

SAN JUAN ISLANDS CONSERVATION DISTRICT

Regular Monthly Meeting of the Board of Supervisors

October 21, 2020

Location: Zoom Meeting

In Attendance (Via Zoom)

Supervisors: Deanna Eltinge, Vicki Heater

David Bill, Lynn Bahrych, Carson Sprenger

Staff: Tony Fyrqvist, Matt Claussen, Erin Licata, Bruce Gregory, Kai Hoffman-Krull

Partners: Jean Fike, WSCC Puget Sound Regional Manager; Alan Chapman, WACD
NW Region Representative

Public: None

Location: Zoom Meeting

MEETING SUMMARY - Draft

Vicki Heater convened the regular meeting at 10:10 am via Zoom.

1. September 23rd Meeting Summary – Action Item:

Vicki moved to approve the September 23rd Meeting Summary. Deanna moved to second. In discussion Lynn requested removal of an incomplete statement attributed to her on page 7. Motion passed.

2. October 7th Special Meeting Summary – Action Item:

Deanna moved to approve the October 7th Special Meeting Summary, the motion was seconded by Lynn. Motion passed.

3. September Financial Statements Review – Action Item:

Tony presented highlights from the September 2020 Financial Statements:

- On the income side much time during September was spent on RCO and BLM grants recovering YCC Summer Expenditures. Tony stated that Erin had spent a substantial amount of time categorizing staff and stipend expenses between RCO and BLM and in writing reports so that that grants invoices could be processed. The District processed RCO Invoice for \$42,979.02 and BLM invoice for \$4,075.97. Additionally, YCC billed and received \$12,000 from the Land Bank.
- Implementation income at \$10,283.59 was running above the approximately \$7,000 budgeted for the month (which was computed by equally dividing implementation over remaining months). It was noted that implementation payroll for the month amounted to \$4,806.17 as implementation hours charged are calculated at the “Compensation Rate” and implementation invoicing has a 25% overhead, or indirect, component.
- The former Executive Director’s pay is still reflected as an expense and due to his vacation hours will even show on the October financial statement due to vacation hours taken as the payroll cutoff is around the 5th of each month.
- As the financial statements are presented under “Accrual Basis” accounting the Balance Sheet showed \$101,441.87 in accounts receivable and \$161,684.29 in deposit account balances at the Bank. Tony made a note that many of the receivables have currently been collected and deposited into the District deposit account which now has a balance of \$218,086.79; the receivable balance has declined to \$31,086.79.
- Tony made a statement that the finances of the District for the current month are on solid footing.

Deanna made a motion to approve the financial statements, David seconded and the motion passed.

Deana made a motion to approve the credit card details, second by Lynn. Discussion included the question about Jive Communications. Bruce answered that it is the phone system used by the District. The motion passed.

David made a motion to approve the bank reconciliation, seconded by Deanna. Motion was approved.

There was a brief discussion about the WA Association Conservation District dues of \$3,888.89 which have not yet been paid due to the dramatic increase over the previous year. Lynn mentioned that the area meeting is tomorrow (10/22/20) via zoom and she planned on attending a portion of it as she could not attend for the whole day. Vicki and Lynn agreed to exchange information especially if there will be a change in the dues amount for smaller districts.

4. Cost Share Projects Review – Action Item:

Not many changes occurred with cost share projects during October. It is expected that the activity will pick up again in the Spring 2021.

The highlighted areas in yellow on the WSCC Funding Cost Share Program 2019-2021 Sheet outline the status changes. As noted, Adam Greene composting facility has been completed and is awaiting a field check. Redmill Farm has been submitted for review.

5. District Manager Update – Discussion Item:

Up to this point the District has received a total of 14 applications. The volume of new applications has most recently slowed down.

A discussion ensued about should the posting be left open, or should it be closed. The following issues were considered:

- The current posting states: “Open until filled”.
- The posting should be left open until an ideal candidate is hired.
- Closing the posting would allow the District to process the applications received.
- Of the 14 applications received approximately 4-5 have acceptable qualifications for further review.
- Limited number of applicants have sufficient Natural Resources background.
- The District should establish a timeline for hiring.

All applicant qualifications will be input into a standardized matrix for further evaluation. The entire Board will be involved in the hiring process.

There was an agreement that each Board member will return their candidate evaluations to Matt (the Acting Director) by 11/26/20 (Monday) morning.

The Board will conduct an executive session per RCW 42.30.110 (g) to evaluate the qualifications of an applicant for public employment on Wednesday 11/28/20 from 10:00am to 12:00 noon.

6. Salary Survey – Discussion Item:

An extensive discussion was held about the components of staff compensation. The picture is more complicated and far reaching than just adjusting staff salaries. The following topics were emphasized.

- Major District events that are currently in progress, or will soon be initiated, which will have an impact on compensation such as:
 - Hiring process of new District Manager.
 - Development of District Budget.
 - Work plan reporting and development.
 - Current and future grant evaluation impacting District Budget.
 - New District programs.

- Bob Brunkow (financial consultant) recommendation at the 9/23/20 BOS meeting to hold off any significant decisions until January 2021.
- The District does not currently have:
 - An established pay scale per job position or grade assignment.
 - Sufficient job descriptions taking into account certification and training requirements.
 - A HR staffing specialist.
- Compensation also includes, and the District is in process of determining the consistent application of:
 - Health benefits.
 - Retirement benefits.
 - Paid annual leave accrual.
 - Sick days accrual.
 - Paid holidays.
 - Hours worked.

The District is in process of building a summary spreadsheet outlining the current components of compensation for staff members. This will be updated for 2021 and the Compensation Rates for grant invoicing will be recomputed with the new pay rate and benefit cost data.

The purpose of the Salary Survey is to assure that District employees are adequately compensated while promoting retention.

Some of the conversation concerned the timing of making sure that the compensation details are worked out prior to adoption of the Budget. There was general agreement that it is important to get this completed.

The following topic of conversation included evaluation of grants and the indirect component which covers district expenses. Commission grants have a 25% indirect while some grants are limited to 10% while others have no indirect component at all.

7. Line of Credit – Action Item:

David made a motion that the Conservation District should apply for a Commercial Revolving Line of Credit of \$50,000 from a Commercial Bank. This motion was seconded by Carson. The discussion entailed:

- The Signer of the Loan Documents will be The Chair of the District, Vicki Heater.
- The persons authorized to draw funds under the Line of Credit will be Vicki Heater, Chair, Matthew Claussen, District Manager and Tony Fyrqvist, Finance Manager.
- The general terms of the loan shall be acceptable to District Management. However, the District realizes that a Commercial Bank cannot commit to specific terms until the application is received and the Bank has had the opportunity to evaluate the strength of the borrowing entity.

- Generally the discussion about the Line of Credit conveyed an expectation of a variable interest rate at around Prime Rate (which is currently at 3.25%): loan term of 24 – 48 months with the longer term being preferable; legal fees ranging from approximately \$1,000 to \$1,500 and a loan fee to the Bank of approximately ½%. The loan could be structured as a Limited General Tax Obligation Bond.
- The monthly payments would be for interest only calculated on outstanding principal.

The purpose of the Commercial Revolving Line of Credit is to cover - if needed - the funding time lag between paying monthly payroll and other expenses and when the District gets reimbursed from grant proceeds. Historically most of the District grants have been structured on cost reimbursement basis.

8. Reserve Fund

There was a short discussion of establishing a reserve fund. The District has historically had sufficient liquidity to contribute to a Reserve Fund. Also, the current liquidity would justify a contribution. However, the exception was 2019 when District finances were constrained with insufficient periods of liquidity.

The reserve fund concept will be further evaluated in light of the budget, but a contribution of \$10,000/yr was considered as a reasonable contribution in order to start building the account.

A question surfaced concerning placement of the funds in an account earning higher interest than just a plain bank savings account. However, Jean Fike mentioned that reserve funds cannot be held in an account which might present a risk to the principal

9. Conflict of Interest Policy – Action Item

The District already has a Conflict of Interest Policy in the Employee Policy manual. Discussion ensued of the conflict of interest provision as it relates to participation in grant proposals.

10. CD Elections

The Conservation District has not paid the WA Association of Conservation District (WACD) dues of \$3,888.89 because of the substantial increase over the previous year dues. San Juan Islands is a small district and it does not seem appropriate that the dues are the same as for large districts such as for King County. The District is emerging from constrained financial position in 2019 and is operating under restrictions placed by the State's response to COVID-19 and feels the amount is excessive.

Alan Chapman stated that all but 2 districts in the State have paid their dues. While appreciating the lobbying and other work WACD has done for the District the question arose about the relevance of paying the full installment this year as there will be limited

local personnel attending the annual meeting. Payment of the dues would enable the District to vote, but at this point the District has other concerns outweighing the voting capacity.

Lynn made a motion to pay WACD \$2,000 which would be sent along with a letter addressing the District's concerns. Deanna seconded. The discussion entailed a comment by Jean stating that the urgency to modify the appearance of transparency and format of running the elections is dissipating as the Legislature has been involved with the State's COVID response. The motion carried.

11. Grant Application Updates

- a. CRPP – due at the end of the month. A 2 year riparian related grant for approximately \$117,000 of which 80% will be for cost share and 20% for technical assistance.
- b. DOH – 2 year term from mid-January 21 to 11/30/23.
- c. Beginning Farmer/Rancher Grant – fell through.

Kai is also working on several grants and provided a copy a pipeline.

12. Program Reports:

- a. **CCC** – Kai stated that CCC is up and running and provided a synopsis of work over the past month. Zoey has been leading the crews in an exemplary fashion and has developed appropriate safety protocols and procedural write ups. He is working on grants as outlined on the Grant Pipeline Report and briefly mentioned a 5-year grant from National Parks and work being done on the OPALCO grant. The Director and Assistant Directors of the Huxley College of the Environment at Western Washington University will be visiting our region 3-4 of December 2020.
- b. **YCC** – Erin gave an outline of the work that was completed by YCC during the Summer of 2020. She uploaded the 43-page 2020 Season Report on the District website which details the total of 7,300 youth and staff stewardship hours within their most successful year yet. It also discusses the role of our 14 agency partners and work done compiling a new “YCC Educational Curriculum Binder”. The program has received compliments from the youth participants, their parents, the community as a whole and from the agency partners. YCC is currently in the fundraising stage and contacting past and present donors.

13. Partner Report:

Jean Fike encouraged everyone to reach out to their legislators to support the 2021-23 Biennium Capital and Operating Budget Requests by the Washington State Conservation Commission. She also mentioned that expects the Commission – in their meeting of 12/3/20 – to release the balance of the budgeted Implementation funds for the remaining 6-months in full.

Alan Chapman reminded us of the 2020 Annual Conference which takes place 11/30/20 – 12/2/20. The fee for the organization is \$150.00 and registration is available on www.wadistricts.org. He specifically mentioned that the Wednesday morning (12/2/20) curriculum offers a class in supervisor development.

14. Public Comments:

None. No members of the public attended the meeting.

General conversation at the end of the meeting included the development of a “Review Matrix” to assist with the compilation of necessary qualifications of the new Executive Manager. Also, there was discussion about the invitation extended to Bob Brunkow as an Associate Board member. We have not heard back from him yet. Linda Lyshall will also be contacted to see if she might be interested in continuing as an Associate Member.

Meeting Adjourned at 12:00 Noon.

**Next General Meeting via Zoom: Wednesday, January 20, 2020.
From 10:00AM to 12:00NOON**