



Board of Forestry Meeting

January 12, 2017
Richmond, VA

Call to Order

The Board of Forestry meeting was called to order at 1 p.m. by Chairman Smith at the Virginia State Farm Bureau Headquarters in Richmond, VA. Chairman Smith reminded everyone of the antitrust statement and to remember to sign the acknowledgement form that is required annually. Thanked Virginia Farm Bureau for the use of its facilities.

Adoption of Agenda

A motion was made to adopt the agenda as presented; seconded. All present were in favor.

Roll Call

Board of Forestry Members Present:

Anne Beals, Dr. David Smith, Don Bright, Franklin Myers, Greg Scheerer, Keith Drohan, Joel Cathey, Beth Flippo Hutchins, Glen Worrell and William Snyder

Members Absent:

Ken Morgan Jr., James Harder and John Burke III

Recognition of Guests and Visitors

Virginia Department of Forestry Present:

Bettina Ring, State Forester; Rob Farrell, Deputy State Forester; Ed Zimmer, Chief of Operations; Mary Weaver, Executive Assistant

Recognition of Guests and Visitors:

Sam Towell, Deputy Secretary of Agriculture and Forestry; Susan Jennings, Virginia Forest Products Association; Wilmer Stoneman, Virginia Farm Bureau Federation; Ron Jenkins, Virginia Loggers Association; Paul Howe, Virginia Forestry Association.

Secretary of Agriculture and Forestry Update

Deputy Secretary Sam Towell presented Anne Beals, Don Bright and Joel Cathey with their reappointment certificates. Deputy Secretary Towell gave an overview to the Board on the budget process in general and specifically how it works within the Agricultural and Forestry Secretariat. Sam explained the revenues and the reasons why they were down from earlier projections. He also explained the expectations for all agencies to reduce their General Fund budgets by 5% for FY17 and 7.5% for FY18. After proposals went to the Governor, no one was aware of what would be approved until the Governor made his announcement on December 16th. The Board inquired about the budget process and how far out it is

forecasted. All of the newly received fire equipment money was excluded from the cuts as it is basically debt financing. Chairman Smith asked if anyone in the governor's policy office is looking at what does this mean five or 10 years down the road given the circumstances we have. So much of Virginia's wealth is in our land base. Chairman Smith suggested that the governor may want to consider establishing a task force to look at the long-term, unintended consequences of some of these cuts in the future, specifically to forest land base and agriculture land base areas, which are critical to the Commonwealth's economy.

Hearing of Citizens

None

Approval of Minutes

A motion was made to approve the August 26, 2016 meeting minutes as presented; seconded. All present were in favor.

State Forester's Report

Ms. Bettina Ring welcomed everyone and thanked the Virginia Farm Bureau for hosting the meeting. VDOF is very grateful for how hard everyone worked to get the Reforestation of Timberland (RT) match last year along with the MELP money for the emergency equipment. Ms. Ring discussed with the Board the cuts VDOF was required to make and the very difficult decisions that had to be made. A one-time 5% cut had to be made for FY17 and then a 7.5% (\$1.23 million) cut of ongoing savings had to be realized for FY18. The decision was made to eliminate five full-time positions; cut \$300,000 from the RT program, and assess a fee associated with harvest inspections/notifications as a source of revenue. We will get through this together; we all have the same common vision and goal in the end to ensure we have sustainable resources in the state. The agency is trying to be proactive and come up with creative ideas for the future.

Ms. Ring listened and addressed all questions the Board had. Ms. Flippo-Hutchens inquired about what other types of revenue opportunities could be considered. Bettina stated that the agency is looking at being more assertive with the State Lands Program where we assist other state agencies in managing their lands. In addition, local governments pay \$0.09 per acre for fire protection and we have not raised this fee in approximately 10 years. This option would require close cooperation with local governments. Mr. Don Bright discussed taking more funding from the RT program instead of charging loggers a notification fee. Mr. Frank Myers discussed that the loggers would support VDOF but can't support more fees. Mrs. Flippo-Hutchens would prefer to not offer up RT money and let the legislators make the decision. Dr. Smith discussed that we are at the point where we need to sit down at the table and develop a long-term strategy to solve the funding problem. This will take everyone at the table to come up with a creative solution.

Deputy Secretary Towell left the meeting.

The purpose of this meeting was to explain how and why these decisions were made, to allow everyone to be heard and further understand everyone's concerns. The Board discussed how to get together as an industry to come up with some solutions. Mr. Greg Scheerer feels the fee, if explored, should be a service fee and not a notification fee to loggers. Mr. William Snyder agrees that outside of serving in an advisory capacity as board members, that the forestry community should be seen as a unified group.

This is an ongoing challenge and it is important for everyone to work together to address it.

Committee/Liaison Report

Reforestation of Timberlands (RT) Subcommittee:

Mr. Scheerer reported that the subcommittee will be meeting on January 19, 2017 and will provide a report at the February Meeting.

Informational Items

Reforestation of Timberlands Program:

Mr. Ed Zimmer highlighted for the Board where VDOF is with the Reforestation of Timberlands program and funding. VDOF is at a high point with tax collections. With our proposed \$300,000 reduction for next fiscal year, the program will still be the second highest general fund match in history. Landowner incentives have also continued to increase.

Action Items

Mr. Bright discussed the concerns that forest conversion be something that we monitor. Ms. Ring addressed several opportunities where the agency is moving in that direction.

Unfinished Business

Chairman Smith encouraged everyone to keep working together and communicating with each other.

New Business

VDOF celebrated the first inaugural class for Century Forest Landowners. On November 30, 23 landowners were recognized at Montpelier for keeping their land in their families for more than 100 years.

VDOF grew more than 33 million seedlings this year and were almost sold out. The agency will be celebrating its 100th anniversary for nurseries.

One board member asked why the agency gave up revenue through burning, spraying, etc. The state forester reminded everyone that we were careful to not compete with the private sector but we are increasing our prescribed burning since few consultants offer this service and there is a great demand.

Four Board members are eligible for reappointment and were encouraged to consider whether they want to be reappointed.

Adjournment

Chairman Smith called for a motion to adjourn; motion was made to adjourn the January 12, 2017 meeting at 3:07p.m. and seconded. All present were in favor.

Minutes recorded by Mary Weaver, Executive Assistant