

NC SFI SIC MEETING
NORTH CAROLINA SUSTAINABLE FORESTRY INITIATIVE STATE
IMPLEMENTATION COMMITTEE
 NCFA Office - Raleigh, NC – August 12, 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	Bryan Hulka	Jim Pruett
Billy Barnette	Lauren Killian	Greg Ricks
Doug Burleson	Ed Listerman	Bernard Rose
Brian Council	Rand Matthews	Glen Sheehan
Tony Doster	Mark Megalos	Scott Smearman
Jim Durham	Leslie McCormick	Lynn Stephenson
Brett Goulding	Justin Morris	Jaime Teel
Graham Hanson	Russ Newton	
Ronnie Hinson	Bob Ordnung	

Others present for all or part of the meeting were:

Chris Brown
 Pryor Gibson
 Eddie Reese

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. A correction was noted to a member listing in the attendance. It was noted that the most recent survey results within the treasurer’s report were appreciated. On a motion to approve and seconded, the minutes were approved as submitted.

NC SFI SIC TREASURER’S REPORT – Bernard Rose

Vice Chair Bernard Rose provided a review of the NC SFI SIC’s budget. The budget is progressing as expected with no significance variance. All grants have been paid out for the year. Rose noted that as it stands, the committee has \$75,000 in its account and that is a number that gives the committee the flexibility to support a worthy initiative or project. There were no questions. The complete budget is listed below.

NC SIC Treasury Report August 2015

	2015 <u>Budget</u>	2015 <u>Actual</u>	% of <u>Budget</u>
SIC Dues	\$ 136,450.00	\$ 126,367.01	
Interest	\$ 450.00	\$ 362.39	
Total =	\$ 136,900.00	\$ 126,729.40	

Administrative:

NCFA	\$ 21,000.00		\$ 21,000.00	
Misc Exp	\$ 250.00	grt rvw lunch	\$ 96.44	
Travel	\$ 2,000.00		\$ 408.00	
Total =	\$ 23,250.00		\$ 21,504.44	17%

Landowner Outreach:

Landowner Guide				
Tree Farm				
Misc. Landowner Outreach	\$ 2,000.00	wrk forst sumt	\$ 500.00	
Total =	\$ 2,000.00		\$ 500.00	1.46%

Training and Education:

Logger Training				
Silvicultural Contractor Training				
Certified Logger Program				
Total =	\$ -		\$ -	0%

Information Resources:

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				
Total =	\$ 1,000.00		\$ -	0.70%

Market Outreach:

NC SIC booths	\$ 1,500.00			
Purchase displays/materials	\$ 1,500.00	signs, stickers	962.01	
Customer Communication	\$ 1,250.00	1/2 NC Ag Ad	2620.00	
Recruitment				
Total =	\$ 4,250.00		\$ 3,582.01	3.10%

Grants Approved:

Wake Soil & Water Conservation	\$ 1,000.00		\$ 1,000.00	
FECF - Sustainable Teachers Academy (2)	\$ 40,000.00		\$ 40,000.00	

FECF - Forestry & Env. Camp	\$ 10,000.00	\$ 10,000.00	
FECV - Pro Logger video	\$ 10,000.00	\$ 10,000.00	
FECV - Goods from the Woods boxes	\$ 10,000.00	\$ 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	\$ 7,500.00	
National Railway Historical Society, Inc	\$ 2,500.00	\$ 2,500.00	
Southern Appalachian Branch of the QDMA	\$ 1,700.00	\$ 1,700.00	
2015 Grant NCSU-FEOP Plan 2015 Piedmont SFTA		\$3000 - paid 2014	
Total =	<u>\$ 106,100.00</u>	<u>\$ 106,100.00</u>	77.50%
<u>Inconsistent Practices:</u>			
Monitor/Phone line/Reporting	\$ 3,000.00	\$ 1,725.58	
Reporting			
Consultants	\$ 3,000.00		
Total =	<u>\$ 6,000.00</u>	<u>\$ 1,725.58</u>	4.38%
TOTAL EXPENSES =	\$ 142,600.00	\$ 133,412.03	
Checking Acct Balance - December 31, 2014	\$ 170,462.29	big grts and NCFA admin no pd at this time	
Current Checking Acct Balance - July 31, 2015	\$ 75,679.66		

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

6. LEGISLATIVE UPDATE

NCFA Executive Vice President Pryor Gibson provided an updated on the North Carolina General Assembly. Gibson noted that there is an emphasis this session on tax reform. The reform is tied to the formula for allocating sales tax revenues in the state. In terms of budget items, it appears as if the North Carolina Forest Service is going to end up about \$250,000 short of their revenue goal from charging for forest management plans. The good news is that the NCFS will not have to cut positions. The shortfall will be made up within Agriculture Department. It was noted that the practice of charging for forest management plans is under review.

Committee member Mike Adams stated that he had received a phone call from one of his loggers reporting that he was required to get a permit to complete a harvest because the land was located in a flood plain. There is a local regulation that requires permits for any activity as it pertains to development. The logger chose to get the permit. He asked if anyone else had encountered this issue.

Meeting Material Notes: The development of a new budget for the state continues to be the top issue at the North Carolina General Assembly. Heading into the budget negotiations, state lawmakers were provided with the fiscal news that the state's revenues increased this year over previous years. This was good news. The debate now remains how much each chamber hopes to grow the state's budget. The Senate continues to seek a more streamline budget (21.47 billion) while the House (22.2 billion) is comfortable

with a larger budget for the state. The state's fiscal year runs from July 1 to July 1. The General Assembly has already granted one continuance of the existing budget and will face another extension if an agreement cannot be reached by the end of August 14.

Early negotiations were hampered by the fact that the Senate insisted on including several legislative issues (Medicaid, Tax Reform, etc.) policies in the budget itself. This past week, the Senate moved off of this position and is focusing strictly on budget numbers.

One of the key issues now is the Senate's economic development bill or sales tax reform bill. The bill is designed to distribute sales tax revenue across rural and urban counties based on a formula using population and where the sale originated. The goal of the bill is to generate additional revenue for rural counties. The original 80% on population/20 on point of sales formula was not received well and it appears as if negotiations have evened out the proposal to a 50/50 split. It is estimated that the latest proposal would generate more income for 80 counties while 20 counties would see a reduction in their revenue from sales tax.

The House introduced and passed a \$2.8 billion bond referendum bill, entitled **House Bill 943**, that would primarily be used to fund transportation projects. The plan is similar to one Governor McCrory had released earlier. The bill calls for a special election in November for voters to approve the bond. The bill is now in the Senate.

The table below includes bills the NCFA is tracking.

H/S	Number	Sponsor(s)	Short Title	Status	Notes
H	3	McGrady; Stam, Lewis, and Goodman	Eminent Domain	02/11/2015 Senate Ref To Com On Rules	
H	97	Dollar, L. Johnson, McGrady, and Lambeth	2015 Appropriations Act	07/16/2015 House/Senate Conf Com Appointed	
H	183	R. Brown, Conrad, Lambeth, and Watford	Repeal Map Act	05/12/2015 Senate Re-ref Com On Transportation	
H	318	Cleveland, Millis, Whitmire, and Conrad	Protect North Carolina Workers Act	04/27/2015 Senate Ref To Com On Rules	
H	367	Brody, Bumgardner, Hager, and Waddell	NC Consumer Fireworks Safety Act	07/20/2015 House Re-ref to the Com on Local Government, if favorable, Finance	
H	378	Whitmire, Holloway, West, Presnell	Amend Criteria/Certain Ag. Cost-Share Programs	05/22/2015 Senate Re-ref Com On Agriculture/Environment/Natural Resources	
H	456	R.Turner	Clarify Weight Limits/Ag. Vehicles	05/22/2015 Senate Re-ref to Agriculture/Environment/Natural Resources. If fav, re-ref to Transportation	
H	532	McGrady, Jeter, West, and Fisher	WC/Truck Driver Status	08/06/2015 House Cal Pursuant 36(b)	
H	640	Dixon, Malone, Lucas, and Presnell	Outdoor Heritage Act	07/08/2015 Ch. SL 2015-144	
H	765	McElraft	Regulatory Reform Act of 2015	07/27/2015 House/Senate Conf Com Appointed	
H	901	Waddell, Ager, Dobson, and Goodman	Agribusiness Income Tax Exemptions	04/16/2015 House Ref To Com On Finance	Need to add forestry if moves

H	907	Whitmire	Strengthen Military in NC/Mitigate BRAC Risk	04/20/2015 House Ref To Com On Appropriations	Headwaters Funding
H	920	Saine, Hamilton, R. Moore, and Jeter	Omnibus Economic Development Improvements	04/20/2015 House Ref to the Com on Finance, if favorable, Appropriations	Re-establishes tax credit for forestry cargo loaded or unloaded at either the Wilmington or Morehead City port terminal
H	927	Torbett	Reestablish NC as the "Good Roads State"	04/20/2015 House Ref to the Com on Transportation, if favorable, Finance, if favorable, Appropriations	
S	155	Bingham	Reduce PUV Entry Time for Farmland	03/09/2015 Senate Re-ref to Agriculture/Environment/Natural Resources. If fav, re-ref to Finance	Dan Ettefagh bill drafter; reduces the entry time into the present-use value (PUV) property tax qualification by allowing agricultural and horticultural land (forestland has no income requirement) that has an average income of \$1000 over the past year to qualify for PUV. Current law states that the income requirement must be met over three years. Senate Bill 155 would also allow a new buyer of agricultural, horticultural, and forestland to enter into PUV in a year instead of having to wait four years and requires tax receipts to include a summary of the PUV tax benefit.
S	361	Hartsell	Occupational Licensing Reform Study	03/24/2015 Senate Ref To Com On Rules	Board of Registration for Foresters
S	369	Brown, B. Jackson, Clark	Sales Tax Fairness Act	03/24/2015 Senate Ref To Com On Finance	
S	469	Hartsell	Occupational Lic. Bd. Reporting Requirements	03/26/2015 Senate Ref To Com On Rules	Board of Registration for Foresters
S	513	Brock and B. Jackson	North Carolina Farm Act of 2015	06/10/2015 House Re-ref Com On Finance	
S	572	Cook	Agricultural Regulatory Relief	04/23/2015 Senate Re-ref Com On Transportation	
S	592	McInnis	Clarify Proof of Eligibility Reqs. for PUV	04/09/2015 Senate Re-ref Com On Finance	
S	656	Lee	WC/2015 Omnibus Law Changes	03/30/2015 Senate Ref To Com On Rules	

7. FORESTRY ISSUES UPDATE

Due to staff transitions, a representative from the North Carolina Forest Service was not able to attend the meeting. NCFA staff Chris Brown provided an updated based on an e-mail by Gail Bledsoe, who had recently accepted a new position with the NCFS. Brown relayed that there are changes in the Water Quality Forester positions in the state. There are some details to be worked out, but ultimately there will be six water quality foresters in the state. There will be two per region. It appears as if the current water quality foresters will stay in their current location - Beth Plummer, Matt Vincett, Keith Money, Laura Hendrick, and Aaron Levine. Brown also stated that Bledsoe would be completing the fourth quarter and annual FPG reports over the next two weeks. Jaime Teel expressed his appreciation for what Gail Bledsoe has brought to the committee over the years and wished her well in her new position.

8. SFI UPDATE

Jamie Teel and Rand Matthews discussed the possibility of applying for a grant from SFI Inc.

The Sustainable Forestry Initiative (SFI Inc.) announced earlier in the week the opening of the Request For Proposals for the SFI Conservation and Community Partnerships Grant Program. *The application period opens August 11, 2015, with applications being accepted through Friday, October 2, 2015.* Since 2010, SFI has awarded 66 Conservation and Community Partnership Grants totaling more than \$1.9 million to foster research and pilot efforts to better inform future decisions about our forests. When leveraged with project partner contributions that total exceeds \$7.1 million. SFI is looking forward to another successful and productive year for the SFI Conservation and Community Partnerships Grant Program. This year SFI will award up to \$400,000 in new Conservation and Community Partnership projects.

Matthews noted that there is SFI grant money out there and the NC SFI SIC should team up with the NCFCA to submit grant proposals for the Forestry & Environmental Camps, Sustainable Teachers' Academies, and for other efforts. The NC SFI SIC has also discussed establishing a workshop for architects on SFI and the Green Globes Building Code. This could be an opportunity to fund this effort. Matthews mentioned that in Pennsylvania, the hardwood industry has a wooden trailer that is brings to schools, workshops and other events to stress the importance of forest products.

Jamie Teel noted that the SFI Inc. National Convention is a direct scheduling conflict with the NCFCA's Annual Meeting.

Bryan Hulka has agreed to be one of the speakers at the NCFCA's Annual Meeting. Since he will be providing a general overview of the new SFI standards, he asked the committee if there were any specific questions this group had that he could address. His goal is to highlight those changes that have an impact on what is being carried out in the woods. Also, he wanted to know if there were any specific issues that those individuals who had recently completed a new audit had encountered that were troublesome.

There was a brief discussion of how some companies are looking for more training on climate change for their foresters as part of the new standard. Through informal discussions, it appears as if there may be a need to introduce more training from the top down in the company ranks on the issue.

9. 2015 GRANT REVIEW

The NC SFI SIC supports several projects/programs annually through its grant program. Here are some highlights of the recently completed projects.

Aldo Leopold Land Ethic Workshop – The North Carolina Tree Farm program hosted a Land Ethic Workshop for landowners and forestry professionals Camp Caraway in Asheboro, NC. The feedback from the members of the NC SFI SIC that attended the workshop was extremely positive. Tree Farm Executive Director Leslie McCormick noted that it was really popular with all attendees and many asked what is the follow up going to be, if any.

Sustainable Forestry Teachers' Academies – Three Academies were held in 2015 for the first time in the history of the program with programs in New Bern (four days), Asheville (five days) and Asheboro (four days). Over 95 teachers participated in the three Academies. NCFCA staff Eddie Reese provided a review of the three Academies. He noted that in 2016 the goal is to have 120 teachers and he is always looking for new facilities/locations to include in the Academies so if a member of the committee wants to be in the rotation he/she should let him know. Going forward, Reese noted that there would be a review of the Academies by all the participating groups in September. The review committee expects to map out some clear direction for the program in terms of teacher participation and the overall curriculum. Reese also explained that the Education Committee would be seeking to poll participating teachers the next year to gather more information on how the program has shaped their teaching the following year.

Biodiversity Segment of Module 16 ProLogger Annual Training – The NCFCA and its training partners have completed work on Module 16. One of the segments is on Biodiversity which is a highlighted in the newest SFI standards. The segment was done with Chris Moorman of North Carolina State University and Brooke Massa of the North Carolina Wildlife Commission.

10. 2016 GRANT DISCUSSION AND APPROVAL

The following are a list of grants submitted to the NC SFI SIC on or before July 1, 2015. The NC SFI SIC grant review committee, which includes the chair, vice-chair, treasurer and all sub-committee chairs, met on July 28, 2015 to review the grant applications. As requested in earlier years, the applications were posted to the website and sent to each committee member for review.

At the opening of the discussion, Bernard Rose remarked that it was clear at the grant review subcommittee meeting that the entire NC SFI SIC needs to do a better job publicizing the grant program. There were less grant requests this year than the year before.

Each grant was reviewed and approved on an individual basis. The lone grant not to receive the total requested amount of funds was the Wake Soil and Water Conservation District. The concern was that the NC SFI SIC was the lone funding source for the annual event and in case of a lack of funds, the event might be cancelled in the future. The committee wants to support the effort, but at a partner level with other groups.

Organization	Project	Grant Request	Project Total	Awarded
National Wild Turkey Federation	Landowner Workshop	\$1,000	\$7,000	\$1,000
North Carolina Forestry Association	Stream Crossings – Module 17 Segment	\$7,500	\$30,000	\$7,500
North Carolina State University				
Extension Forestry	Forester Bootcamp Workshop	\$5,791	\$5,791	\$5,791
North Carolina Tree Farm Program	New Member Packets	\$3,400	\$7,775	\$3,400
North Carolina Tree Farm Program	Re-Inspections of Tree Farms	\$13,000	\$22,130	\$13,000
North Carolina Tree Farm Program	Workshops and Annual Meeting	\$9,800	\$29,515	\$9,800
Solutions from the Land	NC Agriculture & Forestry Summit	\$5,000	\$50,000	\$5,000
Wake Soil and Water Conservation District	Keeping the Farm Workshop	\$2,500	\$3,950	\$1,000

11. MARKET OUTREACH/RECRUITMENT SUBCOMMITTEE REPORT

Agriculture Advertisement – It was relayed to Chris Brown from the publisher that the article, advertisement and logo would be too much text for the one page advertisement. The publisher asked the committee to reduce the text. The committee decided that it wanted to have the entire copy placed in the magazine. It asked Rand Matthews and Chris Brown to explore other possibilities, including purchasing more advertisement space to ensure that the article could be placed in the publication.

12. INFORMATION RESOURCES SUBCOMMITTEE REPORT

Landowner Guide – We have incorporated the latest updates to the SFI program to our Landowner’s Guide to Forestry in North Carolina. It was sent out for review to several committee members and to other partners for comments, additions, subtractions, etc. We hope to have all comments incorporated into the new guide by the end of the week and printed by the end of the month. In recent years, this committee has provided funds for the printing of this guide. The last time we printed the guide (2013), we printed 5,000. The books will run about \$1 a piece.

13. INCONSISTENT PRACTICES SUBCOMMITTEE

Jim Durham provided an update on the Inconsistent Practices Monitoring Program. Durham noted that two calls were valid but involved the same tract. It was a water quality issue, but it did not involve an SFI member company. The calls were referred to the North Carolina Forest Service. Durham noted that the Inconsistent Practices procedures need to be updated to reflect any changes in the program and to reflect any changes to the reference language, such as the most current SFI standards. The Inconsistent Practices subcommittee is reviewing procedures to make sure they are being updated and will have a new version for the committee to approve at the next meeting.

INCONSISTENT PRACTICES MONITORING PROGRAM - LOG

Year: 2015

	Q1	Q2	Q3	Q4	Total
Total Number of Phone Calls	2	3			
Total Number of Invalid Phone Calls	1	1			
Total Number of Valid Phone Calls	1	2			
Open Inconsistent Practices	0	0			

Closed Inconsistent Practices	<u>0</u>	<u>0</u>	<u> </u>	<u> </u>	<u> </u>
Open FPG Inconsistent Practices	<u>0</u>	<u>0</u>	<u> </u>	<u> </u>	<u> </u>
Closed FPG Inconsistent Practices	<u>0</u>	<u>0</u>	<u> </u>	<u> </u>	<u> </u>
Total Open Inconsistent Practices	<u>0</u>	<u>0</u>	<u> </u>	<u> </u>	<u> </u>
Total Closed Inconsistent Practices	<u>0</u>	<u>0</u>	<u> </u>	<u> </u>	<u> </u>

Call notes: Valid calls were both for the same tract and were water quality issues. This did not involve an SFI company. Callers were advised to call the NC Forest Service. The invalid call was a solicitation call. FPG notes: Have not received the FPG report for the NCFS FY 4th quarter which is the SIC 2nd quarter. Will update this report when data is received.

14. LANDOWNER OUTREACH SUBCOMMITTEE REPORT

North Carolina Tree Farm Executive Director Leslie McCormick provided an update on the North Carolina Tree Farm Program for the committee. The program currently has 1,031 Tree Farmers that includes 280,447 acres. The program has certified 31 new Tree Farms thus far in 2015. The program will have 29 required inspections this year as part of the national third party audit. Since the American Tree Farm System updated its standards last year, all current Tree Farm Inspectors must update their training to be able to participate in the program. So far, 91 inspectors have been trained to the new standard and the program has two more workshops in August. The North Carolina Tree Farm program will hold its Annual Meeting on October 17, 2015 at Shaver Wood Products, which is in the Statesville area. Participants will have the opportunity to tour the mill as well as Shaver’s forestlands. The North Carolina Tree Farm program will be implementing the second phase of its fundraising effort by reaching out to individual Tree Farmers. The first phase took place two years ago when the program reached out to partner companies and organizations.

15. TRAINING AND EDUCATION SUBCOMMITTEE REPORT

The NCFA’s ProLogger program completed its annual training year on June 30th. The NCFA would like to thank all of its member companies that hosted classes throughout the year to assist ProLoggers in their pursuit of this valuable training. We also would like to thank Jack Swanner and the Carolina Loggers Association for their support of the ProLogger program. Training 1,500 people on an annual basis takes teamwork! We really appreciate all of our classroom leaders who volunteer their time and resources to promote and host these training sessions.

By the Numbers:

- 1,440** ProLoggers are in the Program for 2015-2016 Year
- 69** ProLoggers Failed to Take Module 16
- 41** ProLoggers Took Module 16 but Failed to Pay Dues by 6/30/2015
- 52** ProLoggers are on the Hold List

The Module 16 – ProLogger Annual Training Module 16 is now complete. The topics for this year’s module include: Logging Cost Basic (44 min) which the NCFA obtained from South Carolina; Forest Health (21 min); Log Trucking Safety (30 min); Biodiversity (34 min); PPE Safety & Maintenance (31 min). At this current format, we have a Module that is roughly 160 minutes – two hours and 40 minutes.

The committee suggested that the ideal time for the video portion of the module is two hours –two hours and 15 minutes – leaving 45 minutes for discussions, breaks, etc. For 2016, the Forest Health segment will be held out and included into the 2017 module. We will make this segment available online as well.

In terms of the trading with South Carolina, the NCFA will be sharing its Log Trucking Safety production.

This meeting marked the successful completion of Scott Brewer’s tenure as the Education subcommittee chair. Doug Burleson has agreed to step forward to chair this subcommittee. On behalf of the committee, Jaime Teel expressed his gratitude and respect for all the accomplishments the ProLogger training has achieved during Brewer’s tenure, especially the joint training venture between South Carolina, Florida and North Carolina.

16. NEW & OTHER BUSINESS

Mid-Atlantic Logging and Biomass Expo – September 18-19, 2015 – Smithfield/Selma Area

NCFA Annual Meeting – October 7-9, 2015 – Myrtle Beach, SC

NC Tree Farm Program Annual Meeting - October 17, 2015 - Shaver Wood Products, Statesville, NC

Log A Load For Kids Golf Tournament – October 22, 2015 – Wilmington, NC

NCFA's Forestry & Environmental Camp – November 2-6, 2015 – Wilmington, NC

NC SFI SIC Next Meeting(s): November 12, 2015 – Raleigh, NC - All meetings start at 9:30 a.m.

It was noted that at the conclusion of 2015, there will be a need to review the executive committee and the subcommittee chairs. Current Chair Jaime Teel will fulfill his second year of service this year. Vice Chair Bernard Rose will become chair. Current Treasurer Amy Phillips will move up to Vice Chair. The committee will be looking for a volunteer to serve as Treasurer. All terms on the executive committee are two years.

ADJOURN

There being no further business and on motion and second, the meeting was adjourned at 2:00 p.m.

Submitted by: Chris Brown, NCFA Director of Communications