



DELTA CONSERVATION DISTRICT

6822 US HIGHWAY 2, 41, and M35 - GLADSTONE, MI 49837
(906) 553-7700

BOARD MEETING MINUTES

June 20, 2023

The meeting was called to order at 2:00 P.M. on June 20, 2023, at the Chamber of Commerce Bldg., 1001 N Lincoln Rd, Escanaba, MI 49829, by Delta Conservation District Chairman Jim Yoder.

Directors Present: Russ Ross, Bob VanDamme, Jim Yoder & Dan McNamee

Staff Present: Rory Mattson

Additions to Agenda: None. VanDamme motioned to approve the agenda; Ross second; motion carried.

Approval of Minutes: VanDamme motioned to approve the May 15, 2023, minutes; Ross second; motion carried.

Approval of Treasurer Reports: Ross motioned to approve the May Treasurer report; McNamee second; motion carried.

County Commissioner Report: None.

Board Member Reports: None.

CEO Report and Updates: Mattson gave verbal updates on the Wells Sewer Project, Parks Agreement, Cruise Ship Forestry Excursions, UP State Fair, District Cabin, District Special Election, Gladstone Marsh, and MACD Region 2 meeting.

Old Business:

- A. **Tree Sale** – The fall order has been submitted to the nursery. Pickup dates and landowner contacts will be made in August for September pickup. A final report will be given in the fall.
- B. **Amend FOIA Policy** – Tabled until July meeting.

New Business:

- A. **District 5-year Plan** – Was approved with final adjustments to be made by District staff and submitted to MDA by July 7th. VanDamme motioned, McNamee seconded, motion carried.
- B. **Amend CEO Agreement** – VanDamme motioned to amend the CEO agreement with suggested language changes; Ross seconded; motion carried. ***Amended with additional details: The amended contract states that if the District challenges any aspect of the contract that, according to the contract, Mattson is eligible to legal fees. Even though the District is an “at will” employer Rory’s amended contract includes a No Termination Clause. There is a built-in \$50,000 bonus to Rory for helping the transition of the Delta County Parks and lands from the District back to the County. This is the second time this contract has been amended by the Board.***
- C. **Kaplan FOIA Appeal** – Kaplan’s FOIA appeal for a refund of \$29.10 for his payment of a FOIA request was honored by the board. McNamee motioned to refund Kaplan \$29.10; VanDamme seconded; motion carried.
- D. **Hiring of Quickbooks Trainer** – Mattson suggested as in the past that the District would hire Colleen Reynolds to train new manager Tina Vandenlinden all aspects of Quickbooks accounting/reporting for Conservation Districts and pay Mrs. Reynolds her standard rate for training and travel. As the rate is unknown because it will depend on the amount of time that it takes Tina to learn, Mattson will book Mrs. Reynolds for one week. Ross motioned; seconded by McNamee; motioned carried.
- E. **2023 Budget Amendments** – Ross motioned to amend the FY-2023 Budget Expenditures for
 - 1. Operations by increasing the line item from \$148,000 to \$200,000; and 2. Gladstone Marsh by increasing the line item from \$20,000 to \$23,577; VanDamme seconded; motion carried.
- F. **District Equipment for Sale & Purchase New Vehicle** – It was suggested by Mattson that he start the process of selling extra or unused equipment because of the District turning the Park management back

to the County on Dec. 31, 2023 and the District office moving back to the USDA Federal Bldg. (silt curtains, wood stove and assoc., 2002 gray pickup, 2008 Yaris car, firewood processor); Also to look into replacing the car with an SUV for use in traveling to trainings, meetings & other required events (cost of the new vehicle will be submitted back to the board for final approval). McNamee motioned; Ross seconded; motion carried.

- G. New District Computers, Copier & Phones** – Motioned by VanDamme to purchase up to 3 new District computers (laptops) and 1 additional computer from NRCS, a copier and phone system for the new office at the USDA Service Center as soon as approved to move in (Mattson to use judgement on cost). Seconded by Ross; motion carried.
- H. New Office Furnishings** – Motioned by Ross to purchase office furnishings for the new office in the USDA Service Center (move 1 desk/chair from the District office at the park and purchase 2 new desks/chairs, file cabinets/storage units, entrance counter and other needed office supplies; Mattson to use judgement on cost). VanDamme seconded; motioned carried.
- I. District Storage Bldg.** – Van Damme motioned to have Mattson look into options for a purchased storage bldg. or to rent one; McNamee seconded; motion carried.
- J. Annual Meeting** – McNamee motioned to have the 2023 annual meeting on August 9th or 10th depending on what was approved in previous minutes and the meeting will consist of an open house with the election as the only agenda item; VanDamme seconded; motioned carried.
- K. Williams Presentation** – Christine Williams presented to the board a financial presentation with a handout. ***Amended with additional details; the handout from William's presentation that details her concerns with the Conservation District's finances including escalating administration charges and the transfer of funds from park budget as administration and later paid out as bonuses.***
- L. Approval of Bills & Expenditures** – VanDamme motioned to approve the payment of bills and expenditures; Ross seconded; motion carried.

Staff Correspondence, NRCS Correspondence: No staff or NRCS correspondence.

MDARD Partner Report – None

General Public Comment – Numerous members of the public commented during public comment.

CD Directors and or CEO Comments – None.

Adjourned - *Adjourned at 4:05 P.M.*

Respectfully submitted by Rory Mattson;

Approved as Amended (ITEMS B&K UNDER NEW BUISNESS) on September 27, 2023.


Glenn VandeWater, Secretary

Financial Concerns

Delta Conservation District

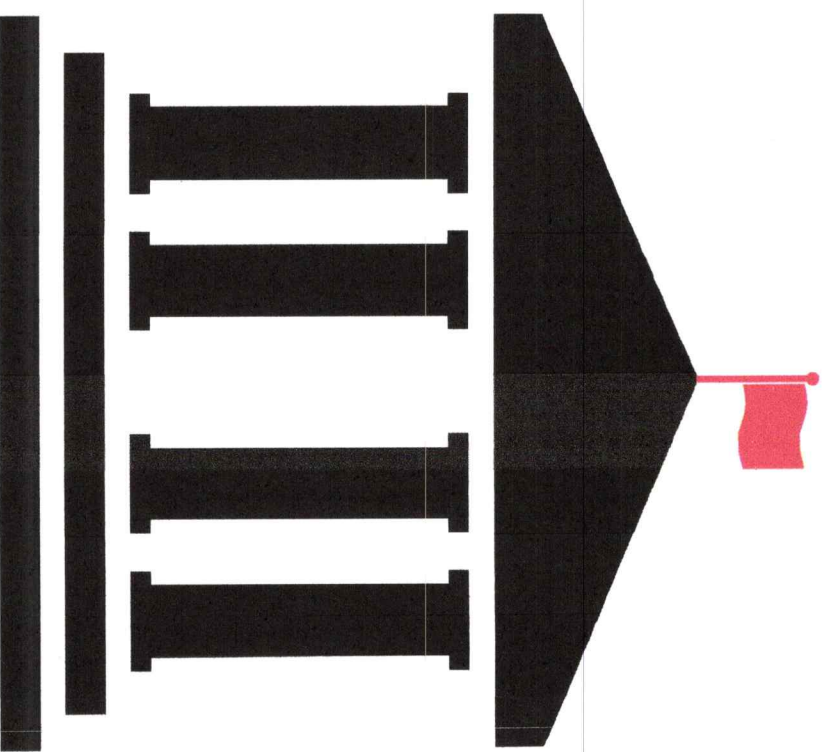
Christine Williams - June 20, 2023 - Conservation District Board Meeting

I expect my local government to be honest, transparent, and frugal. Any government abuse, waste, or overspending will motivate me to act.

—Christine Williams

Why am I interested in the CD's finances?

- Questions about County Parks financials not well received
- FOIA request for grant funded project — financials withheld
- Hiring a lawyer when using Michigan State Constitution
- Either destruction of public records or non-disclosure through FOIA
- CEO controls everything



Using the Michigan State Constitution I reviewed audits from 2002-2020.

20 years of financial data obtained through FOIA.

20 years of Board meeting minutes obtained through FOIA.

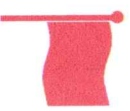
The CD claims there are no records prior to 2002.



Conservation District Audits



Biennial Audits on Even Calendar Years

- Material weakness: ability to prepare financial statements and related note disclosures.
- CD does not have staff familiar enough with accounting standards to be able to draft statements.
- Significant Deficiencies: Segregation of duties for proper internal control of financials.
- CD has limited individuals that are responsible for ALL accounting functions.



Delta County Parks

Contracts & Financials

- \$75,000 from county*
- Contracts stated
- Office space +
- No exchange 
- \$502,243.59 transfers
- 2011-2022
- 93.4% - bonuses 

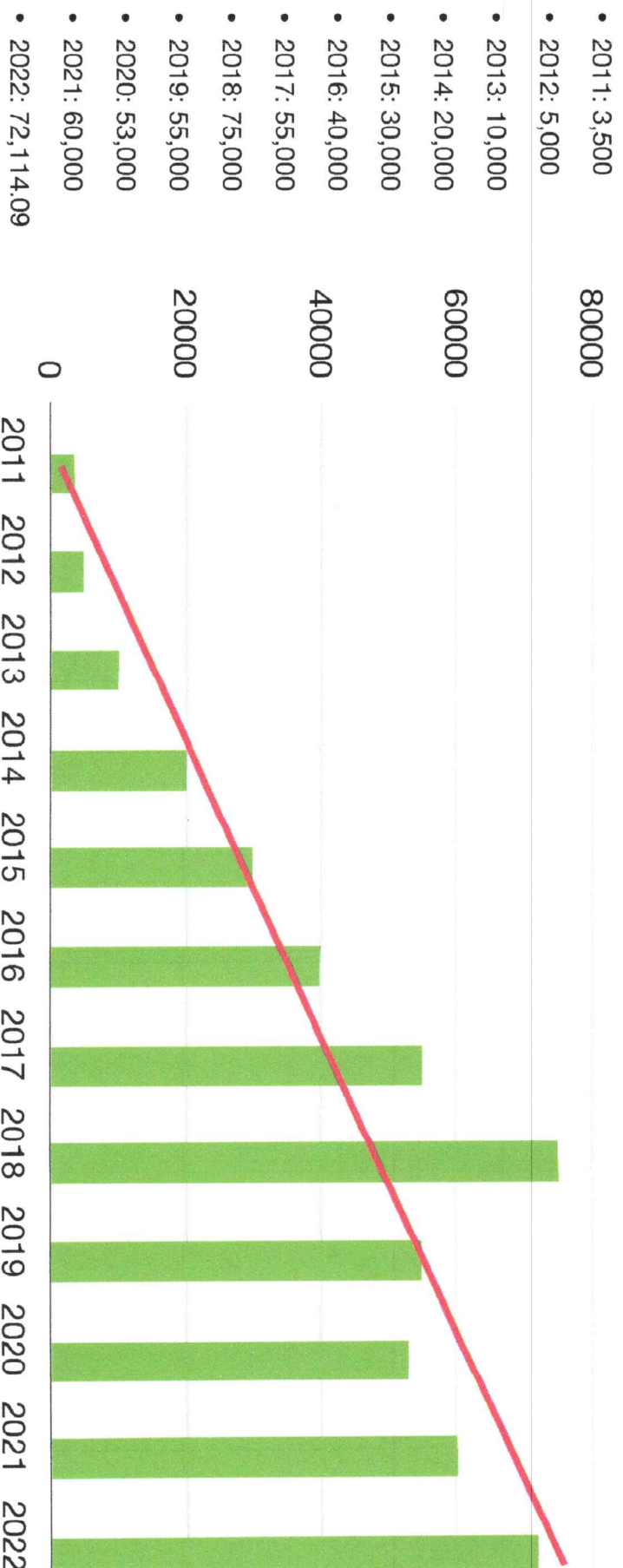
Delta CD will:

- Be responsible for yearly operations and management of the County Parks system.
- Be responsible for management and technical assistance on all County owned timberlands.
- Provide natural resource/environmental technical assistance/support for other County lands/operations/activities.
- Provide a certified SESC enforcement agent and administration of the entire SESC program within Delta County.
- Provide county residents with information, education, and technical services with natural resource/environmental issues specializing in local assistance to the county's non-industrial private landowners.
- Provide a contact between a host of conservation service providers, including federal and state government.
- Provide the needed link for financial incentives to Delta County and its residents for local natural resource and environmental management/projects.
- Provide a yearly Parks budget to the County.
- Provide reports to the County (financial & progress).
- Maintain a public advisory committee to the Delta CD Board of Directors for Parks system operations. (PARC – Parks Advisory Recreation Committee)
- Manage the Parks system as a separate business within the Delta CD framework.
- Employ a full-time Parks manager & seasonal help as needed.
- Provide additional Director/Staff support and CD equipment for Parks operations in exchange for CD office space.
- Organize volunteers and donations for Parks system operations and maintenance.
- Use the 5/20 year Park Plan and PARC for operational guidance.
- Secure grants for infrastructure, equipment, capital improvements, etc.

Photo of 2015-2022 MOU/Contract between the District and the County

*\$50,000 for Parks and \$25,000 for other services, such as SESC permits

“Administration” Escalating Charges



October 1, 2021 - September 30, 2022 (FY22)

**The CD took \$72,114.09 in FY22
labeled as administration**

10% of FY22 Park Revenue (not in contract)	Incentive Pay for Employees (bonuses)
\$37,114.09	\$35,000

The County Board of Commissioners did not approve the retroactive application of the CD keeping 10% of the park revenue.

Another breach of contract by the Conservation District. 

**The County Board of Commissioners did
not approve bonuses, even though
county funds were used to pay them.**



\$53,000 was paid out in bonuses from Parks revenue

Rory (\$33k)

Holly (\$10k)

Steve (\$10k)

**Steve's bonus is accurately shown in the CD
financials as originating from County park funds. **

**CD board on Sept 29th motioned to allow CEO, Chair,
and Treasurer to pay out bonuses. When I asked the
chair about Rory's bonus, he said "I don't recall".**

**Money was transferred out of Parks into the CD's
checking account**



then transferred to

various

non-county

program accounts*



then dispersed

as bonuses

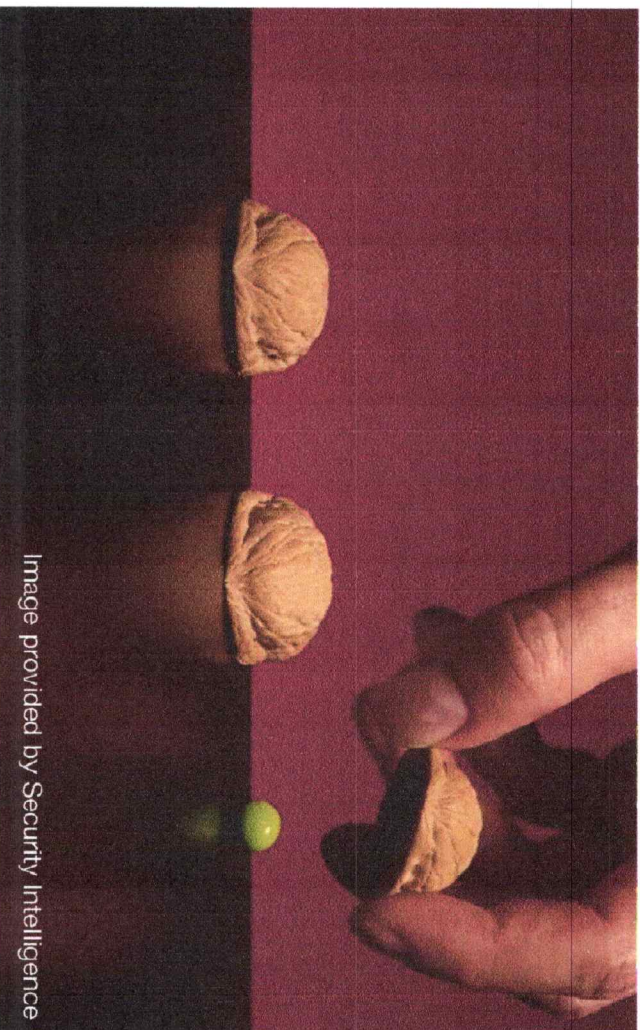


Image provided by Security Intelligence

*the original source of the money becomes lost

Additional Financial Concerns:



- **County Commissioners allowing breach of contracts**
- **CD Board does not engage in financial discussions**
- **CD Board not clear on programs or financial liabilities**
- **CD Board approved a contract with significant financial liabilities with no discussion**