

North Carolina SFI State Implementation Committee

NCFA Office, Raleigh, NC – August 13, 2014

CONVENE NC SFI SIC MEETING AND INTRODUCTIONS

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

Mike Adams	Bryan Hulka	Bernard Rose
Gail Bledsoe	Lauren Killian	Glen Sheehan
Scott Brewer	Jason Lefler	Scott Smearman
Doug Burleson	Ed Listerman	Lynn Stephenson
Jimmy Clay	Rand Matthews	Jack Swanner
Tony Doster	Chip Miller	Jaime Teel
Dave Gunderson	Russ Newton	Catherine White
Ronnie Hinson	Amy Phillips	
	Greg Ricks	

Others present for all or part of the meeting were:

Chris Brown	Pryor Gibson	Leslie McCormick
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ANTI-TRUST COMPLIANCE

Vice Chair Rose reviewed the anti-trust compliance statement for the group.

RECOGNITION OF PARTICIPANT QUORUM

Vice Chair Rose took roll and declared the committee did have a quorum present.

REVIEW OF MINUTES

The minutes were reviewed. Bryan Hulka recommended the minutes be approved as submitted. Scott Smearman seconded the motion. The committee approved the committee.

LEGISLATIVE UPDATE

The NCFA's Pryor Gibson provided a legislative update for the committee. Gibson noted that while the General Assembly was still in town in a skeleton fashion, the majority of issues impacting forestry were resolved in a positive fashion for the forest products industry and forest landowners.

The Highway Use Tax was not increased in the end. There was a proposal to increase the tax from \$1,000 to \$2,000 next year and \$3,000 the year after. This was a positive result for forest products and all industries impacted by this tax proposal.

In terms of the North Carolina Forest Service budget, the NCFS was able to dodge a proposed change to its funding formula between the state and counties that ultimately could have cost the NCFS 12-17 positions across the state. The North Carolina Department of Agriculture was able to negotiate a flex cut across the board for the department that was significantly less than the original cut. In an effort to close this budget gap, the NCFS will move forward with charging for certain management and prescription plans. \

The North Carolina Forestry Museum received a \$100,000 challenge grant in appropriations. The museum must raise \$100,000 on its own to receive the state grant. The NCFA will be reaching out to supporters of the Forestry Museum to determine how this fundraising effort will proceed.

Gibson also noted that a compromise was reached between the Department of Agriculture and the North Carolina Fish and Wildlife on how to monitor the cervid deer populations the state as it pertains to Chronic Wasting Disease (CWD). North Carolina does not have a CWD problem, but the state wants to stay out in front of the issue. CWD has inflicted major damage to deer populations in some states.

Gibson also updated the committee that the planning for the 2015 Mid-Atlantic Logging and Biomass Expo has begun. It will take place in the same area as the previous two locations. The planning committee, which is comprised of the NCFA, the NCAPL and Hatton-Brown Publishers, expects to have a larger show in 2015 than the previous two.

NC SIC FINANCIAL REPORT

Treasurer Amy Phillips presented the financial report for the committee. Phillips reported that most of the company dues have been collected and less than half of the grants have been paid out so the balance is healthy. In addition, the subcommittees have not spent

what they had projected at this point. Phillips noted that a special appropriation was made to the East Wilkes FFA team that won the state competition and was looking to secure funds for the national competition. Phillips was going to secure a photograph for the committee to see. Ed Listerman moved to accept the minutes that were seconded by Jason Lefler. The committee approved the report.

	2014 <u>Budget</u>	2014 <u>Actual</u>
SIC Dues	\$ 139,100.00	\$ 138,154.40
Interest	<u>\$ 500.00</u>	<u>\$ 304.53</u>
Total =	\$ 139,600.00	\$ 138,458.93
 <u>Administrative:</u>		
NCFA	\$ 21,000.00	
Misc Exp	\$ 250.00	\$ 65.00
Travel	<u>\$ 2,000.00</u>	<u>\$ 294.33</u>
Total =	\$ 23,250.00	\$ 359.33
 <u>Landowner Outreach:</u>		
Landowner Guide		
Tree Farm		
Misc. Landowner Outreach	<u>\$ 2,000.00</u>	<u>\$ -</u>
Total =	\$ 2,000.00	\$ -
 <u>Training and Education:</u>		
Logger Training		
Silvicultural Contractor Training		
Certified Logger Program		
Total =	\$ -	\$ -
 <u>Information Resources:</u>		
Promote SFI at NC Legislation		
Certification Workshops		
Purchase 1 display/materials		
Scholarship		
SFI Certification at universities		
NC SIC Website	\$ 1,000.00	
Teacher's Tour		
Forestry Camp - G'boro T-shirts	\$ 500.00	\$ 503.44
East Wilkes HS FFA	<u>\$ 500.00</u>	<u>\$ 500.00</u>
Total =	\$ 1,500.00	\$ 1,003.44
 <u>Market Outreach:</u>		
NC SIC booths	\$ 1,500.00	
Purchase displays/materials	\$ 1,500.00	
Customer Communication	\$ 1,250.00	
Recruitment		
Total =	\$ 4,250.00	\$ -
 <u>Grants Approved:</u>		
Wake Soil & Water Conservation	\$ 1,000.00	\$ 1,000.00
FECV - Sustainable Teachers Academy	\$ 35,000.00	

FECV - Forestry & Env. 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 & e-newsletter	\$ 8,600.00	\$ 8,600.00
NCSU - FEOP Teachers Academy Survey		
NCSU - FEOP PLT Facilitator training	\$ 5,000.00	
NC Coastal Land Trust	\$ 8,500.00	\$ 8,500.00
Cradle of Forestry in America Interpretive Assoc.	<u>\$ 2,100.00</u>	
Total =	\$ 99,950.00	\$ 27,850.00
<u>Inconsistent Practices:</u>		
Monitor/Phone line/Reporting	\$ 3,000.00	\$ 1,760.78
Reporting		
Consultants	\$ 3,000.00	
Total =	<u>\$ 6,000.00</u>	<u>\$ 1,760.78</u>
TOTAL EXPENSES		
=	\$ 136,950.00	\$ 30,973.55
Checking Acct Balance - December 31, 2013	\$ 67,533.41	
Current Checking Acct Balance - July 31, 2014	\$ 175,018.79	

FORESTRY ISSUES UPDATE

Gail Bledsoe with the North Carolina Forest Service (NCFS) provided a forestry update. In terms of personnel, Bledsoe reported that David Lane is the new State Forester and Reid Hildrith is the new Director of Forest Protection. NCFS also filled a vacant water quality specialist position by hiring Susan Gail, who has a strong background in GIS, hydrology and water resources. Bledsoe noted that the NCFS is still waiting to hear back on grants on several projects, including a major culvert installation at Clemmons Educational State Forest, a river restoration project in Avery County, and the development of a master plan at Dupont State Forest for protecting water resources and managing trails. She also noted that the NCFS is still interested in providing tailgate BMP logging workshops with loggers as part of the ProLogger training program or other workshops. The NCFS sent three 20-person crews out west to join in the fire-fighting effort. The NCFS has developed new forest pest maps. The maps can be found on the NCFS website and provided detailed information on what pests can be found where. This should help loggers and foresters alike to pinpoint their location and see what pests may be in that area. Bledsoe reported that the NCFS is seeking additional funding to purchase more bridgemats over the next two years. There was a brief discussion on the need and potential use for bridgemats by some on the committee. The consensus was the bridgemats are a good thing and that if the NCFS can obtain more, it would benefit the logging workforce. There was a question about the progress of the Buffer Consolidation Rule. Bledsoe reported that the issue is still under the direction of the Division of Water Resources and there has not been any progress. Another question arose on who is now the lead person for the NCFS at the North Carolina General Assembly. The Department of Agriculture has several General Assembly liaisons and the NCFA seeks to work in partnership with them as has been the tradition over the years. Joy Hicks of NCDA is the lead contact and a courtesy copy or call should be made to NCFS Assistant Commissioner Scott Bissette and State Forester David Lane.

GRANT PROCESS

Vice Chair Bernard Rose presented a review of the Grant Subcommittees suggestion for grants. The person designated from the Grant Subcommittee led the discussion on each grant.

The committee approved all grants set forth by the Grant Subcommittee except for one, the National Railway Historical Society, which received \$2,500 instead of \$1,500. Mike Adams made the motion to grant \$2,500. Bryan Hulka seconded it. The committee unanimously approved the increase. After this one adjustment, Tony Doster made the motion to approve the entire grant package. Scott Brewer seconded it. The committee approved the grants unanimously.

A significant amount of discussion centered on the Sustainable Forestry Teachers' Academies. Committee member Scott Smearman encouraged the committee to look at the recently completed survey about the Academy presented at the January 2014 meeting. Smearman believed there were results that show that the Academies could be adapted to be more effective and economical. One suggestion was a fee at some level (28% of teachers in the survey said they might pay something for the camp). Another was to limit the participation of teachers to just one camp. Smearman stated that the Academies average 30% of the NC SFI SIC grant budget.

Smearman concluded that there should be a plan for the Teachers' Academies that focuses on the goals of the Academy and the education mission of the NC SFI SIC.

After a lengthy discussion, the committee formed an environmental education task force to examine some of these issues. The committee would serve under Scott Brewer's Education Committee. The members are Scott Smearman, Chip Miller, Amy Phillips, Catherine White, Susan Moore, Renee Strnad and Chris Brown.

The entire committee agreed to fund the Teachers' Academies as presented with the provisions that priority be given to: 1) Science Teachers, 2) First-Time Attendees, 3) Urban teachers. (The goal should have at least 50% of the participating teachers from urban areas.) Rand Mathews made the motion and Tony Doster seconded it. The committee approved the motion.

Also during the discussion, there was a point made that how the committee accepts, manages and distributes the grants should be reviewed. As part of the grant award, the committee frequently places some requirements on the grant. This could be seen as micromanaging the grant process. A new subcommittee of Ed Listerman, Bryan Hulka and Rand Mathews were assigned the task of reviewing this process for next year's grant cycle.

015 Grants	Request	Granted	NC SFI SIC Requirements	Point Person
Elkin Valley Trails Association	\$12,000.00	\$7,500.00	SFI SIC Recognition on crossings - SFI SIC Sign Development	Amy Phillips
National Railway Historical Society Inc	\$3,800.00	\$2,500.00	SFI SIC recognition sign required	Amy Phillips
Wake Soil & Water Conservation District	\$2,300.00	\$1,000.00	SFI Booth & Tree Farm presentation	Jaime Teel
Southern Appalachian Branch of the QDMA	\$2,700.00	\$1,700.00	SFI & Tree Farm presentation	Amy Phillips
NCSU - FEOP - Piedmont SFTA Planning	\$9,000.00	\$3,000.00	Planning in conjunction with NCFA	Tony Doster
NCFA-FECF Goods from the Woods Boxes	\$16,000.00	\$10,000.00	Postcard in box asking for e-mail on recorded usage	Jaime Teel
NCFA-FECF Forestry & Environmental Camps	\$15,000.00	\$10,000.00	Quiz kids before and after to provide data on knowledge gained	Jaime Teel
NCFA-FECF - Pro-Logger Video	\$15,000.00	\$10,000.00	Cover new biodiversity standard and partner with other states	Scott Brewer
NCFA-FECF Teachers Academies	\$65,000.00	\$40,000.00	2 academies - Start Rotation - 1 must be Piedmont in 2015	Jaime Teel
NC Tree Farm Landowner Workshops & Annual Mtg	\$8,500.00	\$8,500.00	Promote SFI - Use SFI Logos on invitation - SFI Booth	Bryan Hulka
NC Tree Farm Electronic Newsletter & Website	\$11,520.00	\$7,000.00	SFI SIC recognition in Newsletter	Bryan Hulka
NC Tree Farm New Members Welcome Package	\$3,400.00	\$3,400.00	Must show sponsored by SFI SIC	Bryan Hulka
NC Tree Farm Ethic Workshop	\$7,630.00	\$4,500.00	Must have SFI component - Includes attendance of at least 2 SIC members	Bryan Hulka
	\$171,850.00	\$109,100.00		

SFI UPDATE

Committee member Bryan Hulka updated the committee on the progress of the revisions to the SFI standards. Hulka believed the final draft of standard revisions would be voted on in November. The new standards would go into effect starting on January 1, 2015. Hulka did not expect any significant changes to the standards. Any revisions to the NCFA's Landowners Guide to Forestry would take place in the first quarter of 2015.

MARKET OUTREACH/RECRUITMENT SUBCOMMITTEE REPORT

Rand Mathews reported that he discussed an article series opportunity with Carolina Magazine and will follow up with them in September. Each article would have a different element of the SFI program.

TRAINING AND EDUCATION SUBCOMMITTEE REPORT

Scott Brewer started the report with having the NCFA's Chris Brown give a brief recap of the recently completed ProLogger year. 1,413 ProLoggers completed their continuing education requirement and paid their dues this year. The program failed to train just 65 ProLoggers, and this number drops even lower when considering several individuals retired, left the field for other business, etc. This was a great training year for member company participation.

At the payment deadline, there were less than 30 ProLoggers who failed to pay their dues despite taking Module 14. Again, this was a record low number for us. Again, the number goes lower when you factor in the real life fact of deaths, retirement, etc.

All lists on the NCFA's ProLogger website are correct. You will not that everyone will have Yes for the class (Module 14) and good through August 1, 2015. We will update the database for next year in August. We will reset the training cycle on September 1. Training begins again in earnest. Module 15 is complete. Topics include: Driveway Access Permits, Math Not Magic, Logging Costs, MSDS to SDS, Navigating the NCFA Website. We will be making copies and developing educational materials. We also will be mailing out new ProLogger cards in August.

In terms of the ProLogger base course, the NCFA has added 93 new ProLoggers to the ranks this year. A total of 60 graduated in New Bern and another 33 graduated in Winston-Salem. Thanks to our member companies who help support this base course effort, especially Forestry Mutual, NC OSH, and the NCFS. This base program continues to improve as we update our teaching materials and strive to bring in speakers such as the NC Highway Patrol and others that impact how effectively our ProLoggers can do their jobs on a regular basis.

Brewer reported that the subcommittee has discussed combining training initiatives with neighboring states such as South Carolina and Virginia, especially when the national SFI standards are revised. This would be a natural partnership opportunity. Brewer also asked committee members to start thinking about topics for next year's module aside from the SFI requirements. Some of the suggestions are PPE maintenance, Diesel Fuel, SMZ's and BMP's and the FOROP Training School. Brewer asked that if anyone had a suggestion to please contact him.

Rand Mathews noted that BMP compliance has dropped in Georgia (8%) in recent surveys and that compliance is down in South Carolina too. Mathews reminded the group that it might be worth going back for some "basic training" on some of the important elements such as BMP compliance. It was also noted that several start up crews have emerged and they could use the refresher.

Jack Swanner with the NCAPL announced that his group is considering holding logger training days where loggers will be able to take the NCFA's ProLogger Module 15 in addition to field demonstrations. Swanner believed it would be fashioned like the ProLogger base class, but formatted for just one day.

INFORMATIONAL RESOURCES SUBCOMMITTEE REPORT

No report.

INCONSISTENT PRACTICES SUBCOMMITTEE

Matt Thuman resigned as chair of the Inconsistent Practice Subcommittee. Jim Durham will take his place. The following report was generated by Steve Cox, who is the NC SFI SIC's Inconsistent Practices Monitor.

Notes on Calls: No call involved SFI companies. Two calls involved possible timber theft. It was determined that one was not actually on the landowner's property and the other involved and internal family dispute. The 3rd call was a timber sale question. Referred callers to more appropriate resources. * Notes on FPGs: Have not received 2nd quarter FPG reports (would be NCFS 4th quarter for fiscal year 2013/2014). Will revise this report once the latest FPG reports are sent out.

EXHIBIT C

INCONSISTENT PRACTICES MONITORING PROGRAM - LOG

Year: 2014

	Q1	Q2	Q3	Q4	Total
	revised 5-24-14				
Total Number of Phone Calls	17	27			
Total Number of Invalid Phone Calls	15	24			
Total Number of Valid Phone Calls	2	3			
Open Inconsistent Practices	0	0*			
Closed Inconsistent Practices	0	0*			
Open FPG Inconsistent Practices	0	0*			
Closed FPG Inconsistent Practices	0	0*			
Total Open Inconsistent Practices	0	0			
Total Closed Inconsistent Practices	0				

LANDOWNER OUTREACH SUBCOMMITTEE REPORT

Bryan Hulka provided the report to the committee. 54 new Tree Farms were added to the program this year. The Tree Farm Program has 24 required inspections for this year as part of the third party audit system. This is less than in previous years. Hulka noted that the Tree Farm Program has a great group of inspectors. The next inspector appreciation dinner will take place in August in Statesville. The NC Tree Farm's Annual Meeting will take place on October 25, 2014 in Johnston County. The NC Tree Farm Program is going to try to reach out to NC Forest Stewardship landowners again in an effort to have them join the Tree Farm program. Steve Henson (West) and Al Weller (East) are going to assist in the recruitment effort. Leslie McCormick with NC Tree Farm provided the committee an update on a new fundraising campaign for the program. NC Tree Farm is approaching 125 companies in North Carolina and asking them to support the program for a three-year period. The next phase will reach out to Tree Farmers in the program in 2015. The goal is to Tree Farmers provide at least 25% of the funding for the state program. There will be a celebration event prior to this year's annual meeting that will recognize all corporate and individual donors. McCormick reported that the program is in the process of identifying the 2014 Tree Farmer of the Year. She also announced that Dwight & Judy Batts are the National Tree Farmers of the Year for 2014.

OTHER BUSINESS

2014 Meeting Dates: 11/12/2014 at NCFA office.

ADJOURN

1:45 p.m.

SUBMITTED BY

Chris Brown, NCFA Director of Communications