

NC SFI SIC MEETING
NORTH CAROLINA SUSTAINABLE FORESTRY INITIATIVE STATE
IMPLEMENTATION COMMITTEE
NCFA Office - Raleigh, NC – May 18, 2016

CONVENE NC SFI SIC MEETING AND INTRODUCTIONS

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

Jadie Andrews	Brandon Jones	Amy Phillips
Doug Burleson	Lauren Killian	John Robertson
Jimmy Clay	Ed Listerman	Bernard Rose
Brian Council	Rand Mathews	Glen Sheehan
Tony Doster	Leslie McCormick	Scott Smearman
Jim Durham	Mark Megalos	Jack Swanner
Ted Garner	Justin Morris	Jaime Teel
Tom Gerow	Russ Newton	Marshall Thompson
Brett Goulding	Bob Ordnung	
Gail Johnson	Bob Pippen	

Others present for all or part of the meeting were:

Chris Brown	Eddie Reese
Debra Doepp	
Pryor Gibson	

ANTITRUST COMPLIANCE STATEMENT

Chair Bernard Rose 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

Chair Bernard Rose declared that a quorum was present at the meeting and that the meeting would proceed as planned.

REVIEW OF MINUTES OF THE LAST MEETING

Chair Bernard Rose asked members to review the minutes from the last meeting. On a motion by Jaime Teel to approve and seconded by Jim Durham, the minutes were approved as submitted.

LEGISLATIVE UPDATE – PRYOR GIBSON

The NCFA's Executive Vice President, Pryor Gibson, provided an update on the North Carolina General Assembly.

In 2016, the North Carolina General Assembly will be working on a "short session" that will focus on making any necessary adjustments to the current state budget. The budget is established during the "long session" and typically dominates the session. With a Presidential election in the fall, it is assumed the General Assembly will keep to a tight schedule so all incumbent members will be able to return home to campaign. The Governor released his budget recommendations a week prior to Forestry Day. The House released their version this week.

In keeping with its mission of promoting healthy and productive forests, the NCFA staff and its members will be supporting the North Carolina Department of Agriculture on two items:

- Funding for the Forest Development Program (FDP). FDP is a reforestation, afforestation and forest stand improvement cost-sharing program run by the North Carolina Forest Service (NCFS). The goals of the program include timber production and the creation of the benefits associated with active forest management. It has not been funded since 2009 and the Forest Service is no longer accepting applications for this very important program. The goal is to get \$500,000 allocated for FDP in the budget.
- Funding for much needed fire equipment for the NCFS. The equipment is essential for protecting state and privately owned forest land from wildfires. The goal is to get \$3 million allocated for fire equipment in the budget.

There is no question money will be tight and making any adjustments to the budget is certainly a challenge. In addition to the budget, the NCFA is already tracking developments on the following bills that have interest to our membership.

HOUSE BILL 183 – REPEAL MAP ACT - This bill would repeal the Transportation Corridor Official Map Act, which authorizes the Department of Transportation, local governments, and transportation authorities to adopt maps for future transportation projects and places restrictions on properties within the mapped areas. NCFA Position: NCFA supports this bill.

HOUSE BILL 378 - AMEND CRITERIA/CERTAIN AGRICULTURAL COST-SHARE PROGRAMS - This bill changes the criteria for foresters to be eligible for two cost-sharing programs – the Agriculture Cost Share Program (ACSP) and the Agricultural Water Resources Assistance Program (AgWRAP). ACSP provides financial and technical assistance for the installation of best management practices to address nonpoint source pollution. AgWRAP assists with water control, efficiency, storage, and efficiency issues. Under current law, a forester must have a sound management program and a copy of a sound forest management plan. The bill would change the eligibility requirement to only needing evidence of a forestry management plan. NCFA Position: NCFA supports this bill.

HOUSE BILL 456 - CLARIFY WEIGHT LIMITS/AGRICULTURAL VEHICLES - This bill would allow any vehicle, including forestry vehicles, that is transporting water, fertilizer, pesticides, seeds, fuel, or animal waste to or from a farm to qualify for the road weight limit exemption. Currently, the vehicle must meet certain criteria to qualify. NCFA Position: NCFA supports this bill.

HOUSE BILL 532 - WC/TRUCK DRIVER STATUS - This bill would remove the requirement for employers to have workers' comp for independent contractors who are truck drivers. NCFA Position: NCFA supports this bill.

HOUSE BILL 920 - OMNIBUS ECONOMIC DEVELOPMENT IMPROVEMENTS - This bill would re-establish the tax credit for forestry cargo loaded or unloaded at either the Wilmington or Morehead City port terminal. NCFA Position: NCFA supports this bill.

SENATE BILL 155 - REDUCE PUV ENTRY TIME FOR FARMLAND - This bill would reduce the entry time into the present-use value (PUV) property tax qualification. NCFA Position: NCFA supports this bill.

SENATE BILL 605 - VARIOUS CHANGES TO THE REVENUE LAWS - This bill includes a provision that would allow the sales tax exemption for items purchased by a contractor to apply to items purchased for the holder of a conditional farmer exemption certificate as well as the holder of a qualifying farmer exemption certificate. Also, qualified equipment used at ports facilities that is eligible for the 1%, \$80 cap excise tax rate would apply not only the machinery and equipment but also the parts, attachments, and accessories for that equipment. (Note: The Senate has already passed S729, which is a different version of this bill. The 1%, \$80 provision is not in it). NCFA Position: NCFA watches this bill closely as it makes various changes and remains neutral until a final version is presented.

NC SFI SIC TREASURER'S REPORT – GLEN SHEEHAN

Glen Sheehan provided an update on the NC SFI SIC's financials and a chart of the checking account. Sheehan reported the majority of the dues were already recorded, but was still waiting for a few more contributions for all of the member companies to be paid. He stated that most of the grants had been paid out for the year. The NCFA budget items will be occurring in the third and fourth quarter. It appears that the NC SFI SIC will continue to maintain a balance of \$75,000 at the end of the year. NC SFI SIC Chair Bernard Rose noted that this has been the case for several years now.

2016 NC SIC Checking Account

7.	Number	Date	Issued	Description	Category	Check/Draft Amount	Deposit Amount	Balance	
								70,962.54	Balanced 2015
		01/14/16	Deposit	2015 dues	Dues		\$7,589.19	78,551.73	
		01/22/16	Century Link	IPM phone bill Jan.2016	Inconsistent Practices	\$19.51		78,532.22	
		01/28/16	Deposit	2015 dues	Dues		\$1,505.00	80,037.22	
		01/31/16	Deposit	Interest earned	Interest		\$46.97	80,084.19	Balanced Jan.2016
1568		02/02/16	NC Tree Farm	2016 Grants (3)	Landowner Outreach	\$26,650.00		53,434.19	
		02/03/16	Deposit	2015 Dues	Dues		\$26,020.72	79,454.91	
1569		02/05/16	Journal Communications	Ag Magazine Ad (Pmt. Of Balance)	Publications	\$2,620.00		76,834.91	
		02/11/16	Deposit	2016 Dues	Dues		\$4,542.12	81,377.03	
		02/23/16	Century Link	IPM phone bill Feb.2016	Inconsistent Practices	\$18.77		81,358.26	
		02/25/16	Deposit	2016 Dues	Dues		\$29,664.58	111,022.84	
		02/25/16	Deposit	2016 Dues	Dues		\$14,315.90	125,338.74	
		02/29/16	Deposit	Interest earned	Interest		\$60.01	125,398.75	Balanced Feb.2016
		03/03/16	Deposit	2016 Dues	Dues		\$2,654.56	128,053.31	
1570		03/15/16	Wake Soil & Water Grant	Keeping the Farm Workshop	Public Outreach	\$1,000.00		127,053.31	
		03/18/16	Deposits	2016 Dues	Dues		\$28,347.93	155,401.24	
		03/23/16	Century Link	IPM Phone bill March 2016	Inconsistent Practices	\$18.68		155,382.56	
		03/31/16	Deposit	Interest earned	Interest		\$97.54	155,480.10	Balanced March 2016
1571		04/04/16	Bernard Rose	Regional SIC Meeting Expenses	Administrative	\$596.34		154,883.76	
1572		04/07/16	Steve Cox	IPM 1st Qtr. 2016	Inconsistent Practices	\$523.00		154,360.76	
		04/18/16	Deposit	2016 Dues	Dues		\$5,361.49	159,722.25	
		04/26/16	Century Link	IPM Phone Bill April 2016	Inconsistent Practices	\$19.45		159,702.80	
		04/30/16	Deposit	Interest earned	Interest		\$77.29	159,780.09	Balanced April 2016
								159,780.09	
								159,780.09	

FORESTRY ISSUES UPDATE – TOM GEROW

Tom Gerow with the North Carolina Forest Service provided an update on the agency.

Gerow announced the following Water Quality Forester staffing updates for the Coastal Plain region:

- Jamie Dunbar, northern coastal plain. Cell = 252-286-0881. (covers NCFS District 7, District 13, +Beaufort and Pitt counties)
- Paul Mowrey, southern coastal plain. Cell = 252-286-0862. (covers most of NCFS District 4 and all of NCFS District 8)

Gerow reported that the NCFS has been asked about SIC cutting trees next to or off of dams. NCFS staff met with the State Dam Safety Engineer to get clarification on what the rules are when it comes to harvesting trees. In general, if it is a small tree, it is not a big deal. If it is a larger tree then a permit is needed. Once the tree is removed, it would need to be backfilled as per the permit. The NCFS will put together a brief write-up explaining the procedures once some specific clarifications are received from the State Engineer's office. This procedure review will be shared with NCFCA and Carolina Loggers Association.

Gerow stated that the first and second quarter FPG reports have not been released yet due to staff time being dedicated to fighting fires across the state and some staff vacancies.

As a review, Gerow noted the Buffer Rules and that six operations have been referred to the Division of Water Resources for Buffer Rule violations.

- In most cases, if somebody had looked at a map, they would have seen the stream drawn out.
- In at least 1 case, it was blatant disregard for the rule.
- Referrals only focus on the bad examples; we don't know what proportion of all logging jobs they represent.
- Historically, the Raleigh staff did not see the paperwork for each Referral, so we really do not know how the current number of referrals compares with historical trends.

- How can we work to promote/foster/improve compliance?
- The NCFS can help pre-harvest planning, ID streams, show topo and soils maps ahead of time.

A water quality refresher workshop is scheduled May 25 in Statesville.

8. SFI UPDATE – BERNARD ROSE

- **NC SFI Regional Chairs Meeting** – Rose attended the most recent meeting of regional chairs. He noted that it was a good meeting, but attendance was not great. The discussion of regional professional logger training was discussed, but it was limited to how hours are earned and tracked. Rose did not see a consensus building towards regionalizing training among states.
- **LEEDS Update** – The U.S. Green Building Council (USGBC), which is the governing body for the Leadership in Energy and Environmental Design (LEED) green building rating system, announced that it will be creating a new opportunity for the use of wood products in buildings. The USGBC's new program will allow and credit wood from the major forest certification systems being employed today in the United States, including the American Tree Farm System (ATFS), the Forest Stewardship Council (FSC), the Program for the Endorsement of Forest Certification Systems (PEFC), the Sustainable Forestry Initiative (SFI). In the past, USGBC only recognized wood certified by FSC. The overwhelming majority of certified wood grown in North America is under the ATFS and SFI programs. The NCFA supported state legislation back in 2014 that would have limited the influence the LEED system would have on state funded building projects because it failed to consider SFI and ATFS certification on an equal playing field with FSC certified wood. The NCFA membership authored op-eds in opposition to the LEED program because it discriminated against any wood that was not FSC certified. The fact remains very little acreage in North Carolina is enrolled in the FSC program. The legislation did not pass but the inequity of the LEED system was well-documented by the end of the legislative session. The most recent announcement is met with conservative optimism by some who were involved in those LEED discussions both at the national level and the NCFA's state level legislative initiative.
- **NC SFI SIC Annual Reporting for Member Companies** – The NC SFI SIC is in the process of collecting information for its annual consumption report. Rose stated that the complete listing will be available prior to the next meeting which will help the committee review and update its membership dues if necessary. He expects the rate to stay at current levels and overall dues will remain constant even though some companies may drop from the SFI program. This is important for the Grant Committee which will meet in July.
- **NC SFI SIC 2015 Annual Report** – The 2015 report was submitted, reporting all of the committee's activities over the past year. Rose stated the new reporting process is menu driven and rather time consuming. It requests a lot of tracking information for the state committees on their activities and events.
- **Request for NC SFI SIC Support** – Brad Howard requested the NC SFI SIC support the summer meeting of the North Carolina SAF Meeting on June 8-10, 2016 in Laurel Springs, NC. Marshall Thompson made the motion that the SIC support at \$250 level. It was seconded by Jamie Teel and the committee approved it unanimously.
- **Grant Requests** – Two weeks prior to the meeting, Rose had concerns about the lack of grant applications he had received. In the past week, Rose learned that several different groups are interested in applying for grants. Several of those groups are new to the NC SFI SIC grant process.
- **Sustainable Forestry Teachers Experience** – Rose asked the committee for volunteers to staff the NC SFI SIC presentation portion of the three upcoming Teachers Experiences. Scott Smearman agreed to staff the Southern Pines location, Tony Doster/ Bryan Hulka will staff the New Bern location and Amy Phillips agreed to staff Asheville. The NCFA's Eddie Reese provided an update on the program. There are over 120 teachers signed up for the three programs. 79 teachers are middle school instructors while the remaining 41 are high school level. 50 of the 100 counties are represented. There are only 8 teachers repeating the program.
- **The NCFA's Forestry & Environmental Camp** took place in Greensboro with Kernodle Middle School in April. The school has a sixth grade class of 400 students. We are in contact with area schools that may join the Greensboro next year. The next camp will take place in Wilmington on October 24-28, 2016. We always need volunteer instructors! Thanks to the following people who volunteered for Greensboro.



Andrews, Jadie
Askew, Scott
Blackwood, Nancy
Blue, Adrian
Burlison, Doug
Byrd, Michael
Cecil, John
Cheston, Mike
Daniels, Chuck
Gladden, David
Gray, Chip

Gregg, Stewart
Harris, Mike
Hill, B.J.
Jarrard, Roy
Johnson, David
Kearns, Alec
Killian, Lauren
Masters, David
Rackley, Frank
Smearman, Scott
Swan, Eddie

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- **By-Laws Review** – A subcommittee of Bryan Hulka, Ed Listerman and Jaime Teel reviewed the existing By-Laws for the NC SFI SIC. Jamie Teel provided a quick overview on the process. He stated that much of the updates focused on updating definitions as per the new SFI standard and some standard updates due to name changes within organizations. The lone structural change was to assigned the duties of overseeing the grant program to the Vice Chair instead of the Chair of the SFI SIC. While there was some discussion on changing the terms of the officers’ terms, the subcommittee chose to keep the terms as is since it has worked so well thus far. The by-laws revisions were accepted unanimously by the committee on a motion by Jamie Teel that was seconded by Jim Durham. The by-laws are listed here.

SUSTAINABLE FORESTRY INITIATIVE[®] Program
North Carolina State Implementation Committee By-Laws
2/25/2016

A. MISSION:

The mission of the State Implementation Committee (the “SIC”) is to provide oversight and administration of the SFI[®] Program within the State of North Carolina as directed by SFI Inc.

B. OPERATION:

1. The North Carolina SIC operates under the rules and guidelines contained in the current SFI[®] Implementation Committee (SIC) Governance White Paper and as a committee of the North Carolina Forestry Association, (“NCFA”) a non-profit North Carolina Corporation.
2. The SIC operates as an overall planning and steering committee in accordance with the rules set forth in these By-Laws. Normal parliamentary rules (Roberts Rule of Order) are used in conducting meetings. The SIC may establish subcommittees to work on specific aspects of our mandate from SFI Inc.
3. The SIC will have four regular meetings each year, typically one meeting in each quarter. Special meetings can be called by the Chairman to address particular issues.

C. MEMBERSHIP:

1. Membership of the SIC shall consist of the following:
 - a. **SFI Certified Program Participant:** A forest landowner, forest land manager or primary or secondary forest products producer operating in the United States or Canada who participates in the SFI program through a contractual agreement to abide by the current SFI Standard, and who has been certified by an accredited SFI certification body to be in conformance with the current SFI standard. Each SFI Program Participant operating in North Carolina and paying its annual assessment to the SIC is entitled to one SIC member.
 - b. **SFI Applicant:** A forest landowner, forest land manager, or primary forest products producer operating in the United States or Canada who joins SFI to get a better understanding of the SFI Standard, requirements and SFI Implementation Committees before moving forward with SFI certification. Applicants have not yet proceeded to certification, thus they cannot use the SFI off-product mark or the SFI on product label, cannot make claims that they conform to the SFI Standard, and cannot make claims that their products are certified. These organizations pay SFI an annual licensing fee based on sales and land managed. Applicants have two years to move to the SFI Program Participant category. However, SFI Inc. staff would work with the applicant to ensure a smooth transition if they cannot meet the two-year

deadline. Applicants are required to participate in the SIC where significant operations exist, i.e. majority of forestland owned and/or fiber procured.

- c. **NC SIC Supporters:** Each of the following organizations or stakeholder groups are entitled to one standing SIC membership. No annual assessment is required, nor do NC SIC Supporters have voting rights on the NC SIC.
 - i. The North Carolina Forestry Association Safety Logging & Transportation Committee
 - ii. The North Carolina Tree Farm Committee
 - iii. The North Carolina Chapter of the Association of Consulting Foresters
 - iv. North Carolina State University Forestry Extension
 - v. North Carolina Society of American Foresters
 - vi. North Carolina Forest Service
 - vii. North Carolina State University Department of Forestry and Environmental Resources
 - viii. North Carolina Forestry Association
 - ix. Carolina Loggers Association
 - e. **Others:** Other NC SIC Supporters may be approved by a two-thirds majority of SIC SFI Certified Program Participants.
2. All SFI Certified Program Participants annual dues must be paid to NC SIC checking account.
 3. Roster of SFI Certified Program Participants will be reviewed and approved by the Chair before the 1st Quarter meeting to determine the Participant voting rights for that year.
 4. SFI Certified Program Participants will vote on NC SIC Supporters and Others on an as needed basis at regularly scheduled SIC meetings. Memberships for NC SIC Supporters and Others must be approved by a two-thirds majority.

D. VOTING:

1. SFI Certified Program Participants are entitled to one vote on all motions, including expenditures, brought before the SIC.
2. SIC SFI Certified Program Participants may designate a proxy vote, and this will be so noted in the meeting minutes.
3. All motions, including expenditures can be approved by SIC Committee provided a quorum exists.

E. OFFICERS AND PRINCIPAL DUTIES:

1. **Chairman:** the duties of the Chairman are to lead the SIC in meetings and to ensure the SIC functions within the Implementation Committee (SIC) Governance White Paper, the NCFA By-Laws, and these By-Laws. The Chairman will be elected by the SIC SFI Certified Program Participants at the 4th quarter meeting in odd-numbered years and will serve a two year term beginning January 1st of even-numbered years.
2. **Vice-Chairman:** The duties of the Vice-Chairman are to act for the Chairman in his/her absence, oversee the grant process as outlined below, and to perform other duties as the Chairman or SIC may direct. A Vice-Chairman will be elected by the SIC SFI Certified Program Participants at the 4th quarter meeting in odd-numbered years and will serve a two year term beginning January 1st of even-numbered years.
3. **Treasurer:** The duties of the Treasurer are to approve SIC expenses, write checks, track expenses, provide treasurer's report at SIC meetings and draft proposed budget. The Treasurer will have signature authority over the SIC's bank account, however will not see check statements. The Treasurer will communicate with NCFA staff on check balance issues. A Treasurer will be elected every two years by the SIC SFI Certified Program Participants at the 4th Quarter meeting in odd-numbered years and will serve a two year term beginning January 1st of even-numbered years.
4. Either the Chairman or Vice-Chairman is expected to attend the annual SFI Program Annual Conference and regional SIC meetings.
5. The Chairman, the Vice Chairman, and the Treasurer must be SIC SFI Certified Program Participants.
6. The NCFA provides staff support to the SIC and will perform duties outlined by a Memorandum of Understanding between the SIC and the NCFA and reviewed annually.
7. Organizational chart is attached as "Exhibit A".

F. STANDING SUBCOMMITTEES OF THE SIC:

General: Rotation of subcommittee membership is to be determined by the SIC, or where appropriate the individual concerned or the shared sponsoring organization. Normally an individual should expect to serve a minimum of two years and the committee should seek to stagger membership terms to preserve operational continuity.

1. Training and Education Subcommittee
 - a. The function of the Training and Education Subcommittee is to increase the knowledge of forestry practitioners to implement sustainable practices on all forestlands.

- b. Membership of this subcommittee will be determined by the committee, but at a minimum should include the following or a representative:
 - i. NCFA Staff
 - ii. Chair and co-chair of the NC SLTC
 - iii. NCSU extension
 - iv. CLA
 - v. NC Forest Service
 - vi. Others as determined by the NC SIC

2. Landowner Outreach Subcommittee:

- a. The function of the Landowner Outreach Subcommittee is to increase the amount of well managed and certified acres.
- b. Membership of this subcommittee will be determined by the committee, but at a minimum should include the following or a representative
 - i. North Carolina State Tree Farm Committee
 - ii. NC SAF
 - iii. NC Forest Service
 - iv. NCSU extension
 - v. Others as determined by the NC SIC

3. Informational Resources Subcommittee:

- a. The function of the Information Resources Subcommittee is to increase and improve SFI recognition
- b. Membership of this subcommittee will be determined by the committee, but at a minimum should include the following or a representative:
 - i. Director of communications from NCFA
 - ii. NC SAF
 - iii. Others as determined by the committee

4. Inconsistent Practices Subcommittee:

- a. The function of this subcommittee is to establish, implement, and maintain an effective reporting and investigation process to address public concerns with implementation of the SFI program in North Carolina. The Committee will deal with forestry practices inconsistent with SFI as prescribed in its Inconsistent Practices Policy (IPM).
 - i. Procedure will be reviewed periodically and be maintained as a separate document entitled “North Carolina Sustainable Forestry Initiative (SFI) Implementation Committee Procedure for Handling Inconsistent Practices”.
- b. Membership of this subcommittee will be determined by the NC SIC.

5. Grant Review Subcommittee:

- a. The function of the Grant Review Subcommittee is to review grant proposals and make recommendations to the SIC as to which projects to fund.
- b. The Vice Chair is to lead this subcommittee, and is responsible for
 - i. Receiving grant applications,
 - ii. Scheduling and leading the grant review with the subcommittee,
 - iii. Leading the approval of the grants by the whole SIC,
 - iv. Tracking the implementation of the grants, and
 - v. Updating and maintaining the separate document “NC SIC Grant Process” as needed.
- c. Membership of this subcommittee will include the following or a representative
 - i. SIC chair
 - ii. SIC vice chair
 - iii. SIC Treasurer
 - iv. Subcommittee chairs

6. Market Outreach/Recruitment Subcommittee

- a. The function of the Outreach/Recruitment Subcommittee is to increase demand for SFI certified products and promote wood product industry to become SFI Certified. b. Membership of this subcommittee will be determined by the NC SIC.

G. FINANCES AND BUDGETING:

The SIC obtains its principal funding from an assessment of SFI Certified Program Participants doing business in the State of North Carolina. Annual assessments of SFI Certified Program Participants will be determined by SIC officers and approved by the SIC committee at the 4th quarter meeting.

1. The SIC may solicit additional funding and in-kind support from other appropriate sources who are aligned with the Principles and Objectives of the SFI Program.
2. An annual budgeting process will be used:
 - a. The Chairman, Vice Chairman, Treasurer and the North Carolina Forestry Foundation Executive Vice President will prepare a SIC budget for the coming year and will submit the budget to the SIC committee prior to the 4th Quarter meeting. The budget will show clearly the sources of revenue. All expected expenditures will be detailed as line items in the budget.
 - b. The SIC Chairman will ensure that the budget is distributed to all SIC members prior to the 4th quarter SIC meeting.
 - c. The final SIC Budget will be discussed and approved by the SIC at the 4th Quarter SIC meeting and by the North Carolina Forestry Foundation Board at their December meeting. The SIC Budget requires joint approval by the SIC and the North Carolina Forestry Foundation.
 - d. SFI Certified Program Participant assessments will be invoiced and collected by NCFE. SFI Certified Program Participants will pay into NC SIC checking account. Funds designated for the SIC will be maintained in a separate bank account for the exclusive benefit of the SIC. NCFE Staff will inform the Treasurer of the SIC checking account balance.
 - e. Approved budgets establish authority for the Treasurer to make expenditures on behalf of the SIC.
 - f. Normally, all expenditures must be approved by the committee prior to payment. However, the Chairman may direct the Treasurer to expend up to \$500 for non-budget items that come up between committee meetings. Those expenditures must be reviewed at the next committee meeting.
 - g. The Chairman will appoint an Audit ad-hoc subcommittee at the 4th Quarter meeting each year to examine the accounting records of the committee for the prior year. That committee will report its findings by the first meeting of the following year.

H. AMENDMENTS:

These by-laws may be amended by a two-thirds majority vote of the SIC SFI Certified Program Participants.

GRANT UPDATE – BERNARD ROSE, COMMITTEE CHAIR

Committee Chair Bernard Rose provided an update on the grant program. A few grants on the list have been paid out, including the Tree Farm Program and the National Wild Turkey Federation.

2016 Grants	Requested	Granted
National Wild Turkey Federation	\$1,000.00	\$1,000.00
NC Tree Farm - Re-Inspection of Tree Farms	\$13,450.00	\$13,450.00
NC Tree Farm Landowner Workshops & Annual Meeting	\$9,800.00	\$9,800.00
NC Tree Farm New Member Packets	\$3,400.00	\$3,400.00
NCFE - Pro-Logger Video	\$7,500.00	\$7,500.00
Solutions from Land - NC Ag & Forestry Adaptation Summit	\$5,000.00	\$5,000.00
NCSU Extension Forestry - Forester Bootcamp	\$5,791.00	\$5,791.00
Wake Soil & Water - Keeping the Farm	\$2,500.00	\$2,500.00
	\$48,441.00	\$48,441.00
Moved to NC SFI SIC Budget Line Items - Not Grants		
NCFE - Goods from the Woods	\$10,000.00	\$10,000.00
NCFE - Forestry & Environmental Camps	\$10,000.00	\$10,000.00

NCFA - Teachers Academies	\$40,000.00	\$40,000.00
	\$60,000.00	\$60,000.00

INFORMATION RESOURCES SUBCOMMITTEE REPORT – TONY DOSTER

Tony Doster recommended to the committee that if they need to share any information for the NCFA’s weekly, ZipLine, to please contact the NCFA’s Chris Brown to be included in the next edition. This is a great resource to share upcoming events.

Doster also updated the committee that the Forest Management Committee had drafted and submitted a letter of support for the Natural Heritage Program to the NCFA’s Board of Directors meeting. He noted that the Natural Heritage Program is helpful to NCFA members by providing valuable third-party information that is necessary in the certification process. The NCFA Board approved the support letter. It appears at this point in the budget process, the program will receive enough additional funding to retain three staff positions that were to be terminated. The letter of support is below.

“The North Carolina Natural Heritage Program serves forest landowners, forest industry, conservation organizations, and the general public by providing valuable information on natural communities that occur throughout our state. This program is voluntary for landowners. It is not regulatory, only seeking to serve landowners and the public.

The information collected and provided by the program gives forest landowners the information they need to protect and to enhance the natural areas on their properties and provides valuable information to forest managers and consulting foresters that help inform their management recommendations.

Additionally, forest certification programs require forest landowners to identify unique natural areas and to manage them in a way that takes in to account their special qualities. Identification and management of unique natural heritage areas is a condition of certification to the Sustainable Forestry Initiative Standard, the Forest Stewardship Council Standard, and the American Tree Farm Standard. The Natural Heritage Program provides information which fulfills these requirements. It also provides landowners with information who are developing Forest Stewardship Plans that will receive cost share funding.

The North Carolina Forestry Association supports the work of the Natural Heritage Program and recognizes the program’s important role of identifying, documenting and conserving unique forest communities across the state. This information is invaluable to forest landowners and forest managers as they consider their stewardship decisions.”

The Forest Management Committee also supported the North Carolina Forest Service’s request for additional funding for the Forest Development Program from the North Carolina General Assembly. It is unclear at this point if this funding will be made available.

MARKET OUTREACH/RECRUITMENT SUBCOMMITTEE REPORT – RAND MATHEWS

Rand Mathews reported that the subcommittee is still pursuing Carolina Country Magazine with regards to placing the article that was prepared by the committee. Mathews believes it might be best to pursue some advertisement avenues to initiate a conversation. The committee has also been approached by the Our State Magazine about placing advertisement. The rates are rather expensive, but the committee believed if a compromise of content (the prepared article), price, and frequency, it might be worth pursuing in 2017.

Mathews also discussed requesting more information from SFI national as part of our exhibitor efforts over the state. He noted that we do have the basic tri-fold at our disposal, but do what else can we use to advertise the SFI program. There also was some discussion on creating a new banner that promotes the NC SFI SIC grant program. This banner could accompany existing banners and materials when the NC SFI SIC is sponsoring or exhibiting at an event.

LANDOWNER OUTREACH SUBCOMMITTEE REPORT – LESLIE MCCORMICK

Leslie McCormick, the Executive Director of the North Carolina Tree Farm Program, updated the committee on the North Carolina Tree Farm program. In March, the program hosted three forestland transition workshops that attracted 95 landowners. The workshop was extremely popular and the Tree Farm Program has field requests to do more of these workshops in the future.

Other upcoming events include the Western North Carolina Timber Conference on June 2 at Lake Logan and the North Carolina Tree Farm Program’s Annual Meeting on October 22, 2016 at the Hill Forest in Durham County. The program is also planning to host several “Breakfast with Joe” which will be Joe Cox, NC Tree Farm’s Outreach Director, meeting with landowners at the home of an

existing Tree Farmer. The format will include a light breakfast and then a tour of the Tree Farm. The goal is to end the program by noon.

Tree Farm is also working on its “at risk” pool of Certified Tree Farmers. Debra Doepp is working on this program. There are 241 Tree Farms that have not been inspected in over 10 years. In ballpark figures, the Tree Farm program estimates that it will lose about half of these 241 Tree Farmers due to not meeting the standards of the program.

INCONSISTENT PRACTICES SUBCOMMITTEE – JIM DURHAM

Jim Durham provided an update on the latest report from Steve Cox, who is the Inconsistent Practices Monitor.

INCONSISTENT PRACTICES MONITORING PROGRAM - LOG

Year: _2016

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

Notes: There were no valid calls to the hot line.

All FPG issues on the latest FPG report have been resolved per calls to SFI member representatives.

Submitted by Steve Cox, IPM

TRAINING AND EDUCATION SUBCOMMITTEE REPORT – DOUG BURLESON

Subcommittee chair Doug Burleson provided an update on the ProLogger training program.

- **MODULE 16 TRAINING** - Currently 1,616 in ProLogger program, which includes 25 on the Hold List. 65% of ProLoggers have taken Module 16. Just over 60% have paid dues. A total of 45% have fulfilled both requirements.
- **MODULE 17 TOPICS & FILMING** – We have four-plus days of shooting complete on the following topics – Forest Health, Stream Crossings/Buffer Rules/Water Quality, Storm Damage Timber, and Pipeline Easements. We have possibly one more opportunity for shooting with Ronnie Andrews as part of the Stream Crossings/Buffer Rules/Water Quality and a follow up to June Bug Curry’s logging operation. Other than that, we are moving into the production phase of the segments. Thanks to Tom Gerow with NCFCS, we were able to address briefly the oil spills and clean up. This is a topic we can follow up on in later modules, but thought it was worth bringing into the segment on water quality.
- **COOP WITH OTHER FORESTRY ASSOCIATIONS** – We will be receiving a segment from South Carolina that is being produced by the South Carolina Forest Service. We shared our trucking segment last year. This year we will be sharing our biodiversity segment.
- **LENGTH OF PRODUCTIONS** – We would like the committee to address what is an appropriate time frame for our modules going forward. Our current methodology of drafting timely topics is working extremely well. Our content is excellent and using our own ProLoggers helps with keeping the training entertaining for our ProLoggers. Since we are seeking uniformity, it is worth evaluating what a module length should be. South Carolina only has a 1.5 hour class. If we were to reduce our DVD

time to an hour and a half or an hour and forty-five minutes, we would be able to conduct a class in two hours with a break/discussions built in. This also would be in agreement with a recent recommendation from the NC SLTC Committee that requested individual segments be limited to 20-25 minutes in length. The committee agreed that a two hour class that focuses on the top issues is a desirable. The DVD running time should strive to be in the one hour and 45 minutes. This allows for a break and limited discussion on the training.

NEW BUSINESS

1. May 20th is the last day to take advantage of early registration fees for **the 2016 NC SAF Summer Meeting at Laurel Ridge Camp** in Laurel Springs, NC - June 8-10, 2016. Piedmont Chapter of Society of American Foresters is your host for this great summer meeting in the mountains. Full details are linked on the ApSAF home page at: www.apsaf.org/nc/meetings/2016/
2. **NC SFI SIC MEETING DATES:**
July 20, 2016 GRANT COMMITTEE ONLY at the NCFA office at 9:30 a.m.
August 10, 2016 at NCFA Office at 9:30 a.m.
November 9, 2016 at NCFA Office at 9:30 a.m.
3. **The North Carolina Chapter of the Log A Load for Kids** will be holding a golf tournament at 1:00 p.m. at Scotch Meadows Golf Course in Laurinburg. There is a dinner and awards after the golf. The cost for an individual is \$65 or \$245 for a team. Hole sponsorships are available for \$200! Contact Boyd McLaurin or Scott Brewer for more details.

ADJOURN

There being no further business and on motion and second, the meeting was adjourned at 12:45 p.m.

Submitted by: Chris Brown, NCFA Director of Communications