motion. The motion passed unanimously.*

Respectfully submitted,
Kathryn Mahan, Budget & Development Coordinator

Reviewed by,
Selena Corwin, Sr. Finance & Administration Director

Accepted:  Chairman.