Pursuant to notice made by press release to newspapers of general and local circulation throughout the state and distributed to persons on the mailing list of the committee and the members of the committee, a regular meeting of the Forest Trust Land Advisory Committee (FTLAC) was held at the Department of Forestry in Salem, Oregon.

Present Committee Members
Tim Josi, Tillamook County Commissioner, Chair
Mike Propes, Polk County Commissioner
Patricia Roberts, Clatsop County Commissioner
Faye Stewart, Lane County Commissioner

Absent Committee Members
Chuck Hurliman, Tillamook County Commissioner
Susan Morgan, Douglas County Commissioner

Present Department Staff
Nancy Hirsch, Chief, State Forests Division
Jeff Foreman, Public Information Officer
Berta Bodi, Office Manager, State Forests Program
Andy White, District Forester, NWOA
Mike Bordelon, NWOA Director
Greg Cline, District Forester, North Cascade District
Dave Lorenz, District Forester, West Lane District
Mike Totey, Assistant District Forester, West Oregon District
Liz Dent, State Forests Division
Tod Haren, State Forests Division
Dan Postrel, Public Affairs
Marvin Brown, State Forester
Ed DeBlander, Asset Unit Manager
Ron Zilli, Astoria District
Doug Decker, State Forests Division
**Opening Remarks**
Minutes from previous meeting were not approved. This was deferred to the next meeting.

**State Forester remarks**
Marvin provided some background about where the Board got to at the June meeting regarding the Forest Management Plan and where they need to go in the future. Marvin feels that there is an opportunity to create a better definition and to create a more streamlined, efficient, truly adaptive planning process. Tim feels that the Board needs to look at the Forest Practices Act and make some statements about that and what that means. This not only needs to be a backdrop for timber outputs but also for social and environmental advances.

**Board of Forestry September State Forests Items** (Attachments 1, 2, and 3)
Nancy distributed a copy of the Board’s Agenda and Division related Staff Reports and provided some context on them. Agenda Item 2 relates to the Board’s work plan. The current work plan was approved in March of this year. To date, the priority work was to work on the current NW Forest Management Plan. As a result of the June direction we have a need to update their work plan. Attachment 3 relates to the changes that were recommended for the NW and SW Forest Management Plans. Those changes basically mean replacing the draft Habitat Conservation Plan (HCP) with the Species of Concern (SOC) management language, and rebalancing the structure goals to reflect a range of 30-50% in complex structure.

**Public Comments**
None

**Economic Update** (Attachments 4 & 5)
Gary Lettman provided some background on the 25 year harvest history and what has happened with mills. He then provided an update on Historical & Projected Log Prices and Housing Starts. Housing Starts have theoretically hit bottom now and it may be another quarter or two, or maybe another year before non residential construction does. That will then pull up timber harvest and log prices.

Ed DeBlunder handed out the July 2009 County Share Revenue Projection. (Attachment 6) We used to do a one-year projection based solely on sold timber sales. For a couple years now we have been improving our revenue projection process systems so now we are producing a six-year revenue projection for each of the counties. The big change we have made with this July projection linking future stumpage prices to housing starts. What that has done is given us a single estimate. Formal estimates for the counties will still be done twice a year. Tim asked for a discussion on when these should be done so the counties can use this information for their budgeting process. The January projections typically come out mid February, the other one is started after the end of June. That would give the counties the opportunity to make any changes to their budgets. Mike Propes expressed his dissatisfaction with the amount of revenue generated for the lands in Polk County.

**Tillamook Yield Tables**
Sean Canavan from Mason, Bruce and Girard presented information on the yield tables for the Tillamook District. He also explained how they are built and how they work. Tim asked them to look at the numbers because the size of reductions was cause for concern.
Gilchrist Update (Attachments 7 & 8)
Doug Decker provided an update on the acquisition of the Gilchrest property in Eastern Oregon. During the last legislative session HB2216 was passed which updated the Board of Forestry’s acquisition authority. SB5506 was also passed, which gave the Department authority to use lottery funds to acquire lands. Hopefully sometime in the near future the State Treasurer’s office will do a bond sale. They will be selling lottery backed bonds that we can use to purchase this land. Our current strategy is to pursue acquisition of the Gilchrest block. The Board will hold the title on about 2/3 of the block. We are exploring working with a non-profit partner called the Conservation Fund. The Conservation Fund may purchase the other portion with a clear agreement that they will sell those lands to the Department of Forestry. We are currently negotiating with the landowner and we are doing some studies that are required by Administrative Rule to be ready to acquire the land. Our goal is to close on this property by the end of this year. Revenue will be distributed according to ORS 530. FTLAC agrees with this acquisition.

Doug also shared information regarding the stimulus dollars. In State Forests we were successful in acquiring about $4.7 million in American Recovery and Reinvestment Act (ARRA) dollars. These are being focused in two areas, one in fuel reduction (about $2.5 million) and the other $2.2 million is focusing on forest health associated with pre-commercial thinning work, Swiss needle cast and invasive plants. We have 3 years to administer these dollars.

Legislative Update – Policy and Budget Bills (Attachments 8 & 9)
Dan Postrel gave an update on the policy side of the session. The Department went into the session with four bills: HB2214 sets the rate of the forest products harvest tax that homeowners pay when they harvest timber, this bill passed; HB2215 discusses fire protection and the escalating costs and risks to both landowners and the State General Fund, this bill did not pass; HB2216 updated the Boards acquisition authority, this bill passed; SB189 made changes to the processes we use to look at land and decide whether it is forestland or grazing land to determine if landowners should be assessed to pay for fire costs, this bill passed. The Smokey Bear License Plate to generate revenue for fire prevention and education did not pass once again.

Nancy provided an update on the budget side. The overall agency budget landed at about $262 million, which is a 1.2% increase. Those increase come from a $25 million increase in the State Forests Division, which has a net zero effect due to having to account for project credits associated with timber sales. The other increase was the limitation for acquisition of the Gilchrest with the lottery fund dollars. We also had an increase of about $20 million in federal fund dollars. Those are associated with the grants we have applied for and if we do not get the grants we will not be expending all of that. This results in a 6.7% reduction from current service. The Fire Protection Division stayed whole. Effective July 1st, the State Forests Division has already implemented reductions, which resulted in about 50 positions. There are still changes going on due to Private Forests reductions so Nancy will provide an update on where everyone has landed at the next meeting.

Closing Comments and Adjourn
None

Next meeting: 2010 TBD