

CHRISTMAS TREE PROMOTION BOARD BOARD MEETING

Courtyard Hotel, Allentown, PA
July 21-22, 2016

MINUTES

Welcome and Roll call – Meeting was called to order at 8:05 am by Chairperson, Betty Malone. Board members in attendance: Mark Arkills, Bentley Curry, Mark Steelhammer, Paul Battaglia, Rex Korson, Beth Walterscheidt, Della Deal, Jim Rockis, Chris Maciborski, Jim Heater, and Betty Malone. USDA Representative in attendance: Vickie Carpenter. Staff in attendance: Tim O'Connor and Marsha Gray.

Promotion Committee Presentation– Promotion Committee Chairperson, Jim Heater introduced Griffin Stenger, Scott Nieman and Gregg Wasiak of Concept Farm who presented the proposed campaign as reviewed and recommended by the Promotion Committee. It was MOVED and SECONDED to approve the Promotion Committee recommended campaign and budget of \$1.25 million for the 2016 season. MOTION APPROVED.

Additional Agenda Items – No items were added to the agenda.

Meeting Minutes – It was MOVED and SECONDED to approve the June 23, 2016 meeting minutes as presented. MOTION APPROVED.

Additions to the Agenda – There were no additions made to the agenda

Election of Treasurer – Chairperson Malone thanked Mark Arkills for standing in as Interim Treasurer after the resignation of Conrad Steinhart. Beth Walterscheidt and Mark Steelhammer were appointed to nominate a new treasurer. They nominated Paul Battaglia who accepted the nomination. It was MOVED and SECONDED to elect Paul Battaglia as CTPB Treasurer. MOTION APPROVED.

Betty Malone asked Beth Walterscheidt to join the Finance Committee.

Staff Reports

Collections– Tim O'Connor reported that we have very recently reached \$1.7 million in collections. The last mailing that included the fees and penalties provisions and the 30 day grace period garnered quite a bit of action; payments, applications for exemption and calls from non-growers. However, the mailing list still includes roughly 4,000 non-response addresses and individuals. Next step will be a mailing that includes a letter from USDA on their letterhead. Timing will be approximately 30 days prior to Sept. 16 date when next level of fees become effective.

Board discussed possible options for reaching the non-response individuals.

Discussion on the possibility of instituting a first handler system or assessment collections, either mandatory or voluntary, for large wholesale farms who sell trees for other growers. There was no interest by the board to pursue a first handler system.

Import rebates on unsold trees – Staff and board have heard from a number of Canadian producers who export to the US and want relief of assessment payments for trees exported to the US, but not sold (ie: Home Depot pay-by-scan). According to the order, all imported trees must be assessed. This may be a future discussion topic but change would require rulemaking.

Exemptions – Staff reported that according to the order, we need to send an exemption certificate to those who have submitted an application for exemption. Expecting small growers to complete this application each year would be a large amount of work and a potential frustration for those growers. Discussed how an exemption certificate could be extended for multiple years. Staff will work with USDA to discuss options.

Compliance Audit – Board reviewed recommendations by ad hoc committee for compliance audits. It was MOVED and SECONDED to increase the audit budget to \$15,000. MOTION APPROVED.

Board Member Election Update – Staff reported that the ballot mailings for the three board seats that are terming out were sent and ballots from growers received. Top two vote-getters in each region are: East – Jim Rockis and Jim Corliss, Central – Rex Korson and Dave VanderVelden, West – Mark Steelhammer and Dan Logan. Vacancy ballot is out in the eastern region and results will be available at the end of the month. Staff will assist these top nominees prepare their credentials for submission to USDA and the Secretary of Agriculture.

NCTA Update – Tim O’Connor reported that his firm began in the management role with NCTA effective July 1. Transition has been challenging, but all records have been turned over. NCTA is in a difficult financial position.

Committee Reports

Finance Committee Report

Budget - Board reviewed current financials of the CTPB. Staff will submit revised budget to USDA following meeting to include any budget changes approved during this meeting.

Check Signers – It was MOVED and SECONDED to revise the Cash Disbursements policy to allow a member of the finance committee to be one of the two check signers in the absence of the Executive Director or Treasurer. MOTION APPROVED.

Financial Audit – Board is required to submit a financial audit. Staff will research possible CPA firms with check off experience and bring recommendations to the Board. July 31 is year end and final financial statement should be ready sometime in August. Audited financials will be included in annual report.

Investing – Board discussed possible need to invest some funds. Limited to government securities.

Allied Industries – Mark Arkills and Marsha Gray developed a letter to request additional financial support from the allied trades. The letter was approved by USDA and board members agreed to make follow up calls. Marsha Gray will prepare the personal letters and notify board members when they are sent.

Governance

Accounting and Internal Control Policy – It was MOVED and SECONDED to replace the word “handlers” with “producers” in the Audit section of the policy manual, and to change the Financial Reports section of the policy manual to remove the reference to quarterly reports and remove the requirement of the Executive Committee recommending approval of the financial statements. MOTION APPROVED.

Election Diversity Policy – It was MOVED and SECONDED to accept the Diversity Plan as recommended by the Governance Committee. MOTION APPROVED. Staff will revise the current policy manual and distribute to the board.

Research

NFPA Meeting – Research Chairperson, Jim Rockis, reported that the National Fire Prevention Association trade show was a success and thanked Jim Heater and Ellis Schmidt for representing the industry. There were several suggestions to build on this: Get on the National Fire Prevention Association program, post pictures of the booth on the website, contact fire schools or fire training facilities to include our information in their training. This was a good first cooperative project by CTPB and NCTA.

Testing Standards Meeting – CTPB also funded travel expenses for Ellis Schmidt to attend the testing standards meeting in Chicago.

Research Plan – Jim Rockis proposed working with the cooperative of researchers from a number of universities that are currently cooperating on Christmas tree research through an SCRI Grant. He proposes asking for their recommendations on work that CTPB could fund that would positively impact growers in all growing regions. Their recommendation would be brought to the board for approval. It was MOVED and SECONDED to increase the research budget by \$40,000. MOTION APPROVED.

Industry Relations – Betty Malone thanked board members for attending state and regional meetings and making presentations on behalf of CTPB. Additional meeting assignments were made.

USDA

FOIA Request – Vickie Carpenter reported that USDA has responded to the first FOIA request. She had no details on a possible additional FOIA request.

Website – Betty Malone requested that the USDA website be corrected to reflect Paul Battaglia as the Treasurer and that Cubby Steinhart be removed from the board list.

Customs – Discussions continue with customs to determine if assessment collections can be made at the border.

Next Conference Call

Next conference call for the CTPB is scheduled for Tuesday, August 16 at 8 AM Pacific

Future Meetings

Next in-person meeting of the board will take place in late February in the Portland, OR area.

Adjourn

It was MOVED and SECONDED to adjourn the meeting. MOTION APPROVED.

Respectfully Submitted

Beth Walterscheidt
Secretary