

**MACD State Council Meeting
September 14/15, 2017**

**Bridge Vista Beach Hotel
1027 S Huron Ave
Mackinaw City, MI 49701**

Meeting Minutes
Approved

Thursday, September 14

Call to Order, Welcome & Introductions _____ Miller

Miller called the meeting to order at 1:09pm.

In attendance: Art Pelon, Randy Gentz, Larry Nowak, Howard Haulotte Larry Thompson, Nancy Szikszay, Donna Fritz, Keven Craig, John Mitchell, Gerald Miller, Paul Schroeder and Lori Phalen. Guests: Jane Bishop, John Switzer, and Garry Lee.

State Council Agenda – additions/corrections _____ Miller

Motion by Szikszay, support by Thompson to approve the agenda as written. AYES-CARRIED.

Consent Calendar: _____ Pelon

Motion by Thompson, support by Szikszay to approve the minutes as written. AYES-CARRIED.

Motion by Nowak, support by Thompson to approve the staff reports as written. AYES-CARRIED.

Conservation District Presentation _____ Bishop

Jane Bishop, director of the Chippewa Luce Mackinac Conservation District provided an overview. The CLM CD is co-located with NRCS in St. Ignace; FSA is also located in the Service Center. The CD currently has 5 employees; a new forester was recently hired, which fills the five staff positions, including Mike McCarty as manager. The CD does both a spring and fall tree sale with a satellite pickup location in Luce County. Educational program includes an Education on the Farm day that was just held. Involved in invasive species work including a summer strike team. Key species is garlic mustard.

District challenges: How best to approach the community for financial support and how should funds be distributed? Currently Mackinaw and Chippewa counties are providing financial support. Travel time is also a challenge with the large area and there is a great deal of travel. A satellite office in Newberry was in place, but closed when the community did not interact enough to warrant expense.

District board: Unfortunately do not have board members from the other counties. Recently added a new associate member from Luce.

Partner Updates, Programs, and Discussion

NRCS _____ Lee

Federal Transition:

Farm Production and Conservation Area – announced by Secretary Purdue. The goal is to improve customer service, with the thought that consolidation will improve customer service.

- This proposal will bring together RMA, FSA, and NRCS into one mission area, with a single administrative arm for all three entities.
- Co-location – A team will be looking at service centers to see how to be more efficient.
- Programs – looking to streamline programs – some are run independently.
- Current acting Chief – Leonard Jordan.

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Administration has reduced staffing levels. NRCS nationwide has had a staffing level of 12,000 historically. The new goal is 10,319. In Michigan, there are currently around 47 vacancies. These positions will not be filled. Decisions will have to be made on what they cannot do with this lower headcount. May have more opportunity for agreements.

The current structure has been in place for many years. In 2011 the human resources and agreements functions were centralized within NRCS. This has been a significant challenge. This next level change is going to be even more of a challenge.

MDARD

Switzer

Switzer is spending the first summer of the job in getting to know staff, partners, and issues.

SGMA – The new contract payments system is coming on line with the new fiscal year. Working to get the grant paperwork wrapped up by September 15 so that payments do not get snagged in the transition.

Calhoun CD Update - Knorek was contact as soon as the board found out what was going on. In 2015, serious red flags were identified. Need to address in ways that do not impact other CDs. The MAEAP grant held by the CD has been discontinued for FY18. This two county grant will move to the non-host county, Jackson.

- Discussion:
 - Audit findings note less than adequate documentation on accounts payable and credit card statements not reconciled. A stamp signature used for checks. The board is looking to define their liabilities and assets. Colleen Reynolds is reviewing the books.
 - Bank Reconciliation Best Practice: in Genesee a board member is sent the reconciliation. The reconciliation that goes to the district is opened by someone who is not in charge of the books and then is sent to Barry Associates. Barry Associates completed the reconciliations.
 - Switzer interested in reviewing processes and the need for improved training.
- Ideas:
 - Mandatory Training – Pelon noted that township clerks and treasurers have mandatory training. Pelon as township clerk must take a tests on his understanding of election law.

District Merger - Alpena and Montmorency have officially merged. Switzer attended the meeting, with all ten board members attending.

Ottawa CD - County administrator consultant reached out to MDARD to discuss how the county could assist the CD. Looking to merge them with the drain commissioner. Switzer noted that this consulting firm would be good to include in the legislative process.

MDARD News - New Right to Farm Field Staff have been hired. Program manager and field staff: Mike Wozniak, Jay Korson, and Kyle McCarthy.

Events Attended in support of Conservation Districts – Recently attended a Great Lakes Commission Meeting, presenting on the suite of conservation tools which highlights the Conservation Partnership and Conservation Districts. They are getting engaged in farm bill activities. Also attended the NASCA meeting – excellent.

FY18 Grants – paperwork is moving out now. Grants that use NRCS CAs are in process. If CTAI agreements are not in place shortly, then letter will go out to inform CDs that they may need to inform their employees that the funding ends at the end of the fiscal year. The

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agreement expired in June and MDARD is currently funding the entire program to get to the end of the fiscal year.

FAP - Original intent of the program was to use General Fund dollars to get the program off the ground. As the program grows, the support was to decrease. The enrollment plan at the start was very aggressive and the program still relies on GF support. Switzer has been informed that the FY19 budget projections show serious shortfalls and all will be asked to cut.

The program has been a significant driver of economic activity. The FAP landowner education has resulted in improved timber stands, increased harvests, and enrollment in QFP. Private sector foresters are now very positive about FAP and staff are beginning to see/hear about backlog in getting forest management plans written. MDARD is looking at ways to address the FY19 budget challenges. One change already implemented is adjustments to FY18 grant deliverables, to include a higher emphasis on landowner visits and QFP enrollment.

CDEM

Written Report- Blaszak

CDEM will once again provide scholarship opportunities to CDEM employee members. Application date is September 15, as per statement on the website. A silent auction will be held during the MACD Convention, with the proceeds to benefit the scholarship program. The State Poster contest is once again being coordinated by CDEM.

Committees/Projects/Programs

Finance Committee

Fritz/Committee Members

Fritz and Phalen reviewed MACD financial process, including credit card, payables and check writing and signatures. Fritz added that she compares previous current reports for discrepancies.

Review of Financials: Phalen reviewed current financial reports.

Motion by Fritz, second by Randy to allow the finance committee to make necessary adjustments to the books to balance overages. AYES CARRIED.

FY16 Financial Audit

Phalen

Phalen reviewed the audit report, no findings noted.

Motion by Mitchell, support by Schroeder to accept the audit as presented. AYES-CARRIED.

FY18 Budget

Phalen

Phalen reviewed the proposed FY18 budget. The Finance Committee has met to discuss and is in agreement with the proposal.

Motion by Gentz, second by Fritz to approve the budget as written.

Discussion: Miller asked about NACD dues. Phalen noted that there is an opportunity to add funds in the FY18 budget to support membership to NACD. Miller noted that NACD plays a large important role at the federal level and given the opportunity in the budget he is supportive of increasing membership allocation to \$1000 to allow.

Motion by Miller, second by Schroeder to amend line 6600-membership to \$1000. AYES-CARRIED.

Pelon called for a vote to approve the budget as amended. *AYES-CARRIED.*

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Meeting Recess Pelon

Pelon called the meeting to recess at 5:07pm.

Friday, September 15

Meeting Open Pelon

Pelon reconvened the meeting at 8:10am.

MACD Annual Meeting Pelon

By consensus the State Council agreed on the FY18 meeting schedule.

- February 22 and 23 or March 1 and 2.
- June 3–5, Bay City, in conjunction with the summer conference
- September 13 and 14 – Sault Saint Marie
- October 29-31, Bellaire, in conjunction with the fall convention

Resolutions Review All

2017-1 Miller provided an overview: Developed in support of the MACD comments made at the FB Staff meeting (Miller attending) and the Frankenmuth senate hearing (Brown attending). This takes the specific comments made at those two events and places them in a resolution. If approved, this will move forward to the NACD NC Region and then passed along to the NACD Annual meeting. Of special note: the elimination of SAMS/DUNS registration for program participants. Other bullets are in support of the NACD Farm Bill Principles.

Region 7 proposed this as a resolution, which was created after the meeting by Brown and Miller for MACD to put forward.

Discussion: DUNS/SAMS registration and the challenges producers have with this process. Jerry noted that Arkansas and New York congressman put forward legislation for repeal of this requirement. Likely to be addressed in the 2018 Farm Bill.

Pelon called for a motion to support the resolution.

Motion by Miller, support by Mitchell to support the resolution as written.

Discussion: Was this passed at Region 7? It was decided by consensus that this topic be addressed, but the document was not prepared at that time.

Pelon called for a vote: *AYES-CARRIED.*

2017-2. Miller provided an overview: This resolution was discussed at Region 7 (as is 2017-1). Michigan is the only state without a state-wide septic standard. Last year Region 7 provided a resolution, which was passed by the Assembly.

The state draft TMDL was released by the DEQ in the spring of 2017. MACD submitted comments. This resolution provides strategies for Districts to engage in taking action to improve septic systems management in Michigan, for inclusion in MACD Polices, to encourage District participation.

Discussion: Why just rural? Rural areas rely on septic systems and failing septic systems Suggested the elimination of the word "rural".

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The 2016 resolution addressed state policy. This resolution supports local Conservation District engagement in the education of homeowners.

Szikszay suggested change: in therefore be it resolved. #1. To "MACD shall adopt this resolution to establish...."

Pelon called for a motion to support the resolution.

Motion by Fritz, support by Szikszay to support the resolution with the suggested changes. AYES-CARRIED.

Pelon called for a vote: *AYES-CARRIED.*

Elections

Phalen

Officer Candidates:

- President: Art Pelon support by Kent, Ionia and Barry, Paul Schroeder support by Nominations Committee
- Vice President: Gerald Miller support by Kent, Ionia and Barry and Randy Gentz support by Nominations Committee
- Sec/Treasurer: Elaine Brown support by Kent, Ionia and Barry and Donna Fritz, support by Nominations Committee. Fritz noted that two years ago she agreed to run for a two year term. Please vote for Elaine!!

Pelon noted that Miller has been such an asset! Wonderful to have him engaged, with his experience and expertise, he is a real asset to the State Council.

Convention Agenda and Council Meeting Timetable

Phalen

Discussed when to hold the SC meeting during the convention.

Pelon called for a vote:

Motion by Szikszay, support by Mitchell to hold the State Council meeting on Wednesday at 9:00am to make sure all is in order for the Annual Meeting and reconvene at noon on Friday over lunch. AYES-CARRIED.

Merged District Membership Status

Motion by Szikszay, second by Schroeder that any district that merged during the course of the year be awarded voting status of their unmerged status for the year.

Discussion: Blue Water and Alpena/Montmorency merged this year. In the case of Blue Water, the St. Clair and Sanilac CDs each paid \$250, so for this annual meeting they will receive 2 votes for this Fiscal year dues.

Pelon called for a vote- *AYES-CARRIED.*

Development Committee

Miller

Miller noted that Keystone Solutions to date has brought in \$2,425 in sponsorships. The contract with Keystone is working as it is freeing up Phalen from many event logistical details as well as bringing in additional funds through the development of the sponsorship program. The current contract goes through November. Contacting sponsors eats up a great deal of time and thinks that the investment in this contract is well worth the investment.

Miller encouraged all State Council members to stop by with exhibitors and sponsors – thanking them for attending and supporting MACD and Districts.

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Legislative Committee

Phalen/Miller

FY17 summer NACD NC Region Meeting activities. Miller did not attend the Des Moines, Iowa meeting due to Betty's health challenges.

Funding Support from Partners:

MDARD – Will continue to have challenges with our Conservation Partnership while current MDARD leadership is in place. Will continue preparing for the time when the administration changes. Strategy: talking with partners and weighing in on candidates for the next director of MDARD. Do this by learning about candidates' views on soil and water conservation. We need to engage in conversations to highlight that this state, in order to have a robust Ag industry, that productive soils and high water quality are imperative, and conservation districts lead in the local delivery of programs that address these issues.

Michigan Farm Bureau – Supportive during the legislative committee meeting. They are ok with the idea of state funding, but they did not say they would be in full support and go forward in partnership with us. Neither did those who attended the work group.

RC's clarified the Organizational Excellence activities within MDARD-ESD. The elements of a successful district was more of an internal scoring system used to better understand needs to address training/support activities. It asks the questions about what makes a CD successful. The Ten Commandments document – this one outlines what districts must have in place to obtain a \$50,000 grant from MDARD.

Moving Forward:

The Council determined the following as next steps:

- 1- Define contract parameters for FY18
- 2- Develop a specific action plan for the lobby activities
- 3- Develop a request for financial support. To include the action plan and specific language to clearly state that the funds will go directly toward lobby council.

By consensus, agreed to go forward with regular dues and hold on asking for financial support ask until the plan is finalized.

Governance Committee

Bylaws Amendments Miller

Miller reviewed the bylaw amendments to come before the Assembly at the annual meeting:

- AMENDMENT - Adding a definition of an associate district director.
Why? The State Council is challenged in obtaining members, with two regions currently not represented. Region 7 is interested in allowing the president, with confirmation by the State Council, to appoint an associate director, or full director as regional chair in the case that the region seat was open for a year. Found that changes in the bylaws need to be made to allow this to go forward – including the inclusion of a definition of associate director.
- REVISION - District List Update – to correct terminology and district names.

Pelon asked for a motion to support the amendments:

Motion by Gentz, second by Szikszay to accept and support the bylaw changes.

Discussion: Suggestion to break out the changes and the revisions.

Gentz withdrew his motion

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Motion by Gentz, support by Szikszay to split the amendment and the revision into two documents.

Pelon called for a vote to split the amendment and the revision. *AYES-CARRIED.*

Discussion on amendment to add definition of an associate member:
Is there a residency requirement? Will include "it is defined in article 2.1 and who is a resident of the district."

Pelon called for a motion to support changes to the amendment.

Motion by Szikszay, support by Thompson to include residency requirements in the bylaw amendment. AYES-CARRIED.

Pelon called for a vote on the final amended motion. AYES-CARRIED

District List Revision:

Pelon called for a motion to support the revision to the bylaws to show current Districts.

Motion by Gentz, Support by Thompson on to approve the revision to the bylaws. AYES-CARRIED.

NACD Activities Phalen and Miller

NACD FY17 Dues. Miller noted the importance of supporting NACD.

Pelon called for a motion to support the payment of NACD Dues.

Motion by Szikszay, support by Mitchell to pay NACD Dues up to the budget line in dues. AYES-CARRIED.

NACD Executive Director Conference. Phalen provided an overview of the event. Excellent!

NC NACD Director Scholarship for NACD Events.

- NACD NC Region has a newbie scholarship to the convention. Agridrain is providing a registration scholarship. Pelon asked State Council members who may be interested in participating to submit their names.
- Early bird registration \$460. Onsite is \$565.
- January North Central Meeting – Grand Rapids, MI. January 4 and 5th.

MACD Training Program Phalen

- New Director and Staff Training Program – discussed throughout the meeting. No more to add to the conversation.
- District Manager Events – discussed throughout the meeting. No more to add to the conversation.

MACD Correspondence:

C/L/M Conservation District sent a letter in support of MACD legislative activities and encourages MACD to move forward with funding package in FY18.

Meeting Close 12:00 PM

Pelon called for the meeting to adjourn at 12:10pm.