

MORTON COUNTY SOIL CONSERVATION DISTRICT MINUTES OF MEETING

8:30 a.m. Thursday, January 9, 2024

USDA Service Center, 2540 Overlook Lane, Mandan, ND 58554

I. **CALL TO ORDER** – Aaron called the meeting to order at 8:30. Turned chair over to recording secretary.

II. ROLL CALL

Staff: Ethan Gress, Chance Porsborg, Malissa McKee, Bryce Andersen (NRCS)

Board Members: Aaron Steckler, Thomas Osterbauer, Kent Belland, Steve Tomac, George Ferderer, Richard Tokach

Others: Travis Wolf, Jonathon Moser, Lynnell Rude Ussatis (joined at 1:00)

III. REPORT OF COOPERATING AGENCIES

- a. Bryce is acting DC for Mandan. Presented report. Working on paperwork for applications. Face to face meeting that included CSP training. Completed all fixes for ES spot checks. Danelle is on maternity leave, Landon is acting CDU Supervisor through February 9, Ryan Foster will be taking over after. West Zone meeting February 20, staff meetings every week.
- b. Office closed February 19, Presidents Day

IV. REORGANIZATION OF MORTON COUNTY SCD BOARD OF DIRECTORS

- a. Appointed Supervisors
Nominations from Rocky – Richard, Thomas
George seconded
Aye – (4) No – (0)
- b. Chair
George nominated Aaron
Aaron nominated Thomas; Aaron declined his nomination
Rocky seconded Thomas' nomination.
Richard moved for a unanimous ballot for Thomas as chair.
Aye – (4) No – (0)
Thomas took over the meeting as chair person.
- c. Vice- Chair
Richard nominated George. Rocky seconded
Richard motioned for a unanimous ballot
Aye – (4) No – (0)
- d. Official Secretary
Rocky nominated Malissa.
Richard made unanimous ballot for Official Secretary, Recording Secretary & Treasurer
Aye – (4) No – (0)
- e. Recording Secretary & Treasurer
Richard made unanimous ballot for Official Secretary, Recording Secretary & Treasurer
Aye – (4) No – (0)
- f. Advisory supervisor(s)
Jonathon, Steve, Kent
Aye – (4) No – (0)
- g. RC&D Representative & Back Up – dissolved 12/31/22
- h. RDC Repetitive
Steve going to research legal involvement/requirements of SCD as RDC direction seems to be more economic development
Richard motioned to re appoint Steve. Rocky seconded.
Aye – (4) No – (0)
- i. Area IV Representative & Back Up
Rocky stated would like to stay on and nominate Kent as well.
Rocky and Kent

- Aye – (4) No – (0)**
- j. Personnel Committee
Aaron nominated George. George nominated Aaron. Richard nominated Kent and Mandan DC.
George, Kent, Aaron, Mandan DC
Aye – (4) No – (0)
- k. Financial Committee
Unanimous ballot for Richard, Aaron and Malissa.
Richard, Aaron, Malissa
Aye – (4) No – (0)
- l. Equipment Committee
Aaron nominated George, staff, and himself.
Aaron, George, SCD staff
Aye – (4) No – (0)
- m. OMG Board Member –dissolved
- n. Team Member Safety Manual Committee
George cast a unanimous ballot for board and staff. Rocky seconded.
SCD Board and SCD Staff
Aye – (4) No – (0)
- o. Soil Health Representatives
Richard nominated Rocky.
Rocky, Jonathon, SCD Staff
Aye – (4) No – (0)
- p. Handbook Committee
Richard nominated Rocky, Steve, SCD staff
Aye – (4) No – (0)
- q. Multi-County Soil Health Workshop
Steve suggested same members as Soil Health Representatives.
Richard motioned for Rocky Jonathon, SCD Staff. George seconded.
Aye – (4) No – (0)
- r. Women’s Ag Night – updated to Event Committee
Rocky motioned to change to Event Committee and reinstate Aaron, Thomas, and staff. Richard seconded.
Aye – (4) No – (0)
- s. Scholarship Committee
Aaron nominated Richard and SCD staff.
Rocky motioned for a unanimous ballot for Richard and SCD staff. Aaron seconded.
Aye – (4) No – (0)
- t. Tree Pricing Committee
Rocky moved to cast unanimous ballot for George, Thomas and staff. Aaron seconded.
Aye – (4) No – (0)

V. MINUTES OF PREVIOUS MEETING

- a. Richard requested several portions of minutes to strike. Malissa noted that recordings are legal documentation, need to be saved for 7 years and can be requested by public. Rocky seconded the motion to strike the portions of the minutes as noted.

Rocky motioned to approve the minutes as corrected. George seconded.

Aye – (4) No – (0)

VI. OLD BUSINESS

- a. Lynnell Rude Ussatis, CPA with Haga Kommer – discussion of financial reports (1 pm) – postponed until later in agenda
- b. Investing in the Future post event, annual/bi-annual event discussion

Chance reported great interest in repeating, lots of good feedback from event. Thomas felt good to do annually, tie tree award, conservation award, etc to event. Rocky motioned to move this to event committee. Richard seconded.

c. Natural Resource Trust Grant – ideas from staff

Malissa shared some ideas regarding interactive displays for educational events for children. Looking for multi age group reach.

Richard motioned to have staff to come back with solid proposals for kids [education] and groups to target for funding sources. Aaron seconded.

Aye – (4) No – (0)

d. Clerk hours to be submitted to Area IV for reimbursement, Feb 2023 – Jan 2024*

Malissa shared the totals through December to be provided for reimbursement to Area IV SCD Cooperative Research Farm. Clarified reimbursed at same wage as SCD with % of benefits based on hours per month.

Tabling board approval until February with final numbers from January included in totals.

e. Producer request for addition discount on replacement trees.

Ethan spoke with producer once more. Replacement tree numbers were provided the board as requested in the last meeting. Discussion regarding tree planting contract.

Richard motioned to stay with policy 10% of replacement tree following year of planting. George seconded.

Aye – (4) No – (0)

VII. REVIEW WORK PLAN/CALENDAR

- a. 1/15 – Martin Luther King Jr Day, holiday office closed
- b. 1/19 – end of continuing resolution, federal budget
- c. 1/30-31 Leadership Academy, Heritage Center
- d. January – letters to schools re Waterfest (Chance)
- e. 2/8 Hebron Cattle seminar, Chance to present on practices, 5:30 pm
- f. February 13-14– Living Ag Classroom
- g. 2/19 – President’s Day, holiday office closed
- h. 2/21-22 Bottom Line Ag Summit, BSC
- i. 3/11-13 District Annual Meeting, Fargo
- j. 4/3 – Waterfest, Engage Church, Mandan

Malissa noted that staff would need the board’s support for District Annual Meeting as it would be remote.

Richard motioned for approval for staff to travel and SCD to pick up expenses. Rocky seconded.

Aye – (4) No – (0)

VIII. NEW BUSINESS

- a. Supervisor mileage reimbursement – review and sign
Discussion regarding reimbursement check separate or with meeting pay. Board requests separate check for mileage reimbursements.
- b. Supervisor training report – complete and sign
Malissa handed out copies to each supervisor and went over requirements. Oath of office forms were also handed out.
- c. 4 wheeler
Discussion regarding safety manual and liability concerns regarding 4 wheeler loading.
- d. Schedule equipment committee meeting

Steve left the meeting at 10:30 am.

IX. REPORT OF DISTRICT EMPLOYEES

- a. District Clerk

Malissa shared her monthly report. Updated website with administrator, removed comments and added form to submit questions. Questions go to SCD email. 2023 Annual report almost completed to submit to State Auditor's office. W2s and 1099s all completed.

- b. District Technician
Ethan shared his monthly report. New district cell phone purchased. Monthly payment +\$2/month, removed one talk subscription that was on our plan that was not utilized. Assisted new district technician in Grant Co. Will more than likely be down in that office a couple more times to assist as needed. Finalized hand plant orders; total 111, 20 more than last year. BisMan ad has been up for two months for summer help. One from last year has already verbally committed for this year.
- c. 319 Watershed Coordinator
Chance shared his monthly report. 3 cross fence projects completed. Will be learning how to design pipeline projects. Provided Game & Fish seeding report from drill. Final report for previous grant submitted to DEQ. New sample site added to water sampling, at 5 total now. New sample site is located in Hailstone, could potentially isolate if contaminants are within Hailstone or Big Muddy.

Jonathon left the meeting at 11:15 am.

Rocky left the meeting at 11:20 am.

Richard brought to the board recurring monthly payments of the SCD. Discussion regarding auto pay. Asked for sign off from finance committee for auto pay items. Discussion regarding lack of timeframe from receiving statement and due dates.

Richard motioned to institute auto pay. Finance committee, along with Malissa, will go through the bills and decide which will be on auto pay.

Aye – (3) No – (0)

Staff left the meeting for personnel committee at 11:25. Landon Weiser, NRCS, joined the meeting.

recording was stopped after board discussion, considering personnel issues private

X. PERSONNEL COMMITTEE – employee annual reviews

Meeting paused at 12:15 pm for lunch.

Meeting reconvened at 1:00 pm – Steve rejoined the meeting. Lynnell from Haga Kommer joined for consulting.

XI. TREASURER'S REPORT, CONVERSATION WITH CPA CONSULTANT

Richard asked questions of Lynnell from Haga Kommer regarding financial reports.

-Balance sheets: investments of capital assets – no change from year to year? Lynnell indicated no depreciation, no capitalization of any assets, just went through profit and loss reporting of those expenses, nothing that has been addressed for at least 5 years.

-Lynnell clarified been working with district clerk on house keeping of books.

-Richard asked regarding retained earnings – no change on this amount as well; Lynnell indicated depending on how QuickBooks is set up, should be closed at end of year net income. Should change each year as net income closes each year.

*Opening balance equity – should never have a balance on that, should roll on retained earnings

*Investment of capital assets, accrued vacation – these are old trackings from the audit [prior with Haga Kommer], rules were changed, no longer necessary, need to be cleaned up

**can approve as a board to clean up, Lynnell offered assistance

-Depreciation discussion regarding purchased assets

*believe posted to expenses, was purchased 2020

*discussion of tracking to capital assets or depreciation schedule – no benefits for governments for taking depreciation as do not pay tax; government clients commonly take through expenses as may be getting grant for purchased assets

**enterprise analysis discussion, depreciation against these appropriate? Lynnell agreed

-Retained earnings – Quickbooks standard term, edit name

-Movement of investments, question on previous year showing \$0 on balance sheet

*Lynnell indicated 'if you buy a new CD today, your prior year balance will be \$0. Another account will show the money'

**separate line will show

- Discussion regarding presenting of updates and reports, no approvals from the board since August 2023
 - *Question regarding recommendations from Lynnell in order to move forward
 - **several people in [clerk] position in last three years, not fully understanding what transactions are doing in the background to make sure its reported correctly; A/P that were simply incorrect, paycheck that was incorrect never got paid/voided, payroll report was correct but W2 was wrong for the year; outstanding items on reconciliations that shouldn't be there that have been there for years that simply were mistakes. A lot of little things that start to add up, not significantly but not totally accurate.
 - **fix – extra involvement by a couple of board members to sit and look at financial transactions and show reconciliations, does it look right, go through CD accounts and compare with books and statements every quarter. Should have been done 3 years ago. Every time a CD moves, should be done. Lots of people in the position, generally, going to have issues
 - *Question regarding change over in the clerk/office manager role and how to avoid issues moving forward
 - **written down polices, especially with grants, how money needs to flow/data entry into QuickBooks
 - *Question about classes, requirements for hiring clerk/office manager role going forward
 - **Lynnell noted that accounting industry is very tough for finding candidates for positions. Stated their firm finds candidates that are motivated and interested and has the basics, they train the rest.
 - **When it is a one person accounting department, got to have that board member that can step in and help and be confident and telling you this is why we track it this way, and this is the policy in how we report those things
- Discussion regarding tracking of OHF payments
 - *needs to be tracked by [producer] name, need to manipulate QuickBooks as industry is not 'standard'
 - *there is a policy written down on how these are entered, there are multiple steps in order to generate a 1099
- Discussion regarding which financial reports to approve
 - *Lynnell recommended reports to be run with end date matching bank statements, i.e. end of month
 - *always review recent closed month at board meeting
 - *Lynnell recommended put in QuickBooks closing date board approved, not making any changes prior to that date
- Discussion regarding aging summaries, any advice on making process any easier
 - *Lynnell recommended in month board packet:
 - Balance Sheet
 - Profit and Loss
 - A/R aging
 - A/P aging
 - **If anything is out of line, what is process to clean up
- Discussion regarding balance sheet matching bank statement, questions on if this should match or not
 - *Lynnell asked to clarify if looking at reconciliation report or bank statement; Richard indicated bank statement with cash on balance sheet
 - **Balance sheet will always match reconciliation report. Which is why should be printed on same closing date as bank statement. Register balance should go to balance sheet, balance sheet should match your statements, and balance should show what was reconciled.
 - ***Typically a checking account will never match as there are outstanding transactions.
- Discussion regarding auto pay on bills, recommendations
 - *Current process of financial committee signing off on checks
 - *Lynnell asked if board checking off on bank statement as well as signing off on check/ACH
 - **recommend signing off and checking off both, initial on statement
- Discussion regarding QuickBooks for direct deposit payroll, doing away with manual entry in bank to eliminate human error
 - *Lynnell indicated for bookkeeping, easier if all staff and board are paid in the same manner
- Discussion regarding outsourcing of some tasks
 - *Lynnell indicated business is very specialized, would be very hard. Their firm currently does not have the staffing.
- Discussion regarding items that were worked on with district clerk in books
- Lynnell recommended cleaning up:
 - *accrued vacation
 - *depreciation
 - *equity accounts, so have fewer accounts
 - *A/P aging summary
 - **make sure is clean, empty

Lynnell left the meeting at 1:45 pm

George motioned to have board paid via direct deposit. Richard seconded.

Aye – (3) No – (0)

Richard motioned to have payroll process [direct deposit] via Quick Books. George seconded

Aye – (3) No – (0)

Thomas discussed financial reports reconciliation and financial reports, August 2023 – December 2023. Travis recommended reprinting reports with end date matching bank statements for August through December and review at February meeting.

Discussion regarding policies – having policy for carrying credits for certain period of time. Comment regarding no need to have a policy for everything.

Steve left the meeting at approximately 2:00 pm

Discussion regarding open invoices report. Questions regarding credits.

Malissa shared concerns regarding staff morale, support of staff from board members and inconsistencies in communication.

Discussion regarding Positive Pay service offered by Dakota Community Bank. \$75 charge per month, \$20/account. Malissa discussed this service with government account representative how service works. Malissa asked of any services to protect accounts due to account being hacked and funds taken. Business accounts have 48 hours to contest charges. Funds were recovered and new account created as account was compromised.

*Board suggested looking for options that other banks have for businesses, see if is industry standard before committing to this service due to financial nature of service

XI. CORRESPONDENCE –

- a. Ford – Customer Satisfaction Program 22L03

XII. APPROVE APPLICATIONS AND AGREEMENTS –

- a. NRCS – none at this time
- b. 319 – one application for payment

XIII. PLANS FOR NEXT MEETING – 2/15/24 @ 9:00 am

XIV. SIGN EXPENSE VOUCHERS, PAYROLL, AND CREDIT CARD STATEMENTS

XV. ADJOURN – motion to adjourn at 2:50 pm

Respectfully Submitted,

Malissa McKee
Recording Secretary

Approved:

Thomas Osterbauer - Chairman