



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

**October 4, 2006
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	absent
Frank Fulgham, Virginia, Secretary	present
Scott Frank, Illinois	present
Bob Waltz, Indiana	present
Mike Philip, Michigan	present
Gary Gibson, West Virginia	present
Melody Walker, Wisconsin	present

OTHERS PARTICIPATING IN THE MEETING

Phil Marshal, Indiana
John Walkowiak, Iowa
Ann Selness, Minnesota
David Adkins, Ohio
Linda Ellefson and Brian Kuhn, Wisconsin
Ed Holloman, Southeastern Association Services
Donna Leonard and Patrick Tobin, USDA Forest Service

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 August 2, 2006 were approved and ratified by unanimous vote and shall be filed in the Minute Book.

PLANING FOR 2007 WITH A FLEXIBLE BUDGET

Donna Leonard reported on the status of the proposed STS reduction in the 2007 USDA-Forest Service budget to a \$6 million level. Patrick Tobin developed a document on technical scenarios on how we might reduce the overall cost of the STS project.



For review: At a \$10 million project level, the entire band of STS program activity is 170 kilometers wide. This is composed of a 100 kilometer Action Area Zone and a 70 kilometer Monitoring Zone. Initial plans were to reduce the total band width to achieve budget reductions in program activities; however, if cuts are made to the back of the Monitoring Zone, we would lose the 30 moth line. Therefore, the whole band will remain 170 kilometers with the proportions of the Action Area Zone and Monitoring Zone changing as necessary to meet budget reductions.

Current estimates are that STS may receive approximately \$9 million for 2007. This is not assured by any means; however, Rob Mangold has informed STS that he believes that STS stands a good chance to receive this amount for 2007. Utilizing a proposed amount of \$9 million, the entire STS band stays 170 kilometers with the Action Zone being reduced from 100 to 90 kilometers and the Monitoring Zone being increased from 70 to 80 kilometers.

Utilizing this band proportion in implementation of the 2006 project would have eliminated 117,000 acres of treatments. This would be a substantial saving in dollar amounts. It appears that Patrick's scenario of adjusting the proportions of the two zones within the STS band will allow us the flexibility to meet changing budgetary amounts.

It is anticipated that federal agencies will be under Continuing Resolutions until at least January before Congress passes a final budget. The later the final budget is approved, the more difficult it will be to make adjustments in planned STS activities. Since last minute reductions to proposed treatment activities are handled more easily than last minute changes to reductions in trapping personnel. Treatment plans have a certain level of fluxuation built into contracts. Donna urged everyone to utilize maximum allowable variance in contract figures to accommodate potential budgetary reductions.

- **ACTION:** STS will proceed with plans based upon the \$9 million figure and make last minute cuts, if necessary, to meet any budget reductions below the \$9 million level.

Geir discussed the need to continue lobbying efforts regarding the appropriations bill. A continued out-reach effort with Congress appears to be ineffectual until after the election of new members in Congress.

- **ACTION:** STS Board members attending the Annual Gypsy Moth Review will attempt to meet with Rob Mangold to get his input on the STS Board's assessment of the situation.

John Walkowiak discussed the National Association of State Foresters meeting in Alaska and indicated to the Chief of the Forest Service that diverting STS funds to conduct other forest pest activities did not give any of the programs the support that is needed and deserved. Also at this meeting, a strategy document regarding re-inventing State/Private Forestry for the Future was discussed. Donna noted that the draft document lacks any mention of the interaction with Agriculture partnerships. With new invasive, forest pests, more and more interaction with Agriculture is happening and warranted. Although this document is preliminary, this could change the way federal funding comes to State Foresters in 2008.

- **ACTION:** Donna will distribute this document to Board members for review, and if appropriate, submission of comments directly to Rob Mangold. John encouraged everyone to copy their State Forester with any submitted comments.

STATUS UPDATES OF GRANT AGREEMENTS

Ed Holloman discussed the current Grant Reporting Schedule and Donna Leonard discussed pending grant awards and expenditures.

2005 Forest Service Trapping & Treatment Grant

All funding for this grant has been drawn down to \$0.00 and all deobligations have been accomplished; therefore, this grant is ready to be closed out.

- **ACTION:** Current 2005 T&T Grant state reports that are **past due** are as follows:
07/15/06 Final Narrative Reports (10/01/05 thru 06/01/06) KY, IN, NC, OH, WI & PR

2006 Forest Service Trapping & Treatment Grant

The total award for the 2006 Forest Service T & T grant is \$6,914,331 with \$4,605,084 going to the state participants leaving \$2,309,247 for Foundation expenditures. This includes an additional \$30,000 added to the original grant amount from NA to cover expenses with the Aerial Application 101 Course. This transfer prevented NA from losing this funding at the end of the fiscal year.

Donna also explained that the Foundation balance is listed as \$3,335 since all pending expenditures are now listed as deductions. This is being done to prevent an unexpected negative balance following the large racemic, flake, and aerial treatment expenditures.

- **ACTION:** 2006 T&T Grant state reports that will be **due soon** are as follows:
10/15/06 Quarterly Financial Status Report (04/01/06 thru 09/30/06) All States

Scott Frank indicated that \$18,000 was pending in the 2006 T&T Grant to cover hiring of an IL Trapping Coordinator for a partial year. Donna noted that the 2007 grant will cover the remainder of the year for this position.

2006 APHIS Regulatory Grant

This grant is closing down; however, as of 9/30/06, there is a balance of \$88,062 in unclaimed disbursements by states. Since this grant ended on 9/30/06, Ed noted that all states except NC must draw down their balances to \$0 by the end of October.

- **ACTION:** 2006 Regulatory Grant state reports that will be **due soon** are as follows:
11/01/06 Quarterly Financial Status Report (04/01/06 thru 09/30/06) All States
11/01/06 Quarterly Narrative Summary Report (04/01/06 thru 09/30/06) All States
11/01/06 Final Narrative Report (10/01/05 thru 09/30/06) All States

2007 APHIS Regulatory Grant

In the absence of Leon Bunce and Gene Cross, Geir reported that Gene submitted the 2007 Regulatory grant application to APHIS in the amount of \$239,000 on August 29, 2006. Immediately following this submission, APHIS informed STS that they were reducing the total amount of the grant by 5% or approximately \$12,000. Rather than having each state reduce their applications by 5%, Geir proposed that MN withdraw their proposal for 2007 to off set the \$12,000 reduction. It was noted that it is likely that APHIS will restore this funding once a final budget is approved by Congress. However, Geir graciously volunteered to give up Minnesota's allocation since they were the most recent entry into this grant and have not yet had time to develop their regulatory program infrastructure.

- **ACTION:** All participating states owe Geir and the state of MN their thanks for this generous proposal and should remember this action in the future when MN may need additional program support.

STATUS OF 2007 REGULATORY GRANT

USDA is currently operating under a Continuing Resolution. Gene has submitted a request for pre-award costs of 12.6% of last year's grant (\$239,250) for expenditures incurred October 1 - November 17, 2006. Signed pre-award letters from the Foundation will be distributed to participating states immediately following approval of pre-award costs by APHIS. If no budget is approved by November 17th, Congress will enact another Continuing Resolution and Gene will submit another request for additional pre-award costs during that designated time frame.

If this causes any problems for states in hiring their regulatory personnel, they should apprise Donna of the situation.

AUDIT REPORT

Gene sent hard copies of the Final Audit Report for 10/01/04 – 09/30/05 to all Board members. It was noted that IW, KY & OH did not receive a copy since they are not formal Board members.

- **ACTION:** Ed will send copies of the Final Audit Report to Iowa, Kentucky and Ohio.
- **ACTION:** Ed will provide the auditors with the names and addresses of individuals who should receive hard copies of future audit reports.

Ed noted that there were No Significant Findings noted in the audit report. Reporting schedules appear to have been straightened out since initiation of the reporting spreadsheets by Ed; however, this improvement will not be reflected until the next audit period.

MISCELLANEOUS

Economic Assessment Update

Patrick Tobin reported that work on a revised economic assessment is officially underway by Dr. Erin Sills at NC State. Patrick will be meeting with Erin to discuss the project from her economic perspective and from the STS biological perspective. Current estimates are to complete the document within a year.

The Technical Committee has recommended having an independent review panel to review Erin's review since she is an economist and no one on the STS Board is able to effectively evaluate her findings. The review panel should be outside of the Forest Service and not require any payment by STS. John indicated that the Society of American Forestry has utilized a Forest Science Technical Board to review articles published in their Journal.

Patrick indicated that Dr. Lars Olsen, Economist at the University of Maryland, comes to mind as a potential candidate for a Review Panel. Donna recommended that STS members are welcome to make suggestions to Patrick of qualified individuals to be a part of the review panel. Patrick noted that in addition to economists there should be someone representing biology or entomology.

Retirement

Donna reported that Kevin Thorpe who has led the mating disruption study plot grants is opting to take an early retirement buyout from ARS in February 2007. ARS has no plans to replace this position. This will severely impact future mating disruption efforts by STS.

Bob Waltz Saga

An announcement is forthcoming within the next week from the Governor of Indiana announcing Bob Waltz as the new State Chemist and Seed Commissioner housed at Purdue University. Bob will be leaving the Department of Natural Resources after 18 years of service. This is a great opportunity for Bob. Bob's old position will remain in the Department of Natural Resources and will be filled as soon as possible. During a one year transition period, Bob will also retain his function as State Entomologist. Bob will continue to serve on the STS Board until his replacement is designated. Congratulations Bob!

Annual Meeting

Donna noted that without an appropriation in place, it will be difficult to effectively conduct the meeting. In order schedule the meeting in everyone's calendar, we will go ahead with plans to meet and make adjustments if necessary.

- **ACTION:** The Annual Meeting will be set for Wednesday, February 21, 2007 from 8:00 am until 3:30 pm in Indianapolis, Indiana. Phil Marshal will reserve a room for the Board.

2006 STS CONFERENCE CALL & MEETING SCHEDULE

Conference Calls scheduled for 1st Wednesday of each month at 10:00 a.m.
Call-in number for all Conference Calls: 404-347-7966

JAN 4	Conference Call	<i>Cancelled</i>
JAN 23-27	OP/REG Mtg	<i>Held in Savannah, GA</i>
FEB 16	STS Annual Mtg	<i>Held in Indianapolis, IN</i>
MAR 1	Conference Call	<i>Held at 10:00 a.m. EST</i>
APR 5	Conference Call	<i>Cancelled</i>
MAY 3	Conference Call	<i>Held at 10:00 a.m. EDT</i>
JUN 7	Conference Call	<i>Held at 10:00 a.m. EDT</i>
JUL 5	Conference Call	<i>Cancelled</i>
AUG 2	Conference Call	<i>Held at 10:00 a.m. EDT</i>
SEP 6	Conference Call	<i>Cancelled</i>
OCT 4	Conference Call	<i>Held at 10:00 a.m. EDT</i>
NOV 1	Conference Call	<i>Cancelled</i>
DEC 6	Conference Call	<i>Scheduled for 10:00 a.m. EST</i>

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The foregoing motions and actions, by unanimous consent, are to have full force and effect as of October 4, 2006, unless otherwise indicated by the Board.

The meeting adjourned at 11:30 a.m. Eastern Daylight Time.

Frank Fulgham, Secretary
STS Foundation