



**Minutes of the Illinois Nutrient Research & Education Council Meeting  
March 7, 2014  
Illinois Department of Agriculture, Room 66  
State Fairgrounds, Springfield IL**

A regular meeting of the NREC Council was held on March 7, 2014 at the Illinois Department of Agriculture.

**Attendance**

Council members in attendance were Gary Hudson, Matt Hughes, Ed Corrigan, Dale Hadden, Dave Creech, Jim Larkin, Howard Brown, Cindy Skrukud, Jessica Dexter, Matt Duncan and German Bollero. Absent but excused were Chris Matlock and Marcia Willhite.

Others in attendance were Jean Payne (NREC Administrator), Dr. Robert Hoeft (NREC Research Coordinator) and David Reid (NREC legal counsel). Guests in attendance were Lauren Lurkins from IL Farm Bureau and Mike Foster from the Illinois Department of Agriculture, Bureau of Ag Products Inspection.

Chairman Hudson called the meeting to order at 1:02 p.m. Jim Larkin introduced Mike Foster who works in Ag Products Inspection and handles the fertilizer registration system, tonnage reports and NREC invoicing.

**Review of Robert's Rules of Order**

David Reid reviewed Roberts Rules of Order in order to help facilitate the Council discussions. Dale asked how he might be able to call upon a guest to provide input on a subject, even if they are not a Council member (such as Lauren with IFB). David advised that Council members should ask the Chair for permission to call upon that person.

**Approval of January 7, 2014 Meeting Minutes**

Secretary Dale Hadden reviewed the minutes of the January 7, 2014 meeting. Motion to approve the minutes made by Matt Hughes, seconded by Ed Corrigan, motion carried.

**Financial Report**

Treasurer Matt Hughes reviewed the Profit & Loss Statement and Balance Sheet. As of March 5, 2014 NREC has assets of \$2,218,753.93. Matt also reviewed the proposed budget for the fiscal year 2014. Motion to accept the financial report made by Dave Creech, seconded by Howard Brown, motion carried.

Jason Tomkinson with the Illinois Ag Auditing Association participated by telephone to provide a preliminary report on the NREC Audit for FY 2013. The audit is nearly complete; IAAA is waiting on a written communication from IDA on the invoices/collection reconciliation. Jason explained the difference between the financials being on cash vs. accrual basis; it really depends on how the Council wishes to view the financial statements. If the Council determines it wishes to provide multiple year grants, then accrual could show a restriction on the available assets. Jason continued his overview of the audit report. Jessica Dexter asked about ensuring FDIC insurance on the cash accounts.

He continued to review the various sections of the audit report. Jessica asked about FDIC insurance on the accounts if they exceed \$250,000. Jason highlighted an issue with lack of segregation of duties, but stated that this is a common issue for an operation the size of NREC. Jason recommended that a 3<sup>rd</sup> party also be considered to reconcile the bank statements, and he would ask the management at IAAA to provide a recommendation on that procedure.

Dale Hadden made a motion to accept the draft audit report, seconded by Jim Larkin. Jessica asked if we could approve a draft of the audit, or needed to wait until the audit is finalized. David provided advice on this point, recommending the Council wait until the report is complete. Dale withdrew the motion to accept the draft audit, Jim Larkin also withdrew his second. The Council will approve the final audit report at the August 2014 Council meeting.

Matt Hughes asked for an explanation of how the tonnage assessments flow to NREC. Jim Larkin suggested that Mike Foster provide this explanation since he handles the tonnage reports and invoicing. Mike reported that fall 2013 tonnage was invoiced at \$1,515,591.50. As of March 7, 172 companies still have not submitted fall tonnage reports but IDA had some computer issues that delayed the reminder letters. Mike discussed how the audit revealed one erroneous payment of around \$300 to NREC that was actually a payment that should have been allocated to the Seed bureau for one of their programs. This has been rectified.

Dale Hadden made a motion that efforts be made to keep the cash account generally between \$250,000 and \$500,000 and to ensure available funds for immediate expenses; this will help assure FDIC insurance on the cash account. The remainder can be placed in laddered certificates of deposit that can be accessed if needed. Jim Larkin seconded the motion, motion carried.

### **NREC 2013 Annual Project Report**

Bob Hoeft provided a handout that summarized each of the seven 2013 NREC projects. Bob and Jean will work to finalize the project summaries and the annual report. It should feature a web link at the bottom for anyone who wishes to read the full project reports. A brief financial report will also be included in the annual report, and should include a notation of how much money was also allocated for 2014 projects. Jean suggested some pictures in the report as well. We will send the report (in digital format) to each organization represented on NREC, other agriculture and interested organizations and legislators, and reach out to the media. All the ag organizations should commit to helping to disseminate the report to their memberships. Dale suggested that at the end of the annual report, pose a question asking people for input on topics they feel NREC should investigate, this may help surface new ideas. Jean will work to create a link on the NREC website where people can submit ideas. The NREC mission statement should also be very visible on the website. Bob and Jean will work to have the annual report finalized and ready for distribution by the end of April 2014.

### **NREC 2014 Projects**

Bob suggested that final reports on research projects should be extended to at least the end of February of the next calendar year to allow for harvest data to be fully evaluated. Bob can provide verbal updates to the Research Committee as these reports come in. The Council also discussed the RFP timeline and determined they will stay on the same schedule, sending out RFPs in September, to be returned at the end of November and review and decision making in late December or early January. Howard Brown made a motion to allow final research project reports to be submitted in February of the next calendar year, Matt Duncan seconded. Jim Larkin voted no on the motion, all other Council members approved, motion carried.

### **NREC Special Project Task Force**

Gary reported that the special project task force to help align the NREC research projects on nitrogen management over tile drained systems will meet on March 21, 2014. Bob Hoeft, Mike Plumer, Laura Gentry and Dan Schaefer are on the task force, and Jean will take minutes.

### **NREC Administration**

Bob discussed how he envisions the duties of the research coordinator, and provided these duties in writing in a proposed management agreement. After discussion of the specific duties, Jean and Bob will revise the document and can secure Gary Hudson's signature at the March 21 task force meeting. Bob will let Council members know when he plans to visit researchers so that they can come along if available. German felt that the researchers will welcome these visits by the Council members. It would be nice to arrange for a summer tour of several of the NREC. Howard Brown made a motion to approve Dr. Hoeft's management agreement as the NREC Research Coordinator, seconded by Dale Hadden, motion carried unanimously.

Jean provided the proposed management agreement for IFCA to continue to administer the duties of NREC as outlined, similar to last year. Matt Duncan made a motion to approve the management agreement with IFCA, Ed Corrigan seconded, motion carried unanimously.

### **NREC Committees**

The Council discussed the need to better communicate the activities of NREC to organizations and to the public. Dale made a motion to activate the NREC communication committee in this effort. Howard seconded the motion, motion carried unanimously.

The Council reviewed the makeup of additional NREC committees and determined they would meet as needed and as advised by the Council.

The Council discussed the handling of public comments. Dale suggested that Jean send out any public comments received prior to the Council meetings so the Council could be prepared to discuss them. We can also post public comments in a special section on the website.

### **Other Items**

Howard asked if the Council had a desire to deal with any special projects that may arise in the middle of the year. Council discussed and will wait and see what kinds of special requests might occur. Dale encouraged everyone to keep educating their colleagues and members about NREC and putting things out in publications. He suggested Jean prepare a poster on NREC for ag retailers to hang in the offices where farmers would see it.

The next Council meeting is August 12, 2014 during the State Fair at 2 p.m. at the IDA office.

Having no further business, Chairman Hudson asked for a motion to adjourn. Dave Creech made the motion, seconded by Dale Hadden, motion carried and the Council adjourned at 3:45 p.m.

Minutes recorded by Jean Payne, reviewed by Secretary Dale Hadden.