

# DOVETAIL PARTNERS, INC.



## ANNUAL REPORT 2009

DOVETAIL PARTNERS INC.

*A Trusted Source of Environmental Information*



***“There are no rules here, we’re trying to accomplish something.”***

**- Thomas Edison, 1847-1931**

## LETTER FROM THE CHAIR....

Dovetail advanced new programs in several areas in 2009, including a complete “rethinking” of our role in the “Eco-affordable Housing” marketplace based on the dramatic and extended decline in housing and the significant growth in “Green Building.” Alison’s trip to Europe was instrumental in refocusing the program away from green, as it is currently defined in North America and toward more performance based programs such as Passivhaus.

We also increased the breadth of our giving programs, with greater participation from individuals than ever before. This growth is of special benefit to Dovetail, as individual donations are a key component of how we are able to bring expanded value to our programs.

Finally, the Dovetail team has continued to expand and we experienced particular growth in the urban forestry arena. We also expanded our partnerships with other organizations and it is through these partnerships we are able to bring key strengths to bear on issues today given the limited resources available to all. The economy has been particularly tough on nonprofits in 2009 and Dovetail Partners is fortunate to have a “war chest” that allows us to continue to break new ground and take risks in this economic climate. We will strive to protect this financial base for 2010 while recognizing that the times will dictate some dilution of these funds.

Overall, 2009 has been a very successful year and we are pleased that we have been able to focus scarce resources, stay on mission and thrive in these exceedingly difficult economic times.



Jeffrey L. Howe

President and Chairman of the Board

### **Dovetail Mission Statement**

*Dovetail Partners provides authoritative information about the impacts and trade-offs of environmental decisions, including consumption choices, land use, and policy alternatives.*

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## ***Eco-Affordable Housing***

In 2009 the Eco-Affordable Housing program expanded engagement with international opportunities with Program Director, Alison Lindburg's participation in a one-month stay in Sweden in the spring of 2009 as part of a Rotary Club program that allowed her to tour diverse and innovative community approaches to energy efficiency. Alison prepared a report about these communities which was distributed through Dovetail's newsletter and is available at the Dovetail website. In the fall of 2009, Dovetail assisted in hosting visitors from Sweden that toured farming and forestry operations in Minnesota. This collaborative effort helped expand the learning and benefits of international exchange.



Swedish business partners Erik Sundell and Per Hallnevik tour a Minnesota logging operations

## ***Responsible Trade & Consumption***

A focus of the Responsible Trade and Consumption Program in 2009 included taking a closer look at Life Cycle Assessment tools and opportunities to develop responsible sourcing standards for a full suite of building materials. The report "Certification of Building Materials: Important or Not?" as well as a report reviewing proposed forest certification benchmarks for green building have helped support new initiatives to explore responsible sourcing standards for building materials such as concrete, steel and other products.

## ***Certification***

In 2009, Dovetail continued to participate in the standards revision process of the Forest Stewardship Council and the advocacy efforts of the Family Forests Alliance on behalf of small holders. Dovetail assisted with the planning and hosting of the Alliance's national meeting held in North Carolina and reported the results of a survey conducted by Dovetail on behalf of the Alliance to identify priorities and concerns from existing forest management certificate holders.

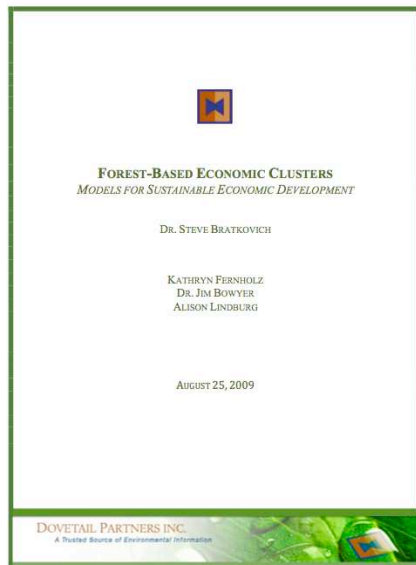
## ***Land Use***

Dovetail's land use program continued to champion responsible recreation trail management through efforts in Aitkin and Itasca Counties to develop the Northwoods Regional ATV Trail System following objectives of being environmentally sensitive, economically-beneficial and community supported. Dovetail also assisted the county with a Comprehensive Recreation Trail Plan to be completed in 2010. In 2009, Dovetail started a new project with Crow Wing County to address recreation trail planning needs.



Use of geoblock to reduce trail construction impacts.

## Project Report: Forest Based Economic Clusters



In 2008, the U.S. Endowment for Forestry and Communities commissioned a study to examine the status of and opportunities for business clustering within the U.S. forest products sector and other closely aligned sectors. For the purposes of that study, the focus was on forest industry clusters. The study defined an industry cluster as “a group of firms and institutions located in close proximity whose businesses are interlinked through value and supply chains, labor, and use of similar inputs, technology, and complementary products.”

This final report discusses some of the findings from the recent study of U.S. forest sector clusters, highlights the conditions needed to increase the likelihood of success of any business cluster, and provides opportunities for new cluster development.

Funded by the U.S. Endowment for Forestry and Communities, Inc., the project partners were the Forest and Wildlife Research Center of Mississippi State University, the Department of Forestry at the University of Missouri and Dovetail Partners, Inc. The complete project report and materials are available at the U.S. Endowment website: <http://www.usendowment.org>

## Publications & Newsletters

Dovetail offers several different publications and a monthly e-newsletter.

### Commentaries

Commentaries are briefs presenting the opinions and ideas of Dovetail Staff and Associates.

### Reports

Dovetail Reports address a wide range of topics and issues related to sustainable forestry, responsible materials, and responsible trade and consumption.

### Newsletter

Dovetail publishes a monthly e-newsletter, *The Outlook*, with information about our latest publications, news and events.



## ***Dovetail in the news***

Dovetail's commentaries, reports and news releases are often reprinted and referenced in the media, journal articles, and newsletters and publications from diverse organizations.

### **Examples of "Dovetail in the News" in 2009 include:**

- Webinar Series Offered for Green Forest Products  
The Daily Journal December 29, 2009
- Occupant Education Key to Green Building Success  
Sustainable Facility November 30, 2009
- Life Cycle Assessment of Flooring Materials - A Guide to Intelligent Selection  
GREENandSAVE.com October 27, 2009
- Crow Wing County to Develop Comprehensive Recreation Trails Plan  
Lake County Echo and Pine River Journal October 21, 2009
- The Power of Silviculture  
GREENandSAVE.com October 9, 2009
- Green Building Workshops in MN, MI and WI Begin October 14, 2009  
BuildingOnline September 30, 2009
- Dovetail Partners Releases Findings on Green Flooring  
FindAnyFloor.com September 17, 2009
- Dovetail Partners Examines Selection of Green Flooring Materials  
Eco Factory September 16, 2009
- 'Green' can be an illusion in construction  
Star Tribune September 2009
- Dovetail Partners Calls for Greater Use of Certification  
GreenerFlooring 2009
- Dovetail Partners Provides Information about Emerald Ash Borer  
Mille Lacs Messenger 30 July 2009
- The Sourdough Approach to Biomass  
Miller-McCune News Blog 29 July 2009
- Reclaimed Lumber Report from Dovetail Partners  
Asheville Treecyclers July 2009
- Biofuels Deja Vu  
Conservation Magazine April - June 2009
- St.Paul non-profit aims for affordable, efficient homes  
Minnesota Public Radio (MPR) 11 May 2009
- Urban Tree Utilization and Why It Matters  
Alliance for Community Trees May 2009
- DNR's Forest Stewardship Program strategic plan available for public comment through June 12  
MDNR 7 May 2009
- Material Decisions: Without Life-Cycle Assessments, Are Green Building Standards Really Leading to Green?  
Environmental Design + Construction April 2009
- Public gets glimpse of 'green' plans for school site  
Morris Sun Tribune 20 Mar 2009
- Forest Plan to be Unveiled in July  
Albert Lea Tribune 20 Mar 2009
- Can Minnesota trees help control climate change?  
Duluth News Tribune 8 Mar 2009
- Dovetail Partners Announces Minnesota Green Milestone  
ISWOnline 19 Jan 2009



## ***Commentaries 2009***

USGBC - It's All in the Marketing! (Oct. '09)

Readers who have taken Marketing 101 may recall that there are at least two key marketing sequences to consider when introducing new products like those involved with green building: (1) the market adoption process and (2) the product adoption process. These two processes may go by a variety of names and the basic steps may get reorganized a bit, but the fact remains that the market and the individuals within the market go through a sequential process in adopting a new product or group of products. Ignoring this sequential process is one of the few ways to create absolute market certainty – certainty of frustration and a high risk of failure.

Engaging Hearts and Minds to Solve Problems (Sept. '09)

One issue that often confounds me is the seeming tendency for humankind to continue behaviors that most relevant information would suggest are self-destructive. Over-consumption of sugary products is an example, and the fields of psychology and sociology are full of discussions about self-destructive behavior. Increasingly science is suggesting that individuals are not as free, both physiologically and psychologically, to make good choices, as we would like to believe. Today, however, I don't believe we incorporate this reality into the process of creating solutions for major environmental problems; doing so may be the key to improving our chances of making significant change.

Green Building Can Do Better - A lot better (April 2009)

During the energy crisis of the mid 1970's citizens were reminded to a) turn down their thermostats, b) turn off the light when leaving a room and c) increase the amount of insulation in walls, attics, and around critical areas like water heaters. Sound familiar? In addition, initiatives were begun to increase the energy efficiency of autos and appliances. Again, sound familiar? But what has been the actual net impact of these activities on energy consumption?

<http://www.dovetailinc.org/content/dovetail-commentaries>

## ***Reports 2009***

- Reclaiming Lumber Products from Waste Wood
- Certification of Building Materials - Important or Not?
- Building a Constituency of Forest Productivity Advocates
- Dovetail News - Forests in Northern Minnesota Store Abundant Carbon
- Comparing the Ecological Footprints of the U.S. and the E.U.
- Community-Based Bioenergy and District Heating: Benefits, Challenges, Opportunities and Recommendations for Woody Biomass
- The Power of Silviculture: Employing Thinning, Partial Cutting Systems and Other Intermediate Treatment to Increase Productivity, Forest Health and Public Support for Forestry
- Minnesota GreenStar Program and National Green Building Standard Comparison Report
- Firewood Movement and the Emerald Ash Borer: July 2009 Update
- Energy from Woody Biomass: A Review of Harvesting Guidelines and a Discussion of Related Challenges
- Life Cycle Assessment of Flooring Materials: A Guide to Intelligent Selection
- Forest-Based Economic Clusters: Models for Sustainable Economic Development
- A Tale of Green Cities
- Wilderness Society Report on Wood Products and Carbon Storage: A Critical Review
- USGBC Forest Certification Benchmarks: An Opportunity for Development of Certification Standards for All Building Materials
- Wood Products and Carbon Storage: A Critical Review and The Wilderness Society Response
- Bioenergy Update - A report card
- Satisfaction with Certified Green Buildings - An inquiry

<http://dovetailinc.org/reports>

## ***Dovetail Board, Staff & Interns***

### **Dovetail Board of Directors 2009**

Jeffrey Howe, Ph.D., Chairman of Dovetail Partners, CEO of Fullerton Companies

Brian Adams, Senior Vice President, Bremer Bank

Eric Bloomquist, Former CEO of Colonial Craft, Retired

Jim Bowyer, Ph.D., Bio-products and Environmental Consultant

Kim Carlson, Founder, EarthSmart LLC

Edwin Chanin, Attorney, Maslon Edelman Borman & Brand

Jill Koosmann, CEO, HRK Group, Inc.

### **Dovetail Staff 2009**

Kathryn Fernholz, Executive Director

Jim Bowyer, Director of Responsible Materials Program

Steve Bratkovich, Project Manager for Recycling and Reuse

Alison Lindburg, Director of Eco-Affordable Housing Program

Matt Frank, Project Assistant

Don Heise, Project Manager, Eco-Affordable Housing Program

Stephanie Berkland, Research Assistant

### **Dovetail Interns 2009**

Megan Glaeser

Kirstin Weber

Raisa Behal

### **Dovetail Board of Advisors 2009**

William Banzhaf, President, Sustainable Forestry Board

Paul DeLong, Wisconsin State Forester, Wisconsin Department of Natural Resources

R. Philip Guillery, Forestry Consultant

Regi Haslett-Marroquin, Director, Rural Enterprise Center

Don Heise, Architectural Wood Specialties

Robert Hrubes, Ph.D., Senior Vice President, Scientific Certification Systems

Douglas MacCleery, Senior Policy Analyst, National Forest System, Washington, D.C.

Patrick O'Brien, Organizational Development Consultant

## ***Financial Statement***

Dovetail Partners, Inc.

Statements of Financial Position

December 31, 2009

**Assets:**

Cash and cash equivalents	\$163,165
Investments	105,032
Grants and contracts receivable	50,119
Prepaid expenses	657
Total Current Assets	318,973
Property and Equipment - Net	16,237
Total assets	\$335,210

**Liabilities and net assets:**

**Liabilities:**

Accounts payable	\$7,047
Accrued wages and payroll taxes	9,467
Funds held for others	37,282
Total current liabilities	53,796

**Net assets:**

Unrestricted	234,656
Temporarily restricted	46,758
Total net assets	281,414

Total liabilities and net assets	\$335,210
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Dovetail Partners, Inc.

Statements of Activities and Changes in Net Assets

December 31, 2009

	Unrestricted	Temporarily Restricted	Total
Revenues			
Grants and contributions	\$19,409	\$55,000	\$74,409
Fees for services	178,530	-	178,530
Interest Income	3,633	-	3,633
Miscellaneous	-	-	-
Satisfaction of program restrictions	127,486	(127,486)	-
Total revenues	329,058	(72,486)	256,572
Expenses:			
Program Services	259,125	-	259,125
Management and general	25,803	-	25,803
Fundraising	8,550	-	8,550
Total expenses	293,478	-	293,478
Increase (decrease) in net assets	35,580	(72,486)	(36,906)
Net assets - beginning of period	199,076	119,244	318,320
Net assets – end of period	<u>\$234,656</u>	<u>\$46,758</u>	<u>\$281,414</u>

Dovetail Partners, Inc.  
Statement of Functional Expenses  
December 31, 2009

	Program Services	Management and General	Fundraising	Total
Expenses:				
Salaries	\$119,083	\$14,010	\$7,005	\$140,098
Payroll taxes	9,110	1,072	536	10,718
Total Personnel Costs	128,193	15,082	7,541	150,816
Consulting	105,751	-	-	105,751
Occupancy	7,147	841	420	8,408
Accounting	-	7,873	-	7,873
Housing Prg Expense	6,020	-	-	6,020
Telephone and Internet	1,868	220	110	2,198
Office supplies	1,775	209	104	2,088
Miscellaneous	1,488	175	88	1,751
Insurance	1,216	143	72	1,431
Dues and Subscriptions	1,165	-	-	1,165
Staff Mileage and Travel	858	-	-	858
Board Expense	-	831	-	831
Printing and Copying	248	29	15	292
Depreciation	3,396	400	200	3,996
Total Expenses	\$259,125	\$25,803	\$8,550	\$293,478

Dovetail Partners, Inc.  
Statements of Cash Flows  
December 31, 2009

Cash flows from operating activities:	
Increase (decrease) in net assets	\$(36,906)
Total Adjustments	(43,210)
Net cash provided by operating activities	(80,116)
Cash flows from investing activities:	
Purchase of property and equipment	-
Purchase of Short-term Investments	39,833
Net cash provided (used) by investing activities	39,833
Cash flows from financing activities:	
Loan proceeds	-
Loan repayments	-
Net cash flows from financing activities	-
Increase in cash and cash equivalents	(40,283)
Cash and cash equivalents – beginning of year	203,448
Cash and cash equivalents – end of year	\$163,165



*Special Thanks to Our Supporters!*

<i>Alexis Bloomstrand, New Morning Windows</i> <i>Beth Waterhouse</i> <i>Blandin Foundation</i> <i>Boise Cascade, LLC</i> <i>B.R. Zumbahlen</i> <i>Certified Wood Products, Inc.</i> <i>Columbia Forest Products</i> <i>F.R.E.E Network</i> <i>Fullerton Companies</i> <i>Gerald Mich</i> <i>Greg Nolan &amp; Marcia Rapatz</i> <i>Hanley Wood Business Media</i> <i>HRK Foundation</i> <i>Innovative Natural Resource Solutions, LLC</i> <i>Interforest, LLC</i> <i>James R. Marshall</i> <i>Jessica Basilio</i> <i>Jim and Ruth Bowyer</i> <i>Susan Marvin, Marvin Windows &amp; Doors</i> <i>Michael Anschel</i> <i>Minnesota Department of Natural Resources</i> <i>- Division of Forestry</i> <i>National Cooperative Grocers Association</i> <i>Natural Resources Conservation Service -</i> <i>USDA</i>	<i>Northwestern Lumber Association</i> <i>Otto Bremer Foundation</i> <i>Patrick de Freitas</i> <i>Paula Westmoreland</i> <i>Resource Management Service, LLC.</i> <i>Robert J. Hrubes, Scientific Certification</i> <i>Systems</i> <i>Robert Sonnenberg</i> <i>Snowy Pines Reforestation</i> <i>Stephanie Berkland</i> <i>Structural Wood Corporation</i> <i>The Everwood Foundation</i> <i>The Remodeler's Choice, Inc., a Division of</i> <i>Fullerton Companies</i> <i>Thomas &amp; Mary Kroll</i> <i>UPM, Blandin Paper</i> <i>USDA Forest Service</i> <i>Vital Systems, Inc.</i> <i>Weekes Forest Products, Inc.</i> <i>Wood from the Hood</i> <i>Xcel Energy Foundation</i>  <i>..and additional anonymous donors.</i>
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