

# North Carolina SFI State Implementation Committee

NCFA Office, Raleigh, NC – November 12, 2014

## CONVENE NC SFI SIC MEETING AND INTRODUCTIONS

NC SFI SIC 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:

Gail Bledsoe	Ed Listerman	Jack Swanner
Doug Burleson	Rand Matthews	Courtney Swanson
Jimmy Clay	Justin Morris	Jaime Teel
Jim Durham	Amy Phillips	Marshall Thompson
Ted Garner	Greg Ricks	Mike Windhorn
Brett Goulding	Bernard Rose	
Dave Gunderson	Glen Sheehan	
Lauren Killian	Scott Smearman	
Jason Lefler	Lynn Stephenson	

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

Chris Brown	Pryor Gibson	Leslie McCormick
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## ANTI-TRUST COMPLIANCE

NC SFI SIC Chair Jaime Teel reviewed the anti-trust compliance statement for the group.

## RECOGNITION OF PARTICIPANT QUORUM

NC SFI SIC Chair Jaime Teel took roll and declared the committee did have a quorum present.

## REVIEW OF MINUTES

The minutes were reviewed. Jim Durham recommended the minutes be approved as submitted. Scott Smearman seconded the motion. The committee approved the minutes as submitted unanimously.

## NC SIC FINANCIAL REPORT

NC SFI SIC Treasurer Amy Phillips presented the financial report for the committee for review. The committee reviewed the budget report as presented in the meeting materials. Phillips noted that the committee was going to carry over about \$82,000 dollars after all the grant money was distributed. The largest of the grants to be distributed were to the NCFA which had not invoiced the committee yet.

Committee discussion noted that the dues rate was dropped for last year, however, an increase in production resulted in an increase in dues received. The committee will continue to watch this trend. If production continues to drive an increase in dues, the committee will once again looking at dropping the dues.

Phillips also presented a proposed budget for 2015 that is listed below. A motion to approve the budget was made by Jim Durham and seconded by Scott Smearman. The budget was unanimously approved.

## NC SFI SIC Proposed 2015 Budget

	2015	% of
	Budget	Budget
SIC Dues	\$136,450.00	
Interest	\$450.00	
<b>Total</b>	<b>\$136,900.00</b>	
<b>Administrative</b>		
NCFA	\$21,000.00	
Misc Exp	\$250.00	
Travel	\$2,000.00	
<b>Total</b>	<b>\$23,250.00</b>	<b>15.97%</b>

**Landowner Outreach**

Landowner Guide	\$0.00	
Tree Farm	\$0.00	
Misc. Landowner Outreach	\$2,000.00	
<b>Total</b>	<b>\$2,000.00</b>	<b>1.37%</b>

**Training and Education**

Logger Training	\$0.00	
Silvicultural Contractor Training	\$0.00	
Certified Logger Program	\$0.00	
<b>Total</b>	<b>\$0.00</b>	<b>0.00%</b>

**Information Resources**

Promote SFI at NC Legislation	\$0.00	
Certification Workshops	\$0.00	
Purchase 1 Display/Materials	\$0.00	
Scholarship	\$0.00	
SFI Certification at Universities	\$0.00	
NC SIC Website	\$1,000.00	
Teachers Tour	\$0.00	
Forestry Camp	\$0.00	
<b>Total</b>	<b>\$1,000.00</b>	<b>0.69%</b>

**Market Outreach**

NC SIC Booths	\$1,500.00	
Purchase Displays/Materials	\$1,500.00	
Customer Communication	\$1,250.00	
Recruitment	\$0.00	
<b>Total</b>	<b>\$4,250.00</b>	<b>2.92%</b>

**Grants Approved**

Wake Soil & Water Conservation	\$1,000.00	
FECV - Sustainable Teachers Academy (2)	\$40,000.00	
FECV - Forestry & Environmental Camp	\$10,000.00	
FECV - Pro-Logger Video	\$10,000.00	
FECV - Goods from the Woods Boxes	\$10,000.00	
NC Tree Farm - Landowner Workshops/Annual Mtg	\$8,500.00	
NC Tree Farm - Ethic Workshop	\$4,500.00	
NC Tree Farm - New Members Welcome Pkg	\$3,400.00	
NC Tree Farm - Website & Electronic Newsletter	\$7,000.00	
NCSU - FEOP Piedmont SFTA Planning	\$3,000.00	
Elkin Valley Trails Association	\$7,500.00	
National Railway Historical Society Inc	\$2,500.00	
Southern Appalachian Branch of the QDMA	\$1,700.00	
<b>Total</b>	<b>\$109,100.00</b>	<b>74.93%</b>

**Inconsistent Practices**

Monitor / Phone Lines / Reporting	\$3,000.00	
Reporting	\$0.00	
Consultants	\$3,000.00	
<b>Total</b>	<b>\$6,000.00</b>	4.12%
<b>Total Expenses</b>	<b>\$145,600.00</b>	100%
Current Checking Account Balance	\$170,219.25	

NCSU - FEOP Piedmont SFTA Planning  
 \$3,000 - 2015 Approved Grant - paid in 2014

## BY-LAWS UPDATE

NC SFI SIC Chair Jaime Teel led a review of the updates to the committee's by-laws. Committee member Bryan Hulka reviewed the by-laws to make updates to the different agency names such as the North Carolina Forest Service and make any other technical revisions to the text as it pertains to the SFI standard. The changes were minimal and highlighted for the committee. The changes were approved on a motion by Ed Listerman and seconded by Marshall Thompson. They were unanimously approved.

## SFI UPDATE

NC SFI SIC Chair Jaime Teel provided a recap of the SFI national meeting held in Montreal. He reported that the regional breakout session was the most productive. Teel noted that the ProLogger database is not the norm across the Southeast. There was a lot of discussion about collecting and tracking logger training. Through the discussions, Teel believes the NC SFI SIC is ahead of its neighbors when it comes to daily operations of the committee and its input to professional training in the state.

Since the new SFI standards are set to be released in 2015, the NC SFI SIC will have to make the necessary updates to several outreach initiatives including ProLogger training and the NCFAs Landowner Guide to Forestry in North Carolina. The NC SFI SIC has awarded the NCFAs a grant to incorporate the new standards into Module 16, which will be used for the 2015-2016 training year. A subcommittee of Chris Brown, Steve Tomlin, Bryan Hulka, Tony Doster and Leslie McCormick was put together to update the landowner guide.

Teel also noted that SFI National will be asking companies to clarify their participation status with the SFI program if they are not already certified into the program. Those companies that have pledged to join must show due diligence on achieving certification by December 31, 2015 or fall back into a Supporter designation. Several companies that are moving in that direction – three are in the applicant phase. Teel believed it could impact some companies in the future and the NC SFI SIC might have to address the new emphasis on these categories through changes to the by-laws. At this point, the NC SFI SIC participating companies have been approved while the partners continue to be supporting agencies such as the North Carolina Forest Service.

Teel also updated the committee on the progress made towards a collaborative training effort between the NCFAs, South Carolina and Florida. It was noted that committee members Mike Adams and Jack Swanner made initial inroads on this topic several years ago. This past month, the three states had a meeting on coordinating training efforts.

At end of day, all parties agreed to move forward with joint training effort where states will develop and produce topics and then share them with each other. A matrix is being developed to avoid duplication in training topics. Next module, the NCFAs will be developing a segment on the new SFI standard. South Carolina will be doing a segment with Dale Green on Logging Costs. Florida is developing an endangered species segment.

Committee member Scott Smearman complimented the efforts of the subcommittee for making a breakthrough in this effort to create collaborative training. Committee member Doug Burleson urged the committee to seek grant funding dollars from SFI national for this effort.

## NC GRANT UPDATE AND DISCUSSION

NC SFI SIC Marketing and Recruitment Sub-Committee Chair provided an update and proposal for a revision to the NC SFI SIC's grant procedure. Bryan Hulka developed the proposal with committee members Rand Mathews and Ed Listerman. Rand Mathews noted that the trio looked at the entire grant process – from the advertising, to the submission process, to the grant rewards and follow-up.

There were several basic changes detailed in the following chart listed below. Summarizing: There was some language added that details that a grant may be award but not necessarily the entire grant request. The grant language also was changed to discourage repeat grants in an effort to prevent a grant request becoming a line item in an organization's budget. The new process also seeks to

assign a member of the NC SFI SIC assigned to each grant with the responsibility of communicating back and forth how the project works out.

For grants less than \$10,000, a one page summary will do. For larger grants, the NC SFI SIC may request a personal presentation on the outcome of the grant.

It was also noted that the revisions to the grant process would knock out some items the NCFA submits on an annual basis for important education initiatives such as Goods from the Woods boxes, Forestry & Environmental Camps, and the Sustainable Forestry Teachers’ Academies. The recommendation was to pull those items out of the grant process and make them a line item in the NC SFI SIC budget. The subcommittee proposed that the funds being released were contingent upon NCFA securing matching funds and reporting out to the NC SIC. The suggested amounts were: Goods for the Woods Boxes \$10,000, Forestry and Environmental Camps \$10,000, Teachers Academy \$30,000.

The committee asked NCFA Executive Vice President Pryor Gibson of his opinion on the proposal before voting on the proposal. Gibson assured the members of the committee that the “ NCFA is the folks in this room. We are here to service our members and member companies. We intend to deliver the highest value for whatever our membership wants us to do.” Gibson noted that several suggestions made by the NC SFI SIC about the upcoming Teachers’ Academies have been incorporated into this year’s planning.

During the discussion period, NC SFI SIC subcommittee member Ed Listerman pointed out that the figures suggested were based on 50% of the costs of the program.

Committee Marshall Thompson questioned if the line item budgets were actually the figures that were being voted on or was it a case of the process of moving those three program into a line item designation. The committee agreed that is was the process, not the figures, being voted on. In two years times, those budget numbers may be altered as any line item budget numbers would be based on need and/or opinion of the NC SFI SIC.

Rand Mathews made the motion to accept proposed changes to the process and application and for three projects become line items with amounts to addressed during budget time. The motion was seconded by NC SFI SIC Vice Chair Bernard Rose. The motion was approved unanimously.

Two other action items were requested of the grant process. The first was the development of a formal communication from the committee to the grant request entity that details the steps on how to request the grant and what paperwork needs to be filed after the grant is completed. A second request was to develop a chart of the new SFI standard that provides the corresponding numbers with different outreach activities. This will assist entities requesting a grant since it will provide some direction on a system that their grant application will eventually be scored on.

<b>Proposed Language</b>	<b>Purpose</b>
The full amount of the grant may not be awarded. A representative of the NC SIC may contact the grantee to discuss potential contingencies to the award, such as using the SFI label on published or public materials, allowing a speaker on SFI at workshops, etc., before the grant is actually awarded.	Clarification of current practice
Repeat grants for same projects are discouraged	Do not want NC SIC grants to become a line item in an organizations budget, but also want to have the flexibility to award repeat grants in some cases
Should the grant be awarded, a member of the NC SIC will be assigned to each grant project. The NC SIC representative will serve as a liaison between the NC SIC and the grantor organization in order to facilitate the discussion between the two organizations should the project change, or some grant funds are left after the project ends. The NC SIC representative will also give updates on the project at the quarterly NC SIC meetings, and may ask the grantor to come and present at one of the scheduled NC SIC meetings.	Clarification of current practice
<b>Proposed Language</b>	<b>Purpose</b>
Upon conclusion of the project, and before an organization can receive subsequent grants from the NC SIC, the organization needs to submit one of the following reports to their NC SIC representation for review by the NC SIC. <ul style="list-style-type: none"> <li>a. For grants under \$10,000, a one page summary (with photos if applicable)</li> <li>b. Grants over \$10,000 should submit a one page summary (with photos if applicable) <b>and</b> may warrant a representative from the receiving organization to come and make a brief presentation to the NC SIC on results.</li> </ul>	Setting the expectations for a report to the SIC on how the grant monies were spent and if the project met the objectives
Proposal:	This would clearly connect the grants to

Current application asks grant applicant to check one or more of four boxes as to which of the NC SIC core missions the project addresses. We could change this section to match specific SFI indicators, such as <i>8.1.3 Encourage forest landowners to participate in forest management certification programs</i>	the specific SFI indicators and help SIC members during audits. Also may help NC SIC compare grants and track which indicators we are spending our money on
<a href="#">Summary Table</a>	To help NC SIC members look at each grant at a glance

## LEGISLATIVE UPDATE

The NCFAs Executive Vice President Pryor Gibson provided a legislative update for the committee.

Gibson noted that some of the measures adopted in previous legislative sessions can appear at a later date. Such is the case with the changes to the small farm tax status that has made it difficult for many small farmers and/or Tree Farmers to remain eligible for the farm tax exemption. Gibson will continue to work on gaining some clarification on how Tree Farmers can enroll in the program based on their harvest schedule and what classification is acceptable to the state to qualify for the exemption.

Heading into 2015, Gibson sees transportation as a challenge that the NCFAs and other manufacturing interests will need to monitor. The state has a new plan to address transportation needs, but the most recent budget did not provide adequate funding for this new comprehensive strategy to improve North Carolina's roadways. The state will surely look to convert some state highways to federal highways, and when this is completed, the weight tolerance on state roads of 10,000 pounds will be lost on these highways. Another option will be the state turning some roads over to local municipalities, which could bring in a new set of rules and monitoring.

The most likely scenario in cases like this is the creation of annual fees – which amounts to a tax without calling it one. In other instances, the state will be looking to remove existing tax exemptions. One example is the sales tax exemption for logging equipment that was targeted two years ago.

In terms of the fall elections, the Friends of Forestry PAC supported 41 candidates overall with 36 winning election. The FFPAC supported 24 in the North Carolina House. 20 of those candidates won their election. In the Senate, 15 of the 16 candidates were victorious. The FFPAC did also support Justice Mark Martin who won his re-election bid.

## FORESTRY ISSUES UPDATE

Gail Bledsoe with the North Carolina Forest Service (NCFS) provided a forestry update.

Bledsoe provided an update to the rules review process that is currently underway for the Forest Practice Guidelines. This review is part of a complete review of all rules and regulations on the books, not just forestry issues. As part of the process by mid-December, the forest service has to categorize all of its rules in one of the three categories: 1) unnecessary, 2) necessary without public interest 3) necessary with public interest. Bledsoe expects FPGs to be the third – necessary with public interest. A presentation will be made and posted online after it is presented to the review board. A public comment period will go up for 60 days – from January 29 to March 30, and anyone who supports or does not support can send online.

The public comment period ends March 30. The NCFS must respond to each comment and then make a presentation to the Agriculture Board. They will adopt a final classification. Then, everything has to go to the Rules Review Committee. The rules will be then readopted. If there are no changes at all, there still are a lot of steps to be taken.

In terms of the non-compliance reports that are generated on a quarterly basis, the NCFS is continuing its efforts towards posting all reports on a web based system. The goal to get this done is still 2016. The reports would most likely be made on a monthly basis with quarterly summarizations.

Bledsoe also noted that water quality forester John McBride has left the NCFS so there is no water quality forester in Hillsborough. County Ranger Jennifer Roach will answer all calls until the position is filled.

## MARKET OUTREACH/RECRUITMENT SUBCOMMITTEE REPORT

Rand Mathews updated the committee on his discussions with Carolina Magazine. They will accept an article of 600 words plus a photo or two. There is no guarantee of a placement of the story. There is also an opportunity to advertise within the magazine. One idea was to advertise the grant program through the magazine.

Scott Smearman volunteered to draft a submission with the help of other members of the committee. The goal is to point out the significant role the forest products industry plays in shaping the state's environment and economy.

## **INFORMATIONAL RESOURCES SUBCOMMITTEE REPORT**

No report.

## **INCONSISTENT PRACTICES SUBCOMMITTEE**

Jim Durham provided an update on the Inconsistent Practices Subcommittee. Durham noted that there were some technical issues with phone line that had to be resolved. It is up and running again. There were a total of 20 phone calls. Two actually had some substance. One dealt with a road condition issue. The participant was not an SFI company and the NCFCS investigated and determined that it was not a water quality issue. The second call also turned out not to involve an SFI company. The NCFCS did investigate and determined it was not a water quality issue.

Steve Cox, the NC SFI SIC Inconsistent Practices Monitor, has agreed to serve in the same role again next year.

## **LANDOWNER OUTREACH SUBCOMMITTEE REPORT**

Leslie McCormick provided an updated on the North Carolina Tree Farm Program to the committee. The North Carolina Tree Farm Program now has a total of 961 Tree Farms, adding 73 new certified Tree Farms this year. The program had 22 inspections to complete as part of the national audit and all have been completed. Four of the 22 Tree Farms were decertified due to lack of interest in pursuing certification. One Tree Farm opted for the Pioneer status until a forest management plan is completed for the property.

The NC Tree Farm Program will be participating in a landowner workshop in Duplin County on February 26 where National Tree Farmer of the Year Dwight Batts will make a presentation. NC Tree Farm will once again sponsor the Western North Carolina Timber Conference in the second quarter of 2015.

Continuing the program's outreach to North Carolina Forest Stewardship landowners, the NC Tree Farm Program joined forces with the National Tree Farm Program to establish *My North Carolina Woods*. The program is designed to complete the outreach to these landowners with professional assistance if requested. Al Weller (East), Albert Coffey (Piedmont) and Steve Henson (West) are currently serving as these advisors.

The NC Tree Farm's fund raising program got off to a successful start with just over 70% of the 100 companies contacted signing on to a three-year sponsorship pledge. Six of those companies are at the Platinum Level. The second phase of the fund raising campaign will start in the second quarter of 2015 with a focus on North Carolina Tree Farmers.

Lauren Killian expressed Enviva's desire to take a lead role in promoting the Guinness Tree Planting World Record effort. There was a discussion on the manpower, seedling and acreage necessary to complete the effort. Most in the committee were not optimistic this could be achieved in the time frame and in the season (May) the seedlings are to be planted. Survival rate would be a big issue. The deadline to decide on this project is November 22. Lauren said she would do some further investigation on the national effort and how North Carolina can help if the project goes forward.

## **TRAINING AND EDUCATION SUBCOMMITTEE REPORT**

Chris Brown provided an update for the committee on the ProLogger program. The latest ProLogger base course took place in Marion in October and graduated 38 new ProLoggers. There are 1,462 ProLoggers in good standing. The database is up-to-date. Module 15 classes are underway. Two classes have already been held. Brown reminded committee members that if they are holding a class to contact the NCFA so the course can be advertised on the website and in printed and e-mail newsletters.

Topics for the next module were discussed at the Safety, Logging and Transportation Committee that took place the previous week. In addition to the segment on the new SFI Standards, and the Logging Cost segment from South Carolina, the NCFA is considering segments on proper maintenance and use of PPE, truck driver safety in terms of visibility, and fork lift/small equipment safety on the yard. Topics will be narrowed and voted on at the January meeting.

**ADJOURN:** The meeting adjourned at 1:45 p.m.

**2015 Meeting Dates:** January 21 (Joint meeting with NCFA SLTC at NC Rural Center, May 13 at the NCFA, November 12 at the NCFA. The Grant Review Committee will meet on July 28 at the NCFA. All meetings start at 9:30 a.m.

## **SUBMITTED BY**

*Chris Brown, NCFA Director of Communications*