



**Minutes of the Conference Call  
Of the Board of Directors  
Of  
The Gypsy Moth Slow the Spread Foundation, Inc.**

**September 7, 2005  
10:00 a.m. – 12:00 p.m. EDT**

Proper notice having been duly given to each Board member, a conference call of the Board of Directors was held on the above date.

President Geir Friisoe called the meeting to order and Secretary Frank Fulgham called the roll.

**BOARD MEMBERS**

Geir Friisoe, Minnesota, President	present
Gene Cross, North Carolina, Vice-President/Treasurer	present
Frank Fulgham, Virginia, Secretary	present
Scott Frank, Illinois	present
Bob Waltz, Indiana	present
Ken Rauscher, Michigan	present
Gary Gibson, West Virginia	present
Melody Walker, Wisconsin	present

**OTHERS PARTICIPATING IN THE MEETING**

Phil Marshal, Indiana  
Carl Harper, Kentucky  
Mike Philip, Michigan  
Kimberly Thielen-Cremers and Teresa McDill, Minnesota  
Brian Burk, Ohio  
Celestine Ervin, Clark Haynes and Sherri Hutchinson, West Virginia  
Linda Ellefson and Brian Kuhn, Wisconsin  
Ed Holloman, Southeastern Association Services  
Donna Leonard, Noel Schneeberger and Patrick Tobin, USDA Forest Service  
Leon Bunce, USDA APHIS

**Whereas**, the above noted directors constitute a quorum, and there is no objection to this proceeding, the following business was conducted:

**APPROVAL OF THE MINUTES**

The minutes of the Gypsy Moth Slow the Spread (STS) Foundation Board of Directors' Conference Call on June 1, 2005 were approved and ratified by unanimous vote and shall be filed in the Minute Book.

**STATUS UPDATES OF GRANT AGREEMENTS WITH USDA-APHIS-PPQ**

Ed Holloman and Donna Leonard discussed the reporting status of all states using the Regulatory Grant Reporting Schedule spreadsheet. Donna Leonard discussed grant appropriations.



### 2005 Aphis Regulatory Grant

It was noted that all states are currently up to date regarding required Financial Status Reports and Narrative Accomplishments Reports for this grant. As of 09/01/05, the Foundation grant funding total received from APHIS is \$239,250. Past and pending disbursements to states equal \$149,558 - leaving a balance of \$89,692. It is assumed that all states will draw down this balance to zero by 09/30/05. Ed noted that any funds not drawn down by states must be deobligated by submission of a revised 424 form to the Foundation. Gene Cross indicated that this is the cleanest way to handle reporting of any unspent grant funding. It was noted that if states knew that they would have excess funding early enough another state may be able to utilize this excess funding. Leon Bunce noted that in past years APHIS has looked very closely at any deobligated unused funding. It was agreed that every effort should be made to ensure that no unused funds are deobligated back to APHIS.

**ACTION:** It was agreed that in future years the Board will reevaluate the status of state regulatory funding in May and that states must have any paperwork reflecting revisions to the Board in June so that the funds can be reallocated for use by another state.

**ACTION:** Current 2005 REG Grant state reporting due dates are as follows:

- 11/15/05 Completed 424 for de-obligation of any unspent grant allocations to states
- 11/15/05 4<sup>th</sup> QTR Financial Status Report & Narrative Report (07/01/05 thru 09/30/05)
- 11/15/05 FINAL Financial Status Report & Narrative Report (07/01/05 thru 09/30/05)

**NOTE: All reports MUST be up to date for the Foundation to access grant money from APHIS. If reports are past due by a state, requests for disbursements will be delayed until reports are current.**

### 2006 Aphis Regulatory Grant

An Action Item from the June 2005 conference call was for the Foundation to submit a request to APHIS for the full \$326,297.83 for the 2006 state regulatory grant funding. Gene Cross submitted this request for increased funding to Leon Bunce. APHIS responded that there would be no increase in the current funding level of \$239,250 for the 2006 APHIS Regulatory Grant. Therefore, the 2006 funding level will remain at \$239,250 plus \$35,000 to OH and \$5,000 to IN for a total available funding of \$279,250. The Foundation must submit their signed and approved 424 to APHIS by October 15, 2005.

In lieu of this, Donna Leonard noted that this may be the year to eliminate Michigan's participation in the regulatory grant as discussed in the past since Michigan's regulatory program does not operate within the STS Action Zone. Michigan's \$27,625 in past regulatory funding would be available for use in other state's regulatory activities. Michigan would increase their trapping & treatment grant from the Forest Service by an equal amount to maintain their current full-time employee. This employee would then operate with 100% Forest Service funds instead of the current 50% Forest Service/50% APHIS funding. Ken Rauscher (MI) indicated that he supported this proposed action since the entire state of Michigan is quarantined and it is the intent that APHIS regulatory work occur within the action zone.

A discussion followed on the ability of current STS states to maintain viable regulatory programs in 2006 if they operated on 2005 level funding. This would allow the use of Michigan's past funding to

be used to support increases in current state programs or initiation of new regulatory activities in currently non-funded states, such as, Minnesota. West Virginia indicated that a 4% increase in indirect costs will require an additional \$8,000 to maintain the current level of regulatory activities. All other current regulatory states indicated that they could continue their programs at 2005 funding levels.

MN had requested \$73,000 to hire a full-time regulatory person. Other options are for MN to produce up to three regulatory training videos. Option 1 includes a video for nurseries (\$24,250), Option 2 includes videos for nurseries and mills (\$35,885), and Option 3 includes videos for nurseries, mills and tree care (\$44,500). The videos would be of use and benefit other state programs.

Melody Walker (WI) proposed the following which was seconded by Gary Gibson (WV):

**MOTION:** Move \$24,250 from Michigan to Minnesota for Option 1 to provide an education and outreach video for nurseries to comply with regulatory activities and move \$3,000 to West Virginia for increased personnel costs. **Motion was adopted unanimously.**

**ACTION:** Ed Holloman and Gene Cross will send out spreadsheets with 2006 grant allocations to states. States must show any cost share amounts and return spreadsheets to Ed with cc: to Leon Bunce by **09/16/05**.

**ACTION:** States must submit signed 424's and Work Plans to the Foundation by **09/26/05**.

Leon Bunce will work with OH and IN to determine their funding needs and will also check with APHIS to determine if it is feasible for OH and IN regulatory funding to be brought into the STS funding mechanism rather than receiving funding directly from APHIS. This would increase the APHIS regulatory funding to the Foundation and allow for more flexibility in how the total funds were distributed to states. OH and IN have stated in the past that they prefer to continue under the current set up.

**ACTION:** It was requested on the June STS Conference Call that OH and IN report all regulatory accomplishments for inclusion in the STS final report.

## **STATUS UPDATES OF GRANT AGREEMENTS WITH USDA-FOREST SERVICE**

Ed Holloman discussed the reporting status of all states using the Trapping and Treatment Grant Reporting Schedule spreadsheet. Donna Leonard discussed pending grant expenditures.

### **2004 Trapping & Treatment Grant**

As of 09/01/05, the Foundation balance of this \$7,132,920 Forest Service grant is listed as \$87,154; however, Donna Leonard explained that \$59,053 is from unspent state obligations. \$3,102 will be deobligated by KY and \$55,951 is being deobligated by NC. All funds remaining in the Foundation grant will be utilized for flakes or racemic contracts to zero out the grant by 09/30/05.

**ACTION:** Remaining 2004 T&T Grant state reports that are past due are as follows:

Final Financial Status Report (04/01/05 thru 06/01/05)      VA and PR

Final Grant Narrative (01/01/04 thru 06/01/05)      IA, NC and PR

### **2005 Trapping & Treatment Grant**

The total amount of this Forest Service grant is \$7,111,000. As of 09/01/05, the Foundation funding balance is \$343,656 and the States' balance is \$2,178,487. After a slow start, grant monies to states appear to be flowing smoothly now.

**ACTION:** Current 2005 T&T Grant state reports that are past due are as follows:

04/15/05 Quarterly Financial Status Report (01/01/05 thru 03/31/05) KY and PR

### **2006 Trapping & Treatment Grant**

The total amount of Forest Service funding to Michigan will increase to offset the reduction in Michigan's APHIS grant. Michigan's current 2005 FS grant is \$88,418 and in 2006 will increase to a minimum of \$100,000 up to possibly \$110,000.

Overall there was a ½ of 1% rescission in the Forest Service budget for 2006. For the STS program area this reduction equals \$50,000. Therefore, the total allocated for STS is at \$9,950,000 instead of the \$10 million STS has had for the last two years.

Trapping and Treatment decision meetings with states are scheduled for October and first half of November. First draft of proposed state budgets are due to Donna Leonard by mid-December. The Operations Committee will meet in late January to fine tune the budget needs and available funding. The Final Draft will be reviewed by the Board at their annual meeting typically held in the first or second week in February.

## **STS PROJECT REVIEW & DRAFT ACTION PLAN**

A draft Action Plan response to the STS Project Review was discussed by Donna including recommended actions to address all 17 issues identified by the Review. (Draft Action Plan dated 07/28/05 attached.) The Action Plan Recommendations are now set in stone but proposed Actions are still open to revision. A Final Draft of the Action Plan is now due back to the Forest Service for their review.

**ACTION:** Any Board member comments on the proposed Actions must be submitted to Donna Leonard with a copy to Geir Friisoe by September 16<sup>th</sup>.

Most proposed Actions do not offer much flexibility in addressing the Project Review Recommendations. However, a decision by the Board is needed to address a key recommendation regarding Policy Issue: 4. Forest Service Research and Development Support (Page 9 of the Action Plan). The recommendations for this issue include 1) STS should brief the new Forest Service Research and Development (R&D) leadership to see what level of support for STS could be contributed, 2) STS should look internally in the program to see if funds can be shifted to meet this need, and 3) STS should look into opportunities for partnerships outside of the FS to meet the R&D needs.

#### ***Policy Issue: 4. Forest Service Research and Development Support***

Historically, STS has operated as an operational program and was instructed that funds should not be used for R&D work. There is now a backlog of technology development issues that need to be addressed that are critical to the future operational implementation and success of STS. The Review Team sent a strong message that STS needs to look internally to generate funding to answer essential questions.

Patrick Tobin, USDA Forest Service, Morgantown, WV, participated in this discussion as a representative of the STS Technical Committee. The Technical Committee has a meeting scheduled at USDA-Otis Methods Development Laboratory on September 14-15, 2005. Past meetings have been non-productive since there was never a clear understanding of the amount of funding available for technical development work. Donna Leonard requested that the Board identify for planning purposes a target amount to set aside for technology development.

Currently, \$50,000 to \$75,000 of STS funding has been utilized annually by the Forest Health and Technology Enterprise Team (FHTET) to conduct work in the arena of mating disruption. Donna Leonard proposed that a sum of \$200,000 (2% of overall STS budget) be placed in a fund to be used for technology development. Proposals submitted by the Technical Committee would be rolled into the budget approved by the Board in February.

Patrick Tobin indicated that critical funding needs include 1) continued mating disruption work, 2) the geographic regions work conducted by Puerto Rico, and 3) the economic model needed for the upper mid-west area. Therefore minimum funding required for 2006 would be \$200,000 to \$250,000. The Technology Committee can develop proposed research grants for specific vendors. Funds would go to Dick Reardon with FHTET to issue and monitor cooperative agreements.

A lengthy discussion followed on the appropriateness of this amount and the level of oversight desired by the Board. Bob Waltz indicated that a 2% maintenance fee is considered a reasonable amount by industry for keeping a program viable. Gene Cross proposed a needs based approach instead of specifically earmarking a specific money amount that would be available for a given year. It was also noted that any amount used for this purpose would be diverted from the states' treatment programs.

It was finally concluded that future discussions will be needed to decide issues, such as, 1) what amount of funding should be earmarked for this work, 2) should the funds remain with the Forest Service or should they go to the Foundation, and 3) what level of oversight should the Board retain over management of the agreements and funds.

The Board agreed that they want to maintain strong control over management and implementation of any funds used for technology development projects. It was noted that there needs to be increased communications between the Board and the Technical Committee; therefore, Patrick Tobin will participate in all future Board conference calls and meetings.

President Geir Friisoe (MN) proposed the following motion which was seconded by Ken Rauscher (MI):

***MOTION:*** The Board concurs with the need for technology and methods development and will allocate funds for this purpose starting in FY2006. **Motion was adopted unanimously.**

**Administration Issue: 2. Grant Cost Share**

Donna Leonard reported that the Forest Service will no longer apply the 75% federal/25% state cost share formula to STS treatments occurring on Federal lands. An average of costs on Federal lands for the last 5 years will be used for cost share determination. 25% state match will now be applied to \$8.3 million rather than the full \$10 million. Therefore, total state match for STS Forest Service grant will now be \$2.77 million.

**CONFERENCE CALL & MEETING SCHEDULE**

Call-in number for all Conference Calls: 404-347-7966

**2005 Conference Call Schedule (1<sup>st</sup> Wednesday of each month at 10:00 a.m.)**

<b>JAN 12</b>	Conference Call	<i>Held at 10:00 a.m. EST</i>
<b>FEB 15</b>	Annual Meeting	<i>Held in Raleigh, NC</i>
<b>FEB 14-18</b>	Project Review	<i>Held in Raleigh, NC</i>
<b>March</b>	Conference Call	<i>Cancelled</i>
<b>April 6</b>	Conference Call	<i>Cancelled</i>
<b>MAY 4</b>	Conference Call	<i>Cancelled</i>
<b>JUN 1</b>	Conference Call	<i>Held at 10:00 a.m. EDT</i>
<b>JUL 6</b>	Conference Call	<i>Cancelled</i>
<b>AUG 3</b>	Conference Call	<i>Cancelled</i>
<b>SEP 7</b>	Conference Call	<i>Held at 10:00 a.m. EDT</i>
<b>OCT 5</b>	<b>Conference Call</b>	<b><i>Scheduled for 10:00 a.m. EDT</i></b>
<b>NOV 2</b>	Conference Call	<i>Cancelled</i>
<b>DEC 7</b>	Conference Call	<i>Scheduled for 10:00 a.m. EST - Tentative</i>

**The foregoing motions and actions, by unanimous consent, are to have full force and effect and are approved as of October 5, 2005.**

The call adjourned at 12:05 p.m. Eastern Daylight Time.

Frank Fulgham, Secretary  
STS Foundation