

**\MFRP Board of Directors' Meeting
21 June 2018
Minnesota Power, Duluth, Minnesota**

Present:

Officers: *Bob Milne, Chair (DNR), Kirk Titus, Vice Chair (Cass County), Matt Radzak, Treasurer (Minnesota Power), Dennis Thompson, Secretary (private landowner)*

Staff: *Kathleen Preece*

Board members: *Mark Akeson (USFS), Greg Bernu (Carlton County), Brian Bignall (alternate for M. Houser PotlatchDeltic), Blair Carlson (Itasca County), Nate Eide (Lake County), Alan Ek (Univ. of Minnesota), Craig Halla (Molpus Timberlands), Nathan Heibel (Koochiching County), Ari Jewell (USFS), Mike Kilgore (U of M), Dick Moore (Beltrami County), Craig Schmid (DNR), Ryan Simonson (Crow Wing County), Mark Weber (St. Louis County)*

Staff: *Kathleen Preece*

Guests: *Rich Baker (Minnesota DNR), Monica Haynes (U of M- Duluth), Steve Kariainen (Healthy Forests/Healthy Communities), Tamara Lowney (APEX), Sadie Mathison (Minnesota Forest Resources Council - MFRC), Tim O'Hara (Forest Resources Assoc.), Rachel Peterson (Minnesota Logger Education Program), Taylor Pitel (MFRC), Stephanie Snyder (Northern Research Station), DeAnn Stish (MFRC)*

The meeting was called to order by Chair Bob Milne at 10:00 a.m. The Antitrust Statement was read by Kathleen Preece; introductions were made around the table.

The agenda was approved unanimously on a motion by Craig Schmid; second by Mark Weber.

Minutes to the MFRP Board of Directors meeting for March 21 were considered for approval. One correction was made pertaining to the repeat of Ryan Simonson's name. A motion was made by Craig Halla, second by Mark Weber to approve the minutes with the correction noted.

Treasurer Matt Radzak gave the Financial Report:

June 15 2018 Financial Report

Starting Balance on May 1 was: \$51,042.17

- Expenses for May were:
 - \$4,267.00 to Director (for salary)*
- Deposits were:
 - \$3557.03 (SLC assessment) deposit recorded in June. All assessments have been paid.*
- Ending May balance is \$46,775.17 with line item amount of \$1,521.52 for the Ash Diversification account (Ledger matches the bank statement)

Kathleen Preece noted the MFRP Bylaws in the board packet, suggesting that the members review the edits that had been made and consider approval.

Chair Bob Milne asked for approval of the edited bylaws. A motion was made to approve the edited bylaws by Dennis Thompson; second by Quintin Legler. The motion passed unanimously.

PRESENTATIONS

Minnesota Forest Resources Council and MFRP Dialogue: *DeAnn Stish – Executive Director, Minnesota Forest Resources Council*

Executive Director DeAnn Stish discussed the opportunity for the Council and the MFRP to work together on updating a vision for forestry for the Lessard Sams Outdoor Heritage Council (LSOHC); she noted the request was similar to what had been asked of the two groups in 2009/10. DeAnn said she was looking to the Council and MFRP to educate the LSOHC on forestry. Mike Kilgore suggested the members think of their competitors, like prairies, when thinking of projects for potential LSOHC funding. An ‘as needed’ committee will be formed to address the vision and forestry products.

DeAnn Stish discussed the all lands approach that recently had been spearheaded by Connie Cummins of the USFS and the Council. She discussed the potential of an ‘all lands project’ which had been suggested for an area around Cook, Minnesota.

She also discussed the ‘common inventory’ approach that the all-lands group had discussed. Mark Weber noted that this was an exciting opportunity and discussion, and that he was keeping the Minnesota Association of County Land Commissioners apprised of this project. He noted this was not a ‘new idea’ among forestry circles.

Chair Bob Milne said he would like to keep this topic on the agenda of the MFRP on a regular basis.

Update on Minnesota Bat Research and the Lake States Bat HCP: *Rich Baker - Minnesota Endangered Species Coordinator*

Rich Baker said that Minnesota continued work with Michigan and Wisconsin on northern long-eared bat (NLB) Habitat Conservation Plan, noting that “right now NLB is threatened. He said if the status of the bat declines, where it would be classified as endangered, managers would need a permit to allow activities that might kill bats. Permits would be issued from the Fish and Wildlife Service.

First three chapters to the HCP have just gone out for review.

Logging Business owner Survey – An Overview: *Stephanie Snyder, Ph.D. Operations Research Analyst Forest Service -Northern Research Station*

Stephanie Snyder reviewed the development and results of the Logging Business Owner Survey and shared the following conclusions based on respondents’ answers to the survey:

The average logging business:

- Is conventional
- Expects to be in businesses in next 5 years
- Is more optimistic than in 2011
- Had slightly more volume in 2016 over 2011
- Operates during three seasons
- Capacity exists to harvest 5,400 more cords
- Finds that access to capital isn’t difficult
- Forty percent reported profitability was good or excellent in 2016
- Owners like independence, being outdoors, sense of accomplishment
- Find the work physically demanding, low pay, no benefits, an industry with poor health
- Volume from family forests: MI 62 percent, MN 32 percent, WI 66 percent

North Central Minnesota's Forest Economy Economic Impact Analysis 10-Year Projections - Monica Haynes, Director - Bureau of Business and Economic Research, University of Minnesota Duluth

Conclusions:

Roughly 200,000 additional cords available in North Central region; 500,000 available from North Central and neighboring counties

Species where removals exceed net growth

- Aspen
- Jack Pine
- Paper Birch
- Black Spruce

Species where removals are lower than net growth

- White Pine
- Oak
- Lowland hardwoods (Ash, Amer. Elm, Silver Maple, Willow, Cottonwood)

Industries with the greatest ability to incorporate underutilized species:

- Paper mills
- Wood kitchen cabinet manufacturing
- Wood preservation

Industries most dependent on over-utilized species:

- Paperboard container manufacturing
- Paper bag and coated paper manufacturing
- Wood windows and doors manufacturing

Industries with the greatest ability to incorporate woody biomass:

- Electric power generation – biomass
 - Other basic organic chemical manufacturing
- Reconstituted wood product manufacturing

Mass Timber: Overview, Issues & Opportunities: *Tamara Lowney - Senior Business Developer-APEX*

Tamara Lowney report that there are four funders committed to the mass timber feasibility study. They include: Blandin Foundation, Iron Range Resources and Rehabilitation Board, Great River Energy, and Minnesota Power

Two teams are working on this project, including elements of: Production, economic impact statement. Target date for a preliminary report , fall 2018, with the final report scheduled for April 2019

She noted the upcoming Mass timber conference March 2019 in Portland Oregon and Ligna Conference May 2019 in Germany.

Tasks at hand:

Economic Impact Statement

Market Research

Barriers to Market

At 2:20 p.m. Chair Bob Milne left the meeting; he handed the gavel to Vice Chair Kirk Titus

Action items on the mass timber project include:

Second full team meeting in August 2018

Define timeline, goals, and expectation for remaining tasks

Tamara said the MFRP members can challenge the team to answer questions, shape what this looks like, and respond to team's requests for information.

Interested?

Tamara Lowney

218-242-0572

tamara@apexgetsbusiness.com

Kathleen Preece noted that the next meeting of the MFRP Board of Directors will potentially be combined with a field trip of the Minnesota Forest Resources Council. That date is Thursday, September 20.

The meeting was adjourned at 3:10 p.m. on a motion by Craig Halla; second by Greg Bernu. The motion passed unanimously.

Respectfully submitted 10 July 2018 by Kathleen Preece