

**Long Tom Watershed Council
Board of Directors Meeting
Thursday, January 7, 2016
15 E. 27th Ave.
Eugene, OR 97405**

Present: Mike Brinkley, Alan Dickman, Cary Hart, Jim Pendergrass, John Reerslev, Charles Ruff, Deborah Saunders Evans (7)

Absent: Steve Horning, Lindsay Reaves, David Turner, Therese Walch (4)

Staff: Clinton Begley, Dana Dedrick, Rob Hoshaw

Meeting called to order at 5:34 p.m. by Chair Charles Ruff

Charles introduced the agenda for the evening, mentioning that we had decided to move the business back up to the beginning, which is different from the packet that was sent out. Briefly highlights the board themes that replaced the program headings on the agenda.

Business

- A. **Approve November 2015 Board Minutes** – *Charles for Secretary Walch*
Calls for comments or questions. None given.

MOTION TO APPROVE January 2016 Board of Directors Meeting Minutes by A. Dickman, seconded by J. Pendergrass. Approved unanimously.

- B. **October & November 2015 Financial Reports** – *Treasurer Brinkley*
Treasurer Brinkley gave his report. Group also discussed the nature of cash flow, and that the timing of expenses often coincides with project implementation season. Dana proposed the board consider how much of a reserve may be necessary to avoid potential cash flow complications. We currently have a 6 month operating expense cash reserve set as our target. It was suggested that we could consider extending the reserve to go beyond 6 months as well as re-calibrating how contingencies for key expenses like office space are calculated.

MOTION TO APPROVE by October & November 2015 Financial Reports by J. Pendergrass, seconded by C. Hart. Approved unanimously.

Rob elaborates on the issue and circumstances surrounding the late filing of the fiscal year 2014 taxes that are mentioned in the board background. The good news is that the 2014 taxes have since been filed. There were a couple of key circumstances that contributed to this deadline being missed. One, we were assigned a new certified public accountant (CPA) within the same firm that we've used (Mueller Powers Osterman Yuva). This new CPA was not effective in his communications, and he requested additional information in the fall of 2015, well after staff assumed that all questions had been resolved and the taxes had been filed. Secondly, Amanda, our fiscal manager, transitioned out of her role, and while she stayed to assist with training Heidi, Amanda's daughter experienced very serious health issues during this time. This made it difficult for her to maintain the same level of oversight over the CPA she might normally have had, and with Heidi being new to the position, she wasn't aware that taxes hadn't been filed. Moving forward, Heidi and Rob will both track tax deadlines and make sure the CPA is on top of them. After the 2015 taxes are in, we'll investigate whether the CPA's ineffective communication was due primarily to him transitioning into that role for us, or if there's a lack of competence. We may change our CPA within the same firm. One member of the board suggested the potential of utilizing an outside payroll service to provide indemnity, though Dana explained it makes it more complicating for explaining the nuances of our complex grants. Also, the board approved appointing Rob as corporate secretary, which allows him to sign for our tax documents now, as well as Dana.

Rob also briefly shared the challenge of applying for a federal indirect cost rate. As one of the first councils to apply for a federal indirect rate (administrative costs), we were in many ways at the cutting edge of a very complex process, and we're unfortunately only now coming to fully understand all of the implications. The initial idea was that a federal rate would get allow us to negotiate for a higher indirect (administrative) percentage on our grant applications. Prior federal indirect agreements were only applied to salaries and fringe benefits. Moving forward, we're negotiating for a higher rate that will apply across all allowable line items (e.g. occupancy, office supplies). More information can be found in the board background.

Rob also discussed the draft FY2015 budget to actual report, summarizing that the key points are that while board approved a deficit budget of (\$62k), we actually came out about even or slightly ahead. This was due to two main things: a) a delay in hiring which delayed some payroll expenses, and b) a delay in the implementation of some projects that by extension delayed when those expenses were incurred. Some grant reimbursements were also delayed to beyond the end of the fiscal year, which also coincides with the delay in implementation. Jim addressed a discrepancy with the report regarding how the numbers take into

account the contingencies. It will be reviewed, as this is a draft, and resubmitted for approval at a future board meeting after the FY2015 fiscal review is complete.

Therese emailed a request to Dana regarding financial review and board responsibility for financial review and tax filing. She also asked if Heidi could attend a board meeting once a year for a detailed financial review, such as when the board approves the annual budget. Both board and staff seemed to think it was reasonable to have Heidi attend a board meeting, most likely when the board reviews the annual budget during the summer. Therese also asked to clarify what level of financial oversight the board is responsible for, and proposed a high level of fiscal oversight, with an emphasis on cash at the end of the period and staff or financial manager pointing out any significant anomalies. Jim and Charles think we are doing a high level now, and the board already does a great deal of financial oversight. Dana explained that the financial review double checks the financial systems the organization has place (e.g. make sure all the numbers are accurate); this is different from the board's role, which is to approve a responsible budget, and maintain that responsibility through understanding how that budget is tracking and keep an eye on the organization's financial well-being. It was also suggested that the budget vs. actual report include administrative subtotals. As to whether the Board is responsible to inquire about tax filing or submission of reports (per By-Laws), Dana referred to the Oregon Nonprofit Board Member Handbook for the definitive answer, (<http://www.cat-team.org/documents/AguidetoNonprofitBoardServiceinOregon.pdf>) and encourages the Board to inquire on the filing of annual statements to IRS and State, yes. Staff file those after the Review is done by the CPA, usually request an extension, and are up-to-date except for 2014, which is the error we just caught and are fixing. Also Payroll Taxes (due quarterly), as that's where there is more substantial money due and thus the fines more significant. The LTWC has never missed a deadline in 9 years on those.

- C. Paperwork Moment** Board members turned in their monthly volunteer match hours.

Community Connections and Fundraising

D. Fundraising Update – Clinton

Clinton reported on the results from the December appeal letter. Overall, we earned \$7,012 in 46 gifts (\$140 avg). Notes that the size of the gift didn't change appreciably, but we acquired several new donors. The board inquired about the costs of sending out the letter. Envelopes are approximately \$30 for a pack of

500, and we sent about 1,300 letters at \$0.49 each, so our raw cost of for materials was approximately \$750.

Clinton also shared an update on the Wildcraft Ciderworks apple drive. The kickoff event has been delayed until Friday, Feb 5 at Hi-Fi Music Hall. LTWC's logo made the bottle of all cider produced from the apple drive, and \$1 of every pint sold at the taphouse, and 10% of all sales from this special cider, will go to LTWC.

An update was provided on upcoming Taste the Watershed events. Of particular note, Freshwaters Illustrated may allow LTWC to show a screening of the *Upriver* film at the Feb 20th Barnlight event. We're looking for board members to have a presence at these events. Staff will send a list of upcoming events out to board members via email.

Action Item: Alan Dickman offered to help out at the January 30th Taste the Watershed at Sam Bonds.

Action Item: Staff will send board members a list of upcoming Taste the Watershed Events.

E. Messaging – Clinton

Key items of note:

- Goal to have people be able to explain the essence of the council; mission statement has a great message, but it's not easily digestible or repeatable.
- People don't buy what you do; they buy *why* you do it. What you do simply proves what you believe.
- For example, recommends introducing our work as "We are working collaboratively and voluntarily with people to accomplish water quality and habitat goals" rather than we "we replace culverts and install rain gardens."
- Finds it helpful to begin with your core beliefs and move outward
- The goal is to get to the heart of what's important to each person trying to convey the importance and work of LTWC – what is that *you* love about the organization.
- Another goal is being able to tell a story that people can insert themselves into or relate to.
- This agenda item is a primer for what to expect when we talk about messaging going forward.

Common questions that board members are challenged to answer:

- Less comfortable when people ask what we can do for them (e.g. someone who wants help on a small parcel of land). Suggestion that they could really be asking “what services do you provide, and how do I fit into that?”
- People want to see immediate change, but change takes time to see. For context, at initial watershed council meetings, there was a lot of change that needed to be done. It was suggested that a few rural folks have expressed that they haven’t seen much change, and so wonder a) is the watershed not getting enough done, or b) folks may feel that they’re already stewarding the landscape, so they may wonder what the point of a watershed council is.
- Board members feel like they’re missing images of projects to share, and it would be good to have a picture or a brochure with a handful of projects to highlight and share.
- Sentiment that tours are valuable to get people out to see what has happened. It makes it real and helps to tell the story.
- When people ask what a watershed council is, some board members like to go back to the state level and the history of OWEB and the Oregon Plan for Salmon and Watersheds, and how lottery dollars support that. Our funding has grown much further beyond that, however, especially in recent years.
- Understanding that needs and considerations are different between councils.
- Have received a positive response to donating to a local organization that works within the community. The watershed is like a community that’s defined geographically, and we all share this area.

Board development & Storytelling

F. Success Story - Clinton

Clinton shares the recent success for the Urban Waters & Wildlife Program. The City of Eugene is committing \$50,000 over 3 years for stormwater landscape installation costs, capped at \$20,000 per year. The City was not, unfortunately, interested in funding some of Sarah’s time for outreach or design. The City of Springfield, however, has also committed to \$1,000 for FY2015 & 16 for upfront outreach work, and an additional \$1,000 in FY2016 & 2017 for design work and \$1,500 for installation offsets. In FY2017 and 2018, they’re likely also committing \$4,000 to installation offsets, and potentially for outreach and design costs. Next steps for program funding will be to approach city government and the utilities. The board was reminded that LTWC is partnering with the McKenzie Watershed Council within their service area of Springfield.

G. Board Themes & Topics for 2016 – Rob

Rob discussed the board themes and topics for 2016 that was handed out at the meeting. The goal is to continually revisit each of the three main theme

throughout the year, and to engage the board so that they come away with an understanding of what the salient points are, what their role is, and perhaps most importantly, how to tell the story of our work in a meaningful way (relating back to the messaging discussion). The calendar of upcoming board meetings and public meetings was also shared; both were provided as a handout.

H. Jan 26 public meeting – Rob

The January public meeting focuses on improving native amphibian habitat. Rob asked for volunteers to help host the meeting.

Action Item: Mike Brinkley and Jim Pendergrass (until about 6:45) will attend and assist with the January 26 public meeting.

Sustaining & Advancing LTWC's Work

I. Nominating Committee Report– Dana/Clinton

- Met with Craig Carnegie & Michelle Cahill; both are very supportive of LTWC but currently over-committed.
- Shelly Miller at the City of Eugene (in a new role at Parks and Open Space as an ecologist) is interested in potential board service.
- Jonathan Powell at Kurnutt Stokes (on Forests Today & Forever's board) is very interested in serving and leading; seems like a natural leader. He didn't want to over commit; finishing with FTF board at end of year. He has our board calendar, and he's willing to review our financials. He would potentially be a candidate in 2016's Annual Celebration as an At-Large representative. He may be willing to do the Treasurer service for us in the interim (we can have a non-board person review the reports).
- Paula Lafferty – we reached out to her and need to renew communication now that the holidays are over.

J. Administrative Hiring Update

Rob discussed the new hire as being in partnership with MWS and shared at half-time. 8 hours to MWS, LTWC 12 hours. There are already 10-12 applicants, and the closing date is Friday, January 22nd. Indicated the board members are welcome to share the announcement with anyone who may be interested.

K. Salmon Safe MOU

The MOU affirms Sarah will remain the Southern Willamette Valley representative for Salmon Safe outreach and certification. Dana explained the nuances of Salmon Safe certification, including how sites are reviewed and that members need to pay into becoming certified. The MOU grants 50% of the profits

(after expenses) to LTWC for Sarah's time; we're unsure how much that will be, as the expenses vary by site.

Reports & Announcements

L. Staff Reports – *Jim*

In background

M. Liaison Reports

None given.

N. Action Items Report:

- Alan Dickman will help at the Jan. 30th Taste the Watershed.
- Staff will send out a list of upcoming Taste the Watershed Events.
- Mike Brinkley and Jim Pendergrass will attend the Jan 26th public meeting.

Meeting adjourned at 7:35 by Chair Charles Ruff