



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

**February 10, 2004  
8:00 a.m. – 1:30 p.m. EST**

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

President Esther Chapman called the meeting to order and Secretary Charlie Coffman called the roll.

**BOARD MEMBERS**

Esther Chapman, Wisconsin, President	present
Gene Cross, North Carolina, Vice-president	present
Charlie Coffman, West Virginia, Secretary	present
Bob Waltz, Indiana	present
Scott Frank, Illinois	present
Ken Rauscher, Michigan	absent
Frank Fulgham, Virginia	present

**OTHERS PARTICIPATING IN THE MEETING**

Phil Marshall, Indiana  
Michael Philip, Michigan  
David Atkins, Brian Burke, Cathy Dodson and Jeff Kalbus, Ohio  
Gary Gibson and Justin Thaxton, West Virginia  
Kimberly Thielen-Cremers, Minnesota  
John Obrycki and Carl Harper, Kentucky  
Donna Leonard and Michael Connor, USDA Forest Service  
Weyman Fussell and Philip Bell, USDA-APHIS-PPQ  
Ed Holloman, Southeastern Association Services  
Amos Ziegler, Michigan State University

**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' January 12, 2004 conference call were approved and ratified by unanimous vote and shall be filed in the Minute Book.

**2003 Accomplishment Report and Budget Review**

Donna Leonard presented the Draft 2003 Accomplishment Report. About 637,000 acres were treated and cooperators deployed traps at more than 96% of the planned trap sites across the



program area. An accident occurred on the flakes application project in Virginia. The National Transportation Safety Board preliminary report indicates mechanical (engine) failure as the probable cause. The program continues to be very effective in the southern and central areas where spread rates remain quite low. However, spread rates in the northern area remain high despite our best efforts. The Technical Committee is focusing considerable effort to understand the factors that lead to such high rates of spread in the north. On the administrative side, the Foundation and State partners improved the process for grant tracking to facilitate reporting and compliance. The Draft 2003 Accomplishment Report will be finalized and posted to the Foundation's website.

Donna also presented the Draft Quality Assurance / Quality Control Report. As a project, we are meeting (or are very close to meeting) the targets for trap deployment and standards for data collection, but the results are variable across administrative boundaries. Following this meeting, the report will be finalized and distributed to the Operations Committee.

The 2003 budget summary for USDA Forest Service (FS) funds was reviewed. Ed Holloman noted that he had not received the revised 424 paperwork from West Virginia to increase the amount of their 2003 grant. Ed also noted that Donna had added a number of transactions listed as pending that include ongoing purchases, as well as anticipated deobligations from the states. Donna reviewed each state's balance and emphasized the need for those with balances to deobligate what they are not going to use, because the Foundation can't otherwise spend that money. Although these numbers are still soft, Donna and Ed anticipate the Foundation will have a balance of approximately \$490,000 for use in offsetting some 2004 expenses.

### **Expanding Role of the Foundation in Purchasing and Contracts**

In 2004, the Foundation will be handling the administrative end of the North Carolina trapping contracts with technical oversight from the State. The Foundation is issuing 1099's for all of the contractors who worked in 2003 and will continue that function for contracts in the future. Gene Cross commented that using the Foundation to administer the contracts worked quite well in 2003, payments to the contractors were streamlined and Ed was able to handle the additional workload. The plan for Wisconsin's application contractor to invoice the Foundation (rather than DATCP) for the products (Btk and Gypchek carrier) used in Wisconsin has also been approved by the Foundation and this arrangement will save approximately \$200,000 in overhead costs. It was highlighted here how the Foundation was functioning as envisioned by the Board of Directors by being able to step in and assist states with Program operation and the whole Program with saving money. Finally, it was reiterated that states need to keep their in-kind resources at current levels, even if their grant from the Foundation decreases, as we shift purchasing and contracting from the states to the Foundation.

### **Draft 2004 Work Plan and Budget – FS funding**

The draft work plan for 2004 and draft budget were distributed and discussed. Minnesota has officially entered the project with parts of two counties now included in the STS Action Zone. There are 81,000 total trap sites planned for 2004, which is a 6% increase when compared to 2003. Treatments are planned and budgeted for on approximately 570,000 acres in 2004, which reflects an increase in Btk treatments and concurrent decrease in mating disruption treatments,

primarily in the state of Wisconsin. Donna reviewed the status of the trapper gadget and noted that field testing in 2004 would be limited to approximately 16 iPAC units deployed in 3 states (Kentucky, Indiana and Illinois). Charlie interjected comments on the Kelly Registration Systems Casio unit and whether it might be applicable to STS field operations.

The FS has allocated \$10 million toward the STS Program in 2004. At this level of funding, all of the trapping and high priority treatments are funded except in the state of Wisconsin, where Btk treatments are fully funded, but there is a need for additional funding to address several large mating disruption blocks.

The draft budget presented at the meeting incorporates planned expenses totaling exactly \$10 million in FS funds, \$2.7 million in partner matching funds and includes plans for the Foundation to apply for \$6.5 million in FS funding in the 2004 grant. Since the meeting the budget has been amended to reflect the actual cost of application services and products in Wisconsin, a shift in the Illinois budget that reflects a higher proportion of costs in the state match column, adjustments to treatment blocks in Indiana and adjustments to North Carolina's estimate for its trapping contracts. The total effect of these changes is shown at the bottom of the budget summary page in the line labeled "Surplus / (Deficit)" where a surplus in excess of \$100,000 is currently displayed. The Foundation's total estimated need for its 2004 grant from the FS remains relatively constant at about \$6.5 million.

Uncertainties associated with the 2004 budget include:

1. Carryover and fire rescission funding from 2003 is being returned to FS Northeastern Area (NA) in 2004. There is a good chance that up to \$1 million in extra funding could become available for use in STS, but it will be at least mid-March before amounts can be finalized. If extra funds become available, they are tagged for use to cover the cost of additional mating disruption treatments in Wisconsin.
2. The total cost of the flakes application contract in 2004 will not be finalized until mid-to-late March, when acreage is finalized and prices are renegotiated. Until prices and acreage are finalized, NA is keeping the full amount of \$2.6 million (based on acreage and prices from 2003) obligated for the cost of the contract. This despite the fact that the total estimated cost of the contract is only \$2.15 million, given the acreage we currently have budgeted for treatment. This has tied up some funds that the FS plans to send to the Foundation, and they will not be released until the FS finishes price negotiations for the 2004 contract in mid-March.
3. Until the funds needed for the flakes application contract are finalized, NA is showing a maximum of \$6,212,000 available to the STS Foundation in a grant.
4. The Foundation needs to apply for its initial grant prior to sorting out 1, 2 and 3 above to insure that the Foundation has an award in time to reimburse the states for 2004 application contracts and the start of the trapping season.

*A motion to accept the 2004 Draft Work Plan and Budget passed unanimously. Board members agreed to the following course of action relative to the 2004 funding from the FS*

1. Initially, the Foundation will apply for \$6,212,000 in funding from the FS. The only item not fully funded at the \$6.212 million level is the purchase of racemic disparlure for future projects (see the last worksheet titled "Mar 1 grant"). The target date to submit the

Foundation's 424 package to the FS is the 1<sup>st</sup> week of March. Ed will need final detailed budgets and draft narratives from the states by February 24 to meet this target.

2. The Foundation will request a letter of cost incurrence (LOCI) from the FS to tide it over until the grant is awarded. As soon as the LOCI to the Foundation is approved, the Foundation will issue LOCI to each of the states.
3. Once flakes application contract needs are finalized and NA has determined how much (if any) extra funding is available to STS, the Foundation will submit a revision to increase its funding. **This must be done no later than mid-May** in order to avoid the situation with fire rescissions encountered the past two years.
4. As the budget settles out, the "extra" funds are prioritized as follows: (1) about \$300,000 to bring the Foundation's grant up to the \$6.5 million level and (2) additional funds will be used as needed to increase acreage treated with mating disruption in Wisconsin (FS application contract, Foundation purchases of flakes and racemic disparlure).

For a more detailed listing of tasks and due dates associated with the 2004 grant from the FS, consult the chart at the end of the 2004 Work Plan (attached).

### **Cost Share in the STS Program**

The FS concurs with the need for a higher than normal federal cost share in an area-wide management strategy such as STS. Therefore, the FS has agreed to contribute up to 75% of the total cost of implementing STS. Initially, FS was contributing about \$8 million and partners were matching this with about \$2.5 million. Under those circumstances, the project was meeting its non-federal cost share responsibilities. However, starting in 2002 the FS increased their contribution to \$10 million, but partner contributions remained static at about \$2.5 million per year. We need to increase partner contributions to the maximum extent possible in an effort to meet the project's cost share responsibilities, i.e. \$3.333 million partner + \$10 million FS.

In 2004, partner contributions are up to almost \$2.7 million. Despite this increase in partner contributions, we still fall short of meeting the target of \$3.33 million. Donna noted that about \$1.5 million of the \$10 million FS funds are used to support work on federal lands or to pay federal salaries, travel and other FS support for the STS Program. STS Program partners should not have to show cost share on federal overhead or on the cost of implementing STS on federal lands. Donna, Noel and Wes will pursue this topic with the Washington Office with an eye toward amending the language regarding STS cost share used in the 2005 FS budget document. For their part, STS partners will continue to maximize state resources devoted to the project in an effort to meet a target of \$2.833 million cost share (25% match against \$8.5 million FS funds).

### **Preliminary Audit Report**

Gene Cross presented the preliminary audit report and outlined tasks still to be accomplished prior to the final audit. In general, the audit concludes no finding of material weaknesses. The final report will be distributed to Board members upon its completion.

Gene also noted that the Foundation should consider issuing a new Request for Quotes relative to future accounting services for the Foundation.

## **APHIS Regulatory Meeting**

Philip Bell summarized the previous day's regulatory meeting. He noted a desire and need for continued coordination on this level. *A motion to create a Regulatory Activities Committee co-chaired by Philip Bell (APHIS) and Mike Massey (NCDA) passed unanimously.* The problem with insufficient funds for this component of STS was again discussed and Charlie Coffman presented a draft resolution for the Board's consideration. *A motion to proceed with the resolution passed unanimously.* Board members were asked to estimate the funds needed in each state to ensure a quality regulatory component and to provide this estimate to Charlie by Friday, February 20.

## **Election of Officers**

Charlie Coffman nominated the following slate of officers:

Esther Chapman	President
Gene Cross	Vice-President and Treasurer
Frank Fulgham	Secretary

The nominations were seconded and passed unanimously.

## **Schedule of Conference Calls, 2004**

Donna will continue to coordinate the call-in numbers and notify Board members prior to the call. If there is no need for a call it may be cancelled and Board members will be notified about 1 week prior to the call. All calls are scheduled for **10:00 a.m. Eastern Time**. The following schedule for conference calls was established

1. Wednesday, April 14, 2004
2. Wednesday, June 9, 2004
3. Wednesday, September 8, 2004
4. Wednesday, November 17, 2004
5. Wednesday, January 12, 2005
6. Annual meeting in Indianapolis the week after the Central Plant Board (date pending)

**The foregoing resolutions and actions, by unanimous consent, are to have full force and effect and are approved as of February 10, 2004.**

Meeting adjourned at 1:30 p.m.

Charles Coffman, Secretary  
STS Foundation