

# North Carolina SFI State Implementation Committee

NCFA Office, Raleigh, NC - May 14, 2014

## CONVENE NC SFI SIC MEETING AND INTRODUCTIONS

Chair Jaime Teel called the SFI-SIC meeting to order at 9:30 a.m. Members present for all or part of the meeting were:

Mike Adams	Ron Heatherly	Bernard Rose
Gail Bledsoe	Ed Listerman	Glen Sheehan
Jimmy Clay	James Malphrus	Scott Smearman
Lewis Conger	Danny Maness	Lynn Stephens
Tony Doster	Justin Morris	Marshall Thompson
Jim Durham	Bob Ordnung	Mike Windhorn
Joe Evans	Amy Phillips	
Ted Garner	Ron Phillips	
Dave Gunderson	Greg Ricks	

*Others present for all or part of the meeting were:*

Chris Brown	Ray Hicks	Frank Rackley
Pryor Gibson	Leslie McCormick	Jack Swanner

## ANTI-TRUST COMPLIANCE

Chair Teel reviewed the anti-trust compliance statement for the group.

## RECOGNITION OF PARTICIPANT QUORUM

Chair Teel reviewed the anti-compliance statement for the group.

## REVIEW OF MINUTES

The minutes were reviewed. Tony Doster recommended the minutes be approved. It was seconded by Bernard Rose and approved by the committee.

## NC SIC FINANCIAL REPORT

Ron Phillips presented the financial report. Phillips reported that the expenditures were on schedule. Phillips reported that the officers approved a \$500 sponsorship of t-shirts for teachers and volunteers involved with the NCFA's Forestry Camp in Greensboro. He noted that dues invoices have been distributed to NC SFI SIC committee members.

	2014 Budget	2014 Actual
SIC Dues	\$139,100.00	\$ 10,450.96
Interest	\$ 500.00	\$ 121.88
<b>Total</b>	<b>\$139,600.00</b>	<b>\$ 10,572.84</b>

### Administrative

NCFA	\$ 21,000.00	\$ -
Misc Exp	\$ 250.00	\$ -
Travel	\$ 2,000.00	\$ -
<b>Total</b>	<b>\$ 23,250.00</b>	<b>\$ -</b>

### Landowner Outreach

Landowner Guide	\$ -	\$ -
Tree Farm	\$ -	\$ -
Misc. Landowner Outreach	\$ 2,000.00	\$ -
<b>Total</b>	<b>\$ 2,000.00</b>	<b>\$ -</b>

**Training and Education**

Logger Training	\$ -	\$ -
Silvicultural Contractor Training	\$ -	\$ -
Certified Logger Program	\$ -	\$ -
<b>Total</b>	<b>\$ -</b>	<b>\$ -</b>

**Information Resources**

Promote SFI at NC Legislation	\$ -	\$ -
Certification Workshops	\$ -	\$ -
Purchase 1 Display/Materials	\$ -	\$ -
Scholarship	\$ -	\$ -
SFI Certification at Universities	\$ -	\$ -
NC SIC Website	\$ 1,000.00	\$ -
Teachers Tour	\$ -	\$ -
Forestry Camp - Greensboro Camp T-shirts	\$ 500.00	\$ -
<b>Total</b>	<b>\$ 1,500.00</b>	<b>\$ -</b>

**Market Outreach**

NC SIC Booths	\$ 1,500.00	\$ -
Purchase Displays/Materials	\$ 1,500.00	\$ -
Customer Communication	\$ 1,250.00	\$ -
Recruitment	\$ -	\$ -
<b>Total</b>	<b>\$ 4,250.00</b>	<b>\$ -</b>

**Grants Approved**

Wake Soil & Water Conservation	\$ 1,000.00	\$ 1,000.00
FECV - Sustainable Teachers Academy	\$ 35,000.00	\$ -
FECV - Forestry & Environmental Camp	\$ 10,000.00	\$ -
FECV - NC Science Teachers	\$ -	\$ -
FECV - Pro-Logger Video	\$ 10,000.00	\$ -
FECV - Goods from the Woods Boxes	\$ 10,000.00	\$ -
NC Tree Farm - Landowner Outreach	\$ 7,000.00	\$ 7,000.00
NC Tree Farm - Stewardship	\$ -	\$ -
NC Tree Farm - Display & Brochure Reprint	\$ 2,750.00	\$ 2,750.00
NC Tree Farm - Website & Electronic Newsletter	\$ 8,600.00	\$ 8,600.00
NCSU - FEOP Teachers Academy Survey	\$ -	\$ -
NCSU - FEOP Project Learning Tree Facilitator Training	\$ 5,000.00	\$ -
NC Coastal Land Trust	\$ 8,500.00	\$ -
Cradle of Forestry in America Interpretive Ass.	\$ 2,100.00	\$ -
<b>Total</b>	<b>\$ 99,950.00</b>	<b>\$ 19,350.00</b>

**Inconsistent Practices**

Monitor / Phone Lines / Reporting	\$ 3,000.00	\$ 1,162.00
Reporting	\$ -	\$ -
Consultants	\$ 3,000.00	\$ -
<b>Total</b>	<b>\$ 6,000.00</b>	<b>\$ 1,162.00</b>
<b>Total Expenses</b>	<b>\$136,950.00</b>	<b>\$ 20,512.00</b>

Checking Account Balance - December 31, 2013	\$ 67,533.41
Current Checking Account Balance - April 30, 2014	\$ 57,594.25

NCSU - FEOP Teachers Academy Survey  
 \$6,000 - 2014 Approved Grant - paid in 2013

\$500 approved for Greensboro camp t-shirts - was not in original budget

\$523 - 4th quarter 2013 IPM rate paid to Steve Cox on 1-8-2014 with check #1522

The 2015 Assessment & Recommended Dues Rate: Chair Jaime Teel reviewed the tons and acreage based on 2011 through 2014.

### NC-SIC Consumption and Acres Owned Surveys

Year	Tons	Acres	Dues Calculator	Budget
2011	17,924,643	1,133,940	0.0059/ton & 0.0118/ac	\$ 132,600.00
2012	17,777,842	1,083,731	0.0069/ton & 0.0137/ac	\$ 136,950.00
2013	20,429,975	985,270	0.0062/ton & 0.0124/ac	\$ 139,100.00
2014	19,465,120	1,139,240	0.0063/ton & 0.0126/ac	\$ 136,450.00

After reviewing the latest data, the officers recommend dropping the manufacturing dues from .007 to .00675 and keeping the landowner rate the same at 0.014. Teel noted that after a review of the last three years, we have kept a surplus of \$65,000 each year. With an overview of the marketplace, we have stronger markets and have some new members joining the NC SFI SIC. If everything goes the same, at the end of the year, the committee will have a surplus of \$70,000. Members Jim Durham and Scott Smearman voiced their support for the recommendation. Mike Adams voiced his opinion that he would like to keep dues constant since it is harder to go back up after dropping down. Ron Heatherly also supported the dues as is. Treasurer Ron Phillips clarified for the committee that if we were to keep the rates at a present budget, the rates would drop to .0063. The new rate would add about \$9,000. If the rate stayed the same, it would increase dues to \$14,000 based on production estimates. Smearman motion to accept recommendation, and it was seconded by Listerman. On the vote, 15 were in favor and one was opposed. The new dues rate was approved for 2015.

### NOMINATION FOR NC-SIC TREASURER 2014/2015

Ron Phillips announced that he will have to resign his treasurer's role since he was transferring to South Carolina. Bernard Rose noted that an audit of the books was done to ensure that there were no problems. Rose reported that everything is in order. Phillips nominated Amy Phillips to succeed him as treasurer. The nomination was seconded by Listerman. Amy Phillips was approved by a unanimous vote.

### BY-LAWS UPDATE AND REVISION(S)

Chair Jaime Teel noted that the by-laws are in need of revision. Bryan Hulka has volunteered to lead this effort. There are some simple text changes to be made such as the name change of the North Carolina Forest Service. There are no major revisions planned. The amended by-laws should be presented at the August meeting.

### SFI UPDATE

Chair Jaime Teel provided a general review of the committee's activities over the second quarter. He noted that several topics would be dealt with in more depth within the subcommittee reports.

The committee heard from Ray Hicks, who is leading the North Carolina initiative of the SFI Inc.'s Forest Partners project. North Carolina is a focus state in 2014-15. Hicks explained that the initiative will focus on trying to attract the middle size landowners in North Carolina, namely those landowners over 2,000 acres and up. The reasoning is that the smaller acreages will be served by American Tree Farm and the larger landowners are already enrolled in the SFI program. Hicks is asking for members of the NC SFI SIC to help him identify landowners that might be the appropriate size in North Carolina.

### FORESTRY ISSUES UPDATE

Gail Bledsoe provided a forestry update from the NCFS. The NCFS is looking closely at the EPA's new proposed "Waters of the United States" definition. This definition is now in the public comment period. Bledsoe also noted that when NCFS moved from DENR to the Department of Agriculture, several documents were not updated to reflect this change. This is true with the Forest

Practice Guidelines and the Best Management Practices. While there are no proposed changes to subject matter, there are some text changes in regards to who is the reporting agency, updating the guidelines from DENR to the Department of Agriculture.

Bledsoe also reported that the NCFS will be publishing its FPG report in May. She also asked for feedback on the latest reports which included a new section on updated compliance issues. Mike Adams complimented Bledsoe, stating that it was great to see how the jobs progressed. He did note that some jobs seemed to be referred after one visit while others had more than one visit before being referred to another agency. Bledsoe noted this as well and would investigate those cases and will be seeking to make sure that the referral system is consistent.

## **LEGISLATIVE UPDATE**

Chris Brown provided a quick update for the committee on upcoming events and the opening of the short session for the North Carolina General Assembly. The NCFA's Forestry Day will take place on May 20, 2014. The Friends of Forestry PAC will hold its fundraiser on Tuesday night, May 20 at the Brownstone. Raffle tickets are still available. The NCFA's Board of Directors meeting will follow on Wednesday. The short session promises to be uncontroversial and quick, at least that is the goal heading into the session. Much of the work has already been done in committee work leading up to the session. The NCFA will once again be tracking any tax reform legislation that would impact the industry and/or forest health. In addition, the NCFA will keep an eye on any regulatory initiatives that may arise.

## **LANDOWNER OUTREACH SUBCOMMITTEE REPORT**

Leslie McCormick presented the report for the North Carolina Tree Farm Program. The program has certified 35 new Tree Farms, totaling 9,478 acres. The program now has 927 Tree Farms. There are 265,851 certified Tree Farm acres in North Carolina. The program has 22 required inspections this year as part of the national audit. The program completed a new strategic plan last year and will be working on those objectives this year. The program hosted the WNC Timber Conference on April 10 in Waynesville and 71 people attended. The program has also updated its display, website and brochure. It has started a new electronic newsletter. Only 16 landowners have signed up from the Forest Stewardship program into the Tree Farm program. Dwight and Judy Batts are finalists for the Southeast Region Tree Farmer of the Year Award. The decision will be made for the final four regions by the end of May. The North Carolina Tree Farm Annual Meeting will take place on October 25, 2014 in Harnett County on the 800-acre Tree Farm owned by Tim Johnson.

## **TRAINING AND EDUCATION SUBCOMMITTEE REPORT**

Jack Swanner presented the update on the ProLogger program. The base class was held in New Bern in April with 60-plus attendees. The hold list is at about 50 individuals. The next base class will take place in Winston-Salem on June 11-13, 2014. The final base class of the 2014 will be on October 8-10, 2014. Next year's module, Module 15, will include topics on the Driveway Access Permit training and any new additions to the new SFI standards that need to be addressed. There was discussion on South Carolina and North Carolina collaborating to produce a module that would satisfy both requirements. Swanner asked the committee to start looking at potential topics for the next module.

## **INFORMATIONAL RESOURCES SUBCOMMITTEE REPORT**

Tony Doster introduced Dan Ryan, who is with the North Carolina Chapter of the Nature Conservancy. Ryan updated the committee on a grant the Nature Conservancy received from SFI Inc. to help secure working forest agreements on private landowners looking to establish and/or manage Longleaf Pine forests. This is an 18-month pilot project. The Nature Conservancy received \$27,000 from SFI Inc. and will be putting in another \$10,000 of its own funds for the project. The project will be collaborative effort with the National Wildlife Turkey Federation. The Turkey Federation will be providing the introduction to landowners and the Nature Conservancy will handle the delivery of details and services for landowners interested in the program.

## **MARKET OUTREACH/RECRUITMENT SUBCOMMITTEE REPORT**

Scott Smearman reported on the Wood Solutions Fair in Charlotte on January 28, 2014. It was a great target audience. A snowstorm impacted the attendance. It is a worthwhile event that we should try to be a part of it next year. The attendance figure should have been 450.

## **INCONSISTENT PRACTICES SUBCOMMITTEE**

Matt Thuman will supply an update on any activity in regards to the Inconsistent Practices Monitor.

## **OTHER BUSINESS**

A request was made that once the grant review committee, which includes the executive officers and all committee chairs, has completed its review and completed its recommendation for 2015 that it share it with the entire committee well before the August 13 meeting so members have a chance to review the information.

2014 Meeting Dates: 8/13/2014 at NCFA office; 11/12/2014 at NCFA office.

**ADJOURN**

1:45 p.m.

**SUBMITTED BY**

*Chris Brown, NCFA Director of Communications*