



SFMA Advisory Committee Meeting, May 1, 2013.
Bangor Maine IF&W Building. 9:30 am- 1:00pm

Attendees:

SFMA Advisory Committee: Barrie Brusila, Rob Bryan Ken Laustsen, Bob Seymour, Allison Kanoti, Gordon Mott, Craig Troeger, Joe Wiley, John Bryant, Jim O'Malley, Emily Meacham, Andy Cutko. (Ahrens, Dibble, Weiskittel, Wilson were not able to attend)

BSP Staff: Jensen Bissell, Rick Morrill, Dee Brace, Kevin Osborne

Outside Visitors/Presenters: Lloyd Irland).

Meeting called to order by Morrill at 9:35am.

Introductions and Admin:

Morrill welcomed all.

Member Renewal:

Morrill noted several members were up for renewal by BSPA in 2014

Advisory Member Renewal Date									
Adv ComID	VID	MaxOfTerm StartDate	TermExpire Date	Last Name	First Name	Town	Count of Terms	Years Served	
SFMA	271	5/15/2011	5/15/2014	Brusila	Barrie	Warren	1	3	
SFMA	272	5/15/2011	5/15/2014	Bryan	Rob	Harpowell	1	3	
SFMA	277	5/15/2011	5/15/2014	Mott	Gordon	Lakeville	1	3	
SFMA	278	5/15/2011	5/15/2014	Seymour	Robert	Orono	1	3	
SFMA	281	5/15/2011	5/15/2014	Weiskittel	Aaron	Orono	1	3	

All have indicated a desire to continue on the committee.

SFMA Adv Com Chair:

Morrill explained that Joe Wiley had stepped forward to serve as committee chair. Motion by Andy Cutko, second by Craig Troeger, Vote required of committee (In favor 11, Opposed 0, Abstentions 1)

Minutes :

Copy of minutes from 9/27/2013 were provided for review: Motion by Ken Lausten, second by Joe Wiley, (In favor 11, Opposed 0, Abstentions 1)

SFMA Financial Analysis Project:

SFMA staff have undertaken a comprehensive analysis of the SFMA economic performance over the last 30 years. Morrill introduced the project and explained it developed from the need to answer the basic question often posed by visitors, “does the SFMA operation make money”, or “is the SFMA profitable.” Such seemingly basic questions do not have simple answers, instead require a detailed and sophisticated analysis of the entire operation, which requires teasing out data from general Park budgets that are not well structured to facilitate such probes. To assist in the project BSP has contracted with Lloyd Irland of the Irland Group to complete an analysis and produce a report on the long term economic performance of the SFMA. Irland was invited to attend the meeting and give a presentation on his preliminary findings and pose many of the principle questions that have arisen during the project, for the SFMA advisory to consider and provide input on.

Some of the key findings/questions that Irland presented included:

- One can consider it a thought experiment to ask the question if the SFMA was put up for sale with Baxter’s mandate and current management design, would anyone want to buy it?
- When do we “start the clock” in terms of assessing profitability through analysis of expenditures and revenues?
- A key consideration for long term analysis is the influence of market instability on revenues.
- How does management influence asset value in terms of standing timber value (knowing that a the goal of developing a fully regulated forest will mean a forest that holds less standing volume than the SFMA did in 1979 after a 50 year period without harvesting ?
- Inventory exists to describe forest in 1979 and today and a comparative analysis of these datasets is underway with assistance from several advisory members.
- What types of risks does them SFMA operate under, Mill Risk, Forest Health Risk (SBW), others.....?
- What is the obligation of SFMA management to include re-investment in the timber resource through PCT or other similar tending treatments?
- How should all this data be averaged over long time horizons (business cycles, rotation periods)?
- How useful is it to compare the SFMA to other managed forests in Maine or nationally? What are the benefits and pitfalls of doing so?
- Better systems to track the metrics of profitability should be a result of this project.
- What was Baxter’s vision of the SFMA? Did he imagine an entity that was a net profit center to the Park? Can more light be shed on Baxter’s vision based on his writings/records?

Some of the comments and feedback on Irland’s presentation included a discussion of what the long term goals of the SFMA should be with respect to its finances. These comments included:

- The Deeds Baxter left are open and seem leave open definition of the terms demonstration and exemplary.
- One goal of Baxter seems to have been to bring net revenues back to BSP.
- These are important but complex and difficult questions to answer.
- Goal of this project should be an “analysis of economic performance” rather than purely a report on “profitability.”

- There is a case law body of knowledge about what “demonstration” is not in the 1980s lawsuits and controversy.
- SFMA should have the goal of being financially sustainable over the long term.
- What is the role of basis and depletion in the analysis, where is the starting point for such an approach, 1955, 1975...?
- There are other metrics to consider besides just fiscal ones such as profit, like proportion of forest in diverse forest structures, including mature condition.
- Critical to consider time expended by staff on outreach and demonstration efforts including tours, working group participation, etc.
- In benchmarking process must compare the percent area under management between SFMA and other ownerships to accurately portray differences in management approach.

Group consensus is that this project is very important and should be pursued.

The involvement of Irland is key to its success.

The SFMA advisory would like to have chance to review report again before it is finalized.

Break

2013/14 Year End Review:

Morrill gave brief presentation with slides that covered the following topics:

- Year-end harvest operations revenues and expenses.
- Harvest volumes and revenues by species and product type.
- Harvest volume trends over last 30 years and current AAC level
- Salvage harvest volumes by species and product type in 2013/14 operating year.
- Market distribution of volumes and net revenues.
- Amount of area treated under different silviculture systems including recent salvage.
- Recap of 2013/14 blow down event, damage, management response, and research effort.
- Highlighting of other current research in the SFMA including spruce grouse, and migratory song bird studies that have field sites in the SFMA.

Outreach Activities:

Morrill continue with slide presentation highlighting outreach related activities:

- 2014 Summer opening of Forest Ecology & Management trail in the SFMA near trout brook crossing. Trail is completed, interp stations defined, and field brochure in development.
- Many tours and events planned for summer/fall 2014
 - 5/21 –Tour with MFS staff SBW focus
 - 6/27 –MESAF Tour blowdown event
 - 7/16-17 –FSC Audit
 - 7/22 –Public Tour Maine Woods Forever
 - 7/23 –Evening Talk Daicey Pond CG
 - 8/13 –Public Tour FE&M Trail (MaineWF)
 - 8/24 –UMFK Forestry Field Camp Tour
 - 9/6 –FBSP Tour
 - 9/18 –SFMA Advisory Fall Field Tour
 - 9/19 –Umaine Forestry Grad Course
- Successful tour in Nov 2013 at the Austin Cary Forest in Harpswell, hosted by FBSP, Barrie Brusila, and RMorrill.

- BSP has a new facebook page that will eventually include SFMA content and postings.

BSP Resource Manager Transition

Morrill reiterated his announcement that he will be stepping down from his position at the end of summer 2014. He expressed gratitude to the Park for opportunity to work in such a remarkable place, and for the chance to learn from the wealth of knowledge contained in the SFMA advisory. Bissell explained hiring plan for the position including application deadline of mid-May, a series of 3 interviews: one general, one in the field, and the final one in front of the BSP authority. Goal to have replacement installed by the end of August with the opportunity to overlap with Morrill in September.

Meeting adjourned at 12:45pm by Chair Joe Wiley.

Respectfully submitted,

Rick Morrill
BSP Resource Manager

Joe Wiley Chair SFMA Advisory

Rick Morrill, BSP Resource Manager

Date: _____