



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

**July 11, 2007  
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                                | absent  |
| Phil Marshall, Indiana                               | present |
| John Walkowiak, Iowa                                 | present |
| Gary Gibson, West Virginia                           | present |
| Melody Walker, Wisconsin                             | absent  |

**OTHERS PARTICIPATING IN THE MEETING**

Laurie Leuenberger, Illinois  
Mike Philip, Michigan  
Anne Selness, Minnesota  
David Adkins, Ohio  
Chris Whitney, Wisconsin  
Ed Holloman, Southeastern Association Services  
JoAnn Cruse, USDA APHIS  
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 June 6, 2007 were approved and ratified by unanimous vote and shall be filed in the Minute Book.

**STATUS UPDATES OF GRANT AGREEMENTS**

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



### **2006 Forest Service Trapping & Treatment Grant**

Donna indicated as of 07/09/07 there is a balance of \$30,914 in Foundation funds assuming that all state funding is drawn down to zero. Currently there are pending obligations totaling \$4,658. Kentucky still shows a balance of \$11,391; therefore, Ed will contact them to determine if they plan to deobligated or draw down this remaining balance.

➤ **ACTION:** Current 2006 T&T Grant state reports that **will be due** are as follows:

07/15/07 FSR-Final Report (04/01/07 thru 06/01/07) All States

07/15/07 Final Grant Narrative Report All States

### **2007 APHIS Regulatory Grant**

Ed indicated that all states are up-to-date on all reporting requirements.

### **2007 Forest Service Trapping & Treatment Grant**

Ed indicated that all states are up-to-date on all reporting requirements.

## **2008 BUDGET OUTLOOK**

Donna indicated that the House markup was at 2007 enacted level of funding with wording that Forest Health should continue STS, Suppression and Eradication at or near historic levels depending upon pest activity. However, when this went to the Senate, the numbers rose by \$2 million, but the language referencing gypsy moth disappeared. Unless the conference group puts the language back in STS funding will remain at the President's budget amount of \$6.9 million.

Senator Byrd (WV) chairs the Senate Appropriations Committee and Representative Obey (WI) chairs the House Appropriations Committee. State members are encouraged to contact these chairmen to ensure that the House language is restored to the final Appropriations bill.

## **REVIEW OF AUDIT REPORT**

Gene Cross updated the Board on the final audit report prepared by Williams Overman Pierce, LLP, of the financial statements of the Foundation for the years ending September 30, 2006 and 2005. Although the audit was overall positive, Gene indicated that two Reportable Conditions in the Financial Statement Audit and one Finding in the Major Governmental Award Programs Audit were identified.

- The first Reportable Condition dealt with a transaction that was incorrectly posted with a recommendation to review postings more frequently which the Board will implement.
- The second Reportable Condition dealt with segregation of duties and recommended that additional duplicative oversight of officers and directors be provided to heighten internal

controls over bank statements, drawdowns, and disbursements which the Board will implement.

- The only Finding dealt with the lack of review by a responsible Foundation party of audited financial statements and follow-up to determine that sub-recipients took appropriate and timely corrective action on all audit findings. The Board will implement this recommendation.

Gene and Ed also indicated that they would be looking a ways to utilize Quick Book directly to provide spreadsheets to Board members rather than using data to generate spreadsheets. This was recommended by the auditors to provide a higher level of accuracy and security of data.

The Audit also indicated under management comments that the Foundation has good oral protocols but needs to have written purchasing procedures and written contractor/vendor viability procedures.

***ACTION:*** Geir established the following new sub-committees and made the following member appointments:

Audit Review Sub-Committee: John Walkowiak, Iowa  
Phil Marshall, Indiana

Operational Review Sub-Committee: Gary Gibson, West Virginia  
Frank Fulgham, Virginia

Gene Cross and Ed Holloman will develop initial written protocols and Donna Leonard will assist with development of written procurement and electronic disbursement protocols for submission to the Operational Review Sub-Committee.

It was noted that as Board President, Geir should provide additional routine oversight of Gene and Ed regarding disbursements to ensure adequate levels of review.

## **MISCELLANEOUS**

### **Review of Southeastern Association Services (SEAS)**

Geir Friisoe reported that following the very complementary review of Ed Holloman and SEAS the committee recommended a 4% salary adjustment for SEAS. This request was distributed by Geir to all Board members and he indicated that he received positive feedback on this proposal.

***MOTION:*** A motion was proposed by Phil Marshall, seconded by Gary Gibson, and carried unanimously by the Board to provide SEAS with a 4% contract salary adjustment effective at the appropriate contract period.

**Letter of Appreciation**

Gene indicated that Linda Ellefson (WI) is moving to new employment with the Wisconsin Department of Corrections. It was noted that her assistance with the STS Program has been invaluable and deserving of a formal “thank you” from the Board. Gene will draft an appropriate Letter of Appreciation from the Board members.

**Gypsy Moth Managers/STS Operations Committee Meeting**

Donna reminded the Board that the summer meeting of the Gypsy Moth Managers and STS Operations Committee will take place in Appleton, Wisconsin during the week of August 13<sup>th</sup>. The focus will be on aviation safety and states are encouraged to send representatives to these sessions.

**Flake Operations Update**

Donna indicated that the flake operations contract has been successfully completed. It began on June 4<sup>th</sup> and was completed on June 30<sup>th</sup> – a full three weeks earlier than normal – due to unusually compressed weather conditions in Wisconsin this year.

**Economic Review Status Report**

Patrick Tobin reported that the Economic Review is on the agenda for the 2007 Gypsy Moth Review to be held in Shepardstown on October 29-November 1. The Board will receive an Executive Summary of the presentation during our scheduled October 3<sup>rd</sup> conference call.

**STS Regulatory Program**

JoAnn Cruse indicated that the next STS Regulatory Conference Call is scheduled for July 19<sup>th</sup> and will deal with discussions of compliance agreements and databases. JoAnn indicated an interest in having a regulatory component at the 2007 Gypsy Moth Review in Shepardstown, WV.

It is not yet known if 2008 APHIS Regulatory funding will be at the 2005 or 2006 funding level.

JoAnn also indicated that a new format for the Regulatory Annual Report is still being studied.

**2007 STS CONFERENCE CALL & MEETING SCHEDULE**

Conference Calls scheduled for 1<sup>st</sup> Wednesday of each month at 10:00 a.m.

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

|                  |                 |                            |
|------------------|-----------------|----------------------------|
| <b>JAN 3</b>     | Conference Call | <i>Cancelled</i>           |
| <b>JAN 23-25</b> | OP/REG Mtg      | <i>Held in Memphis, TN</i> |

|               |                        |  |
|---------------|------------------------|--|
| <b>FEB 7</b>  | Conference Call        | <i>Cancelled</i>                           |
| <b>FEB 21</b> | STS Annual Mtg         | <i>Held in Indianapolis, IN</i>            |
| <b>MAR 16</b> | Conference Call        | <i>Held at 10:00 a.m. EDT</i>              |
| <b>APR 4</b>  | Conference Call        | <i>Cancelled</i>                           |
| <b>MAY 2</b>  | Conference Call        | <i>Held at 10:00 a.m. EDT</i>              |
| <b>JUN 6</b>  | Conference Call        | <i>Held at 10:00 a.m. EDT</i>              |
| <b>JUL 11</b> | Conference Call        | <i>Held at 10:00 a.m. EDT</i>              |
| <b>AUG 1</b>  | <b>Conference Call</b> | <b><i>Scheduled for 10:00 a.m. EDT</i></b> |
| <b>SEP 5</b>  | Conference Call        | <i>Scheduled for 10:00 a.m. EDT</i>        |
| <b>OCT 3</b>  | Conference Call        | <i>Scheduled for 10:00 a.m. EDT</i>        |
| <b>NOV 7</b>  | Conference Call        | <i>Scheduled for 10:00 a.m. EST</i>        |
| <b>DEC 5</b>  | Conference Call        | <i>Scheduled for 10:00 a.m. EST</i>        |

**The foregoing motions and actions, by unanimous consent, are to have full force and effect as of July 11, 2007, unless otherwise indicated by the Board.**

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

Frank Fulgham, Secretary  
 STS Foundation