

## **MINUTES**

### **ALABAMA FORESTRY COMMISSION October 15, 2013**

PRESIDING – Tommy Thompson, Chairman

SECRETARY - Linda Casey, State Forester

COMMISSIONERS PRESENT –Tommy Thompson, Salem Saloom, Johnny McReynolds, Ken Real, Don Heath and Jerry Smith.

COMMISSIONERS ABSENT – Irvin Eatman.

ALABAMA FORESTRY COMMISSION PERSONNEL PRESENT – Linda Casey, Dan Jackson, Jason Dockery, David Kelley, Jim Jeter, Mike Kyser and Regina Miller.

GUESTS – Sam Duvall, Stephen May, Roy McAuley, Jerry Dwyer,

MEETING CALLED TO ORDER – Chairman Tommy Thompson called this special meeting of the Alabama Forestry Commission to order at 10:00 a.m. on October 15, 2013 in the Alabama Forestry Commission's State Office Executive Conference Room located at 513 Madison Avenue, Montgomery, Alabama 36104.

Regina Miller called roll and announced that a quorum was present.

Don Heath made a motion to excuse the absence of Irvin Eatman with the motion seconded by Salem Saloom. Vote was unanimous in favor of the motion.

Jerry Smith requested that the agenda be followed without any side conversations; Chairman Tommy Thompson agreed to request.

Miller announced that the meeting had been properly advertised.

MINUTES OF THE JULY 30, 2013 MEETING – State Forester Linda Casey requested two changes. One was to change the amount of ARRA funding from \$350,000 (estimate) to the actual amount of \$42,955.65. Second change was to include a request from Irvin Eatman to send out draft meeting minutes earlier; his request had been inadvertently omitted in the original draft of the minutes. Commissioner Ken Real made a motion to approve the minutes of the July 30, 2013 meeting as amended. Commissioner Johnny McReynolds seconded the motion and the motion passed by unanimous vote.

FY 2013, 2014 BUDGET UPDATE – In the absence of Chief Financial Officer Heather Oates, State Forester Linda Casey reported on the draft final FY13 Operating Statement and the 2014 Ops Plan. Additionally, a six-year summary of the Commission's expenses and revenues was reviewed with the Commissioners. The 2014 Ops Plan indicates a projected shortfall of \$3.3 million which will be covered by an estimated \$4 million carryover from FY2013 to FY2014.

Chairman Tommy Thompson requested that future operating summaries include carryover amounts and to also separate revenues to indicate dollars allocated for pass through versus dollars available for operating cost.

OIG UPDATE – State Forester Linda Casey stated that the final OIG report was delayed due to the federal government shutdown. A draft report will show that ARRA unallowable cost of \$701,116.61 included \$658,160.96 of unused reimbursement funds which had been drawn down prior to contract expirations. These funds along with \$42,955.65 of AFC funds were returned to the U.S. Treasury which closed out all three ARRA grants. The remaining non-ARRA unallowable costs of \$1,143,495.76 are currently being negotiated to revise and/or eliminate the Forest Inventory and Analysis unallowable cost of \$602,248.65. Once AFC receives the final number, we will negotiate with the USFS on agreeable payback terms. Payback will occur through the use of overmatch and indirect costs from other USFS federally funded programs. No out-of-pocket cash will be used in this process. Additionally, the USFS approved AFC retaining all unused chemicals and GPS units associated with the Cogongrass ARRA grant.

Chairman Tommy Thompson asked how the offset will be accounted for in the budget. Bruce Springer responded that the payback process will be tracked in the grant tracking system and because the process doesn't use actual cash but rather indirect cost offsets it will not be included in the budget. Additionally, there will be a formal billing from the USFS and the offset payment will be tracked and accounted for until the payback is complete.

ASSET SALES – General Counsel Scott Rouse and David Kelley reviewed a list of proposed asset sales and provided updates on the status of each and requested approval to move ahead with several sales.

The list of properties is included in the attached document titled "Status of AFC Land and Building Appraisals and Sales as of 10/11/13." Comments regarding the different properties included the following:

- Miller Nursery – Don Heath – prior to bidding need to have a Phase 1 Environmental Assessment completed on the property. David Kelly – provision will be made to have 12 months to vacate site of existing equipment.
- Stauffer Nursery – Beauregard VFD is interested in building a new fire station. They would like to discuss an arrangement that would include a donation/lease of the property and in return the AFC would receive office and shop space.
- Tallapoosa Co. Office – Bruce Springer would like to bid both offices and choose which one to retain once the bids are open.
- Timber Value – Don Heath – ensure that the value of timber is accounted for in all appraisals of those properties that are forested.
- Wallace Tower Site – Gary Cole – waiting for appraisal but possible problem with the deed. Twenty acres given to AFC by Alger Sullivan. There is a buyer who is willing to purchase even with the deed problems.
- Mineral rights – Don Heath – ensure that on all properties where AFC has mineral rights, that those rights (including surface and sub-surface areas) are reserved by the AFC.
- David Kelly estimated that the total sales value of the properties to be between \$2.5 and \$3 million. This money will be designated for use in capital repairs and equipment purchases.

Vice-Chairman Salem Saloom made a motion to approve the sale requests with the understanding that (1) all mineral rights would be reserved by the AFC, (2) a Phase 1 and 2 (if needed) would be completed prior to bidding of the Miller Nursery and that (3) State Forester had the discretion to sell at or above the appraised value of each individual property. Don Heath seconded the motion and the Commissioners voted unanimously to approve the motion.

At 11:07 a.m. the Commission meeting convened for a break and reconvened at 11:14 a.m.

OVERVIEW OF DOLLARHIDE AUXILLARY STATE FOREST – BMP Coordinator Jim Jeter presented an overview of the history of the state's only Auxiliary State Forest. He explained

Dollarhide was like a forerunner to a conservation easement. There are two entities, Dollarhide Conservation and Realty a 501 and Dollarhide a 501C social club status (hunting camp). Jim said he meets regularly with the Board. He discussed the public benefits of this designation; the property includes over 6,000 acres and provides forest, water quality, etc. It has been used by AFC, NRCS and colleges to provide training classes. They have no issues with fires due to the amount of wetlands. Timber sales conducted on the property are either salvage or cut and haul type sales. The area is hunted and fished year-round. If the property were taken out of State Forest status the stockholders would have to pay 8% of the total timber sale value on the property. They use a consulting forester and, as an employee of the Alabama Forestry Commission, Jim provides an average of 10-15 hours per year of oversight to meet state code requirements. Jim maintains a complete set of timber sales, year-by-year, that is kept in his office. These sales records are audited by an accountant and himself. The Hunting Club lost 500 acres due to tornadoes and received about \$0.30 on the dollar for all the timber salvaged from this event. In 1991, there was a difference of opinion from the State Comptroller on how the checks would be distributed to Greene County authorities. In an effort to ensure timely delivery of funds to Greene County officials, the check is hand delivered by Jim Jeter. Jim was asked whether the AFC was reimbursed for the cost of his work at Dollarhide and the answer was no. Jim stated his records show that since the 1950's Greene County had received \$394,375, of which \$392,374.88 has been received since 1975. He further explained that ad valorem tax on the property would have averaged \$12,000.00 per year.

Jim indicated that the oversight he provides to Dollarhide to satisfy the State Code is minimal. Vice-Chairman Salem Saloom suggested that there may be a need to rescind the law that establishes Auxiliary Forests and grandfather in the Dollarhide property.

REVIEW OF CHOCCOLOCCO STATE FOREST – Jason Dockery, NE Regional Forester, provided an overview of the management of Choccolocco State Forest. He described forest management activities, recreation and lead remediation activities. (Attachment #1)

Additionally, Jason covered a revised request from the Calhoun County Soil and Water Conservation District Board to enter into an agreement to trade approximately 20 acres of land owned by the AFC and in return the Conservation District Board would construct an office and shop for a similar value. Discussion followed with Commissioners expressing concern about the location of the proposed swap and the AFC office. The concern was that the Calhoun County SWCD would be behind the 2 acres on which AFC's office would be located. Jason said that the area has power and water and that he felt that the location would best fit AFC's needs but would evaluate the property to determine if there was a better area and would report at the next Commission meeting.

STATE FORESTER GOALS – Vice-Chairman Salem Saloom presented draft 2014 goals for the State Forester. He considers the goals as an outline to follow and comment on performance. Chairman Tommy Thompson suggested that written progress on these goals be sent out prior to each Commission meeting so that they would have time to review and provide comments. Don Heath made a motion to accept the goals and review the process. Ken Real seconded the motion and the Commissioners voted unanimously to approve the motion. (Attachment #2)

CUSTOMER SATISFACTION SURVEY - Mike Kyser presented an overview of the Customer Satisfaction Survey results obtained to date. The survey closes on November 15, 2013 and there have been over 300 responses as of October 11, 2013. Mike provided information on the many different groups, organizations and partners that have been asked to participate in and share the information. Vice-Chairman Salem Saloom asked if we had emails from participants and Mike said no, not directly, but we have received comments which will be shared once the survey has closed. AFC will use the survey information to develop agency performance improvement goals. This will occur at the November Leadership Team meeting. The survey results and improvement plan will be

shared with all groups, organizations and partners that were encouraged to participate in the survey. (Attachment #3)

NOMINATING COMMITTEE – Chairman Tommy Thompson appointed Ken Real and Jerry Smith to bring forth nominations for AFC Commission Chairman and Vice-Chairman. These nominations will be presented to Commissioners at the January, 2014 meeting.

OTHER BUSINESS – Chairman Tommy Thompson asked that a draft of the meeting be sent out as soon as possible. He explained that this would provide the Commissioners time to review and respond to revisions that may need to be made in the minutes during the next quarterly meeting. State Forester Linda Casey told Commissioners that she would ensure that this occurs. Additionally, Linda Casey informed the Commissioners of several options that could be employed to fill Chief Craig Hill's position when he retires effective November 1, 2013. She went on to say that she and Scott Rouse are working with the Alabama Law Enforcement Transition group to address the best way to handle this issue. The last issue was to determine if the Commission wanted Heather Oates to proceed in pricing the cost of some type of financial or other audit performed prior to the planned 2014 Public Examiners Audit. Tommy Thompson said no, this would be put on hold.

STATE FORESTER'S REPORT – Linda Casey announced that she plans on resigning effective on or about January 1, 2014. She stated it had been an honor and privilege to have served as the State Forester. She commented she felt it was time for new leadership and would help in any way to help the agency make a smooth transition to a new State Forester. The Commissioners commented that they appreciated all that she has done to improve the agency and they knew that it had been a challenging period with the economy and the USFS/OIG audit. They expressed thanks for the work she's done to improve the efficiency and effectiveness of the agency and that there was strong leadership being provided by the Leadership Team and wonderful group of employees that will continue to move the agency forward.

Chairman Tommy Thompson appointed Vice-Chairman Salem Saloom to head a search committee to recommend the next State Forester. The Commissioners agreed that due to an early start of the Legislature (January 14, 2014) the search process needed to begin immediately and be completed as early in January as possible. Vice-Chairman Salem Saloom requested that Scott Rouse, Linda Casey and Don Heath be included in the search committee. All agreed to serve on the committee and the Committee was approved by Chairman Tommy Thompson.

DATE AND LOCATION OF NEXT MEETING - Commissioners scheduled the next meeting of the Commission at 10:00 a.m. on January 15, 2014 at the Commission's state office in Montgomery.

ADJOURNMENT – Commissioner Don Heath made a motion to adjourn the meeting at 1:24 p.m. with Commissioner Johnny McReynolds seconding the motion. The motion passed by unanimous vote.