

**NC SFI SIC MEETING**  
**NORTH CAROLINA SUSTAINABLE FORESTRY INITIATIVE STATE**  
**IMPLEMENTATION COMMITTEE**  
NCFA Office - Raleigh, NC – May 27, 2015

**CONVENE NC SFI SIC MEETING AND INTRODUCTIONS**

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

Mike Adams	Ron Heatherly	Amy Phillips
Clay Altizer	Kiley Hinson	Bernard Rose
Brian Council	Bryan Hulka	Glen Sheehan
Tony Doster	Lauren Killian	Scott Smearman
Jim Durham	Jason Lefler	Lynn Stephenson
Joe Evans	Ed Listerman	Jaime Teel
Ted Garner	Justin Morris	Marshall Thompson
Dave Gunderson	Russ Newton	
Brett Goulding	Bob Ordnung	

Others present for all or part of the meeting were:

Rebecca Barnard	Leslie McCormick
Chris Brown	Eddie Reese
Pryor Gibson	Renee Strnad
Graham Hanson	

**ANTITRUST COMPLIANCE STATEMENT**

Jaime Teel reminded members that the meeting would be in full compliance with the NCFA's policy on antitrust compliance contained in the meeting materials.

**RECOGNITION OF PARTICIPATION OF QUORUM**

Jaime Teel declared that a quorum was present at the meeting and that the meeting would proceed as planned.

**MINUTES OF THE LAST MEETING**

Jaime Teel asked members to review the minutes from the last meeting. On a motion to approve and seconded, the minutes were approved as submitted.

**NC SFI SIC TREASURER'S REPORT – AMY PHILLIPS**

Treasurer Amy Phillips provided a review of the NC SFI SIC's budget. Receipts and debits are progressing as planned and there were no variances expected from the budget. The budget review is listed on the next two pages.

NC SIC Treasury Report May 2015

	2015 <u>Budget</u>	2015 <u>Actual</u>	<u>% of Budget</u>
SIC Dues	\$ 136,450.00	\$ 112,805.86	
Interest	\$ 450.00	\$ 186.12	
<b>Total =</b>	<u>\$ 136,900.00</u>	<u>\$ 112,991.98</u>	
 <b><u>Administrative:</u></b>			
NCFA	\$ 21,000.00		
Misc Exp	\$ 250.00		
Travel	\$ 2,000.00	\$ 408.00	
<b>Total =</b>	<u>\$ 23,250.00</u>	<u>\$ 408.00</u>	17%
 <b><u>Landowner Outreach:</u></b>			
Landowner Guide			
Tree Farm			
Misc. Landowner Outreach	\$ 2,000.00	\$ 500.00	
<b>Total =</b>	<u>\$ 2,000.00</u>	<u>\$ 500.00</u>	1.46%
 <b><u>Training and Education:</u></b>			
Logger Training			
Silvicultural Contractor Training			
Certified Logger Program			
<b>Total =</b>	<u>\$ -</u>	<u>\$ -</u>	0%
 <b><u>Information Resources:</u></b>			
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			
<b>Total =</b>	<u>\$ 1,000.00</u>	<u>\$ -</u>	0.70%

**Market Outreach:**

NC SIC booths	\$ 1,500.00		
Purchase displays/materials	\$ 1,500.00	635.98	
Customer Communication	\$ 1,250.00		
Recruitment			
<b>Total =</b>	<b>\$ 4,250.00</b>	<b>\$ 635.98</b>	<b>3.10%</b>

**Grants Approved:**

Wake Soil & Water Conservation	\$ 1,000.00	\$ 1,000.00	
FECF - Sustainable Teachers Academy (2)	\$ 40,000.00		
FECF - Forestry & Env. Camp	\$ 10,000.00		
FECV - Pro Logger video	\$ 10,000.00		
FECV - Goods from the Woods boxes	\$ 10,000.00		
NC Tree Farm - Landowner Wkshp/Annual Mtg	\$ 8,500.00	\$ 8,500.00	
NC Tree Farm - Ethic Workshop	\$ 4,500.00	\$ 4,500.00	
NC Tree Farm - New Members Welcome Pkg	\$ 3,400.00	\$ 3,400.00	
NC Tree Farm - Website & e-newsletter	\$ 7,000.00	\$ 7,000.00	
Elkin Valley Trails Association	\$ 7,500.00		
National Railway Historical Society, Inc	\$ 2,500.00	\$ 2,500.00	
Southern Appalachian Branch of the QDMA	\$ 1,700.00		
2015 Grant NCSU-FEOP Plan 2015 Piedmt SFTA			<b>\$3000 - paid 2014</b>
<b>Total =</b>	<b>\$ 106,100.00</b>	<b>\$ 26,900.00</b>	<b>77.50%</b>

**Inconsistent Practices:**

Monitor/Phone line/Reporting	\$ 3,000.00	\$ 1,121.26	
Reporting			
Consultants	\$ 3,000.00		
<b>Total =</b>	<b>\$ 6,000.00</b>	<b>\$ 1,121.26</b>	<b>4.38%</b>

**TOTAL EXPENSES =** \$ 142,600.00 \$ 29,565.24

**Checking Acct Balance - December 31, 2014** \$ 170,462.29

**Current Checking Acct Balance - April 30, 2015** \$ 165,789.03

NCSU-FEOP 2015 Grant for planning Piedmont SFTA - approved and paid in 2014

Current NC SFI SIC Vice Chair Bernard Rose presented a review of the committee membership dues. A subcommittee met to review where the dues rate is and how that will impact the bottom line for the committee. The recommendation was made that the dues rate stay the same, which is currently .00675 per ton consumed and .014 per acre for landowners. The subcommittee believed the dues income would stay consistent with a possible slight increase due to production increasing over the year.

Mike Adams made a motion to accept the recommendation and keep the dues rate the same. The motion was seconded by Marshall Thompson and approved unanimously by the committee.

As part of the discussions on the budget, there was a question on the income available for the grant program. The grant figure has been fairly consistent at roughly \$100,000 - \$109,000 since the grant program's inception. Jaime Teel noted that there will be NC SFI SIC officers budget meeting before the grant meeting, which is scheduled for July 28<sup>th</sup>, to review the budget and determine the grant funding number.

In 2014, the NC SFI SIC incorporated several NCFA's line items into the budget. The projects include funding for the Sustainable Forestry Teachers Academies, Goods for the Woods projects, Forestry and Environmental Camps. These projects will be incorporated into the grant fund. This also removes the NCFA's projects from being repeat grants, which is something the NC SFI SIC is trying to discourage.

It was noted while these projects have been dedicated for funding, it does not mean the projects will not be reviewed on a regular basis on their merits and how the projects fulfill the mission of the SFI program and the NC SFI SIC.

The documents Rose presented are included below.

**2015 NC SIC Budget & Participants Allocation Review (for use on 2016 suggested assesment rate)**

	SFI %		Non SFI %	SFI \$		Non SFI %	Totals		
	2015	Core	Secondary	PEI	Core	Secondary	PEI	\$	%
NCFA Staff Support	\$21,000	100%			\$21,000	\$0	\$0	\$21,000	100%
Inconsistent Practice Monitor	\$6,000	100%			\$6,000	\$0	\$0	\$6,000	100%
Landowner Outreach	\$2,000	100%			\$2,000	\$0	\$0	\$2,000	100%
Market Outreach	\$4,250	100%			\$4,250	\$0	\$0	\$4,250	100%
Information Resources	\$1,000	100%			\$1,000	\$0	\$0	\$1,000	100%
Travel & Misc/General	\$2,250	100%			\$2,250	\$0	\$0	\$2,250	100%
Approved Grants	\$109,100	100%			\$109,100	\$0	\$0	\$109,100	100%
					\$0			\$0	0%
<b>Total</b>	<b>\$145,600</b>				<b>\$145,600</b>	<b>\$0</b>	<b>\$0</b>	<b>\$145,600</b>	

Core & Secondary Totals  
\$145,600

	Totals	Unit Rate	Total SFI \$	Total PEI \$
Manufacturing	19,903,476 Tons**	\$0.0066	\$130,689	<div style="border: 1px solid black; padding: 5px; display: inline-block;">                     Budget Total \$145,600                 </div>
Landowner (REIT)	1,135,418 Acres**	\$0.0131 *	\$14,911	
			\$145,600	

\* Landowner acerage rate is twice the tonnage rate currently.  
\*\* Survey Numbers updated as of 05-18-15.

Theoretical SFI Dues			
Manufacturing		Landowner	
Tons	\$/Yr.	Acres	\$/Yr.
100,000	\$1,000	50,000	\$700
500,000	\$3,000	100,000	\$1,300
1,000,000	\$7,000	200,000	\$2,600
2,000,000	\$13,000	300,000	\$3,900
3,000,000	\$20,000	500,000	\$6,600

Company	In	No	Consumption
Boise Cascade/Moncre Plywood LLC	Y		
Domtar Paper LLC (Marlboro Mill SC)	Y		
Domtar Paper LLC (Kingsport)	Y		
Domtar Paper LLC(PlymouthNC)	Y		
Edwards Wood Products	Y		
EnvivaPellets Ahoskie LLC	Y		
EnvivaPellets Northampton LLC	Y		
Evergreen Packaging Inc	Y		
FIA (Mike Neal Consulting for FIA)	Y		
Georgia - Pacific WFS LLC	Y		
H W Culp Lumber Company	Y		
Hancock Forest Management	Y		
International Paper Co	Y		
J.W. Jones Lumber Co.	Y		
Jordan Timberlands, Inc.	Y		
Kapstone Kraft Paper Corp.	Y		
Kapstone Paper & Packaging Corp.	Y		
Lampe & Malphrus Lumber Company	Y		
Louisiana Pacific Corp (Roaring River)	Y		
Louisiana Pacific Corp.(Roxboro)	Y		
Molpus Timberlands Mgt LLC	Y		
CanFor Southern Pines	Y		
Parton Lumber	Y		
Resolute Forest Products	Y		
Resource Management Service, Inc.	Y		
RockTenn CP, LLC (SC/NC/VA)	Y		
rocktenn 2	Y		
Southern Diversified Timber Co., LLC	Y		
(TCI) Campbell Timberland Mgmt., LLC	Y		
Toney Lumber Company	Y		
West Fraser	Y		
Weyerhaeuser Co., NC Region	Y		
<b>Total</b>			21,698,571.00

**Annual Totals**

Year	Tons	Acres
2011	17,924,643	1,133,940
2012	17,777,842	1,083,731
2013	20,429,975	985,270
2014	19,465,120	1,139,240
2015	19,903,476	1,135,418

**SFI UPDATE**

Jaime Teel provided an update on the SFI program. There was a discussion on the newest SFI Annual Report being updated to the website ASAP. Other national documents such as the governance document was also added to the website to clarify SFI membership. The new categories will be in place next year and how those categories impact companies will depend on SFI Inc.

**GRANT UPDATE**

Teel also provided an overview on the grants for 2015 and the corresponding chart in the meeting materials. The NCFAs Eddie Reese provided a preview of the upcoming Sustainable Teachers Academies in New Bern, Asheville and Asheboro. All three academies would highlight the SFI program and be a prominent discussion point from start to finish. The academies in New Bern and Asheboro are four days long and the Asheville is five days. One day was removed from the New Bern camp to save money while the Asheboro camp was designed as a four day event. Renee Strnad with North Carolina State University, which is a partner in the academy effort, stated that she has a complete breakdown of the costs for each camp as well as the timing of the camps.

Ed Listerman made the recommendation that when the academies are being planned for next year, it might be helpful to think about including as many SFI participant companies as possible. It was noted that the academies strive to show a broad spectrum of facilities and educational centers and that it definitely could be considered next year during the planning process.

In terms of participants in the academies, there are a total of 105 teachers registered. A total of 44 of those teachers have attended a prior academy. The overall goal was to attract 120 teachers. Committee members continued to encourage the NCFAs and N.C. State University to strive for first-time teachers in the urban regions of the state to maximize the impact of the program.

At the end of the grant discussions, N.C. State University made a request the NC SFI SIC modify its grant document slightly to include a disclaimer that prohibits any grant money being used for overhead costs. The committee asked that grant committee member Bryan Hulka research the ramifications of a change and if it was not detrimental to the program, the language would be adjusted and the new document would be uploaded to the website for this year's grant process. The motion was approved.

Amy Phillips also reported that the signs for the Elkin Valley Trails Association and the National Railway Historical Society have been delivered.

Group	Request	Grant
Elkin Valley Trails Association	\$12,000.00	<b>\$7,500.00</b>
National Railway Historical Society Inc	\$3,800.00	<b>\$2,500.00</b>
Wake Soil & Water Conservation District	\$2,300.00	<b>\$1,000.00</b>
Southern Appalachian Branch of the QDMA	\$2,700.00	<b>\$1,700.00</b>
NCSU - FEOP - Piedmont SFTA Planning	\$9,000.00	<b>\$3,000.00</b>
NCFA-FECF Goods from the Woods Boxes	\$16,000.00	<b>\$10,000.00</b>
NCFA-FECF Forestry & Environmental Camps	\$15,000.00	<b>\$10,000.00</b>
NCFA-FECF - Pro-Logger Video	\$15,000.00	<b>\$10,000.00</b>
NCFA-FECF Teachers Academies	\$65,000.00	<b>\$40,000.00</b>
NC Tree Farm Landowner Workshops & Annual Meeting	\$8,500.00	<b>\$8,500.00</b>
NC Tree Farm Electronic Newsletter & Website	\$11,520.00	<b>\$7,000.00</b>
NC Tree Farm New Members Welcome Package	\$3,400.00	<b>\$3,400.00</b>
NC Tree Farm Ethic Workshop	\$7,630.00	<b>\$4,500.00</b>

## LEGISLATIVE UPDATES

The NCFA's Pryor Gibson provided a quick overview of the North Carolina General Assembly. The association is paying close attention to about 25 bills working through committees. Transportation, namely paying for transportation improvements throughout the state, is going to be an issue that will impact all businesses that rely on our roadways for their business. The DMV fees on overweight and oversize will be increased to create new funds. Another key issue will be the tax on diesel. The North Carolina Trucking Association is watching this closely and the NCFA will be providing support. In most budget projections, it looks as if the North Carolina Forest Service is only going to generate half (\$400,000) of what it hoped to by charging for forest management plans. The good news is the NCFS will not have to make cuts to meet the budget line.

The NCFA's Forestry Day took place on May 20<sup>th</sup>. Over 75 NCFA members were in attendance for the event. Later on that evening, the Friends of Forestry Political Action Committee held its reverse raffle, generating \$20,000 in revenue for the FFPAC.

## FORESTRY ISSUE UPDATE

The North Carolina Forest Service's Clay Altizer provided forestry issues update from the NCFS perspective. The comment period on the re-adoption of the Forest Practice Guidelines ended on March 31. There were no troublesome comments so it is expected the FPG's will be readopted at the July 25<sup>th</sup> meeting as they stand. In terms of riparian buffer rules, there have been comments submitted from different stakeholders. There was a movement to consolidate the rules early on, but it appears as if the rules will continue to stand in their current forms. Any effort to consolidate the rules would not be entertained until the Spring of 2016.

## **TRAINING AND EDUCATION SUBCOMMITTEE REPORT**

Scott Brewer provided an update on the ProLogger training as it pertains to developing a new module for 2016 and a meeting of the subcommittee on training. The following is the report Brewer shared with the committee members.

### **SIC/SLTC EDUCATION SUBCOMMITTEE - MEETING MINUTES - APRIL 28, 2015**

Attendees: Chris Brown, Gail Bledsoe, Scott Brewer, Doug Burleson, Billy Cipriani, Jamie Teel, Bernard Rose, Marshall Thompson, Scott Smearman, Eddie Reece, John-Paul Dame

#### **Module 16:**

1. PPE: Crawley Timber, Forestry Mutual
2. Forest Health: Rob Trickle & Kelly Oten (Forest Service)
3. Biodiversity: Chris Mormon (NC State University), Brooke Massa (NC Fish and Wildlife)
4. Trucking: Woods, Open Road, and Mill: Anthony Andrews, Ezzel Trucking, Kapstone Paper Company
5. Logging Cost (South Carolina): Dale Greene, University of Georgia

#### **Options for Selling Modules**

1. Al a Carte (each state to determine cost of their segment)
2. Lease Option (John Paul)
3. Selling whole module.

#### **Discussion of 3 Day Base Class at Night**

1. Chris Brown stated that a member requested having 3 day Base Class at night (like was done in the beginning of ProLogger), i.e. Consecutive Thursday nights than Friday Field day.
2. Committee was in favor: May try in 2016 possible in Southeast (Whiteville, Kenansville area)

#### **ProLogger Dues Payment**

1. Provide Invoice and Preprinted envelopes at class.
2. Check of Credit at Class.

#### **Prologger Training Guidelines Revisions**

1. ProLogger Training Guidelines are to be reviewed every two years.
2. The committee reviewed the ProLogger Training Guidelines and made revisions for first draft
3. Scott Brewer will complete first draft and send out to committee.

There was discussion on the proposed changes to the ProLogger Training Guidelines. The majority of the committee was in favor of approving the changes, but since they will not go into effect until 2016, the approval was pushed to the November meeting. Among the changes were 1) clarifying the deadline for the class and payment at 6/30 and the grace period for the payment was 30 days, 2) A ProLogger is eligible for reinstatement if he/she has missed one module – if it is multiple years, he/she has to retake the base program. A copy of the new guidelines will be circulated before the November meeting.

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

Rand Matthews provided an update on the SFI article that highlights the program and the state implementation committee. The article will be forwarded to different magazines in an effort to promote the program. The initial target for the article is Carolina Country magazine.

## **PRESENTATION BY NATIONAL TURKEY WILDLIFE FEDERATION**

Rebecca Barnard, the National Forestry Programs Manager for the National Wild Turkey Federation, made a presentation to the committee seeking endorsement from the NC SFI SIC as an “affiliate” member of the committee. Founded in 1973, the NWTF has helped restore turkey populations from 1.3 million in 1973 to over seven million today. The NWTF has over 230,000 members. The key initiative for the NWTF is “Save the Habitat for the Hunt” – which has three parts – conserve or enhance four million acres, create 1.5 million new hunters and open access to some 500,000 acres for hunting. Since turkey’s are generalist species, forest management

techniques employed to manage for turkeys benefit many types of wildlife. The NC SFI SIC voted unanimously to support NWTF as an affiliate member. Other SIC's to do this have been Minnesota, Wisconsin, South Carolina, Georgia and Maine.

**LANDOWNER OUTREACH SUBCOMMITTEE**

Leslie McCormick reported on the progress of the North Carolina Tree Farm Program. The program continues to grow with individual family farms becoming certified. Weyerhaeuser also recently rolled 11 properties that were formerly in an individual management group into the Tree Farm Program. With the support of a NC SFI SIC grant, the NCTFP was able to develop and distribute a New Member Packet which includes key information in a quality publication that new members have appreciated. McCormick also noted that the NC SFI SIC supported a Land Ethic Workshop that will be conducted by the Aldo Leopold Foundation on June 19<sup>th</sup> in Asheboro. McCormick also reminded committee members that the NCTFP is producing an electronic newsletter and if you are not receiving it currently to please check with her so she can sign you up.

Bryan Hulka noted that the NCTFP had several speakers at the most recent National Tree Farm Convention to share their experiences on different topics. More recently, Tom Martin with the American Forest Foundation asked the NCTFP to host members of the company 3M on a tour of a Tree Farm in an effort to educate the company about certification.

Tony Doster added that the Coastal Land Trust, which received a grant from the NC SFI SIC in 2013 to investigate and prepare to become Tree Farm certified, has enrolled four properties totaling over 350 acres into the Tree Farm Program.

**INFORMATION RESOURCES SUBCOMMITTEE REPORT**

Tony Doster commented that the committee needs to continue to promote the NC SFI SIC grant program in our daily interactions with different groups as well as online and in our printed materials.

**INCONSISTENT PRACTICES SUBCOMMITTEE**

Jim Durham presented the following report to the committee.

**EXHIBIT C**

**INCONSISTENT PRACTICES MONITORING PROGRAM - LOG**

Year: 2014

	<b>Q1</b>	<b>Q2</b>	<b>Q3</b>	<b>Q4</b>	<b>Total</b>
Total Number of Phone Calls	<u>2</u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Total Number of Invalid Phone Calls	<u>1</u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Total Number of Valid Phone Calls	<u>1</u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Open Inconsistent Practices	<u>0</u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Closed Inconsistent Practices	<u>0</u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Open FPG Inconsistent Practices	<u>0</u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Closed FPG Inconsistent Practices	<u>0</u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Total Open Inconsistent Practices	<u>0</u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Total Closed Inconsistent Practices	<u>0</u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>

Call notes: valid call was concerning non-payment for timber and did not involve an SFI company. The invalid call was a solicitation call.

FPG notes: There were no SFI companies out of compliance on the FPG report run on 3-16-15 for inspection dates 10-1-14 through 12-31-14. The report noted this did not include district 1. This is the latest report received.



## **NEW BUSINESS**

The North Carolina Agriculture Department will be publishing a colorful, coffee table type magazine in 2016 that will be distributed across the state by Commissioner Steve Troxler and his staff. Several samples were presented to the committee. Mike Adams proposed the NC SFI SIC take the opportunity to promote the committee and the grant process by purchasing a one page in the magazine for \$5,000. The article that was developed recently would serve as the text in addition to the advertisement developed for the grant program. The motion was seconded by Bernard Rose and it was approved unanimously.

Bryan Hulka mentioned that in terms of new recruiting that the new Klausner mill was schedule to go online this year and the committee should investigate if the company plans on being SFI certified and an active member of the NC SFI SIC.

## **ADJOURN**

There being no further business and on motion and second, the meeting was adjourned at 1:45 p.m.

**Submitted by:** Chris Brown, NCFA Director of Communications