

REAL CHRISTMAS TREE BOARD

Board Meeting

August 8, 2022

Via Video Conference

Welcome and Roll Call: The meeting was called to order at 11:00 a.m. Eastern time by Chairman, Roger Beyer.

Board Members in Attendance: Gary Westlake, Chuck Berry, Bob Schaefer, Roger Beyer, Jane Neubauer, Mark Schmidlin, Larry Downey, Mike Cocco, Renee Beutell, Bill Brawley, Derek Ahl, and Charles Fowler

USDA Representative(s) in Attendance: George Webster

Staff in Attendance: Marsha Gray, Cyndi Knudson, and Jenny Tomaszewski

Guests in Attendance: Scott Conlin and John Armato

Agenda:

It was **MOVED** by Bob Schaefer and **SECONDED** by Mark Schmidlin to approve the agenda as presented.

MOTION APPROVED.

Meeting Minutes:

Mark Schmidlin's last name is misspelled under the Research Committee report.

It was **MOVED** by Chuck Berry and **SECONDED** by Charles Fowler to approve the June 24, 2022, Board meeting minutes as corrected. **MOTION APPROVED.**

It was **MOVED** by Jane Neubauer and **SECONDED** by Mark Schmidlin to approve the August 1, 2022, Board meeting minutes as presented. **MOTION APPROVED.**

Chairman's Report:

- a. **Special Presentation of the Consumer Survey** – Members from FleishmanHillard and True Global Intelligence, John Armato and Scott Conlin, provided a detailed presentation of the Consumer Survey results.

Guests John Armato and Scott Conlin left the meeting following their presentation.

Committee Reports

Finance Committee – Bob Schaefer reported

- a. **June 2022 Financials** – Schaefer provided the Board with a brief overview of the June 2022 financials.
- b. **Year End (July) Estimate** – Schaefer provided an in-depth overview of the Year-End Estimate.
 - Gray shared that the Research Committee expense account will have a journal entry of an additional \$137,127.50 to account for research projects that are contracted but were not completed in the fiscal year.
 - Gray reported that an expense appears under Operating Expenses 66000 that should have been paid from 67000. It will be fixed with a journal entry.
 - Gray reported that one grower audit was unable to be finished before the end of the RCTB fiscal year. Jim Lantz's contract has been extended until the end of October to complete the one remaining audit, and approximately \$2,000 will be accrued to cover the expense of completing the audit.
- c. **Approval of Auditor** – Schaefer shared that Propp Christensen Caniglia LLP is the CPA firm that has provided financial audits in the past; they have submitted their letter of engagement to the finance committee. A slight increase in cost will be applied. The estimate for the last audit was \$6,000 - \$7,000, and the actual cost was \$6,700. Estimate for new audit is \$7,000 - \$8,000.

It was **MOVED** by Bob Schaefer and **SECONDED** by Bill Brawley to accept the financial reports as presented with pending year-end entries. **MOTION APPROVED.**

It was **MOVED** by Bob Schaefer and **SECONDED** by Charles Fowler to approve engaging Propp Christensen Caniglia, LLC. to audit the RCTB's financial records for the 2021-2022 fiscal year with a slight increase in cost between seven and eight thousand dollars. **MOTION APPROVED.**

Research Committee— Mark Schmidlin and Cyndi Knudson reported

- a. **Recommendations for 2022-23 Research Proposals** – Schmidlin and Knudson presented the research Committee recommendations to the Board for the 2022-23 Fiscal Year. The Committee has selected eleven of the twelve submitted proposals. Knudson shared that several of these projects are continuations of previously funded research projects.
 - Board members discussed the proposals at hand.
 - Knudson shared the Research Committee has a \$285,000 budget, and the eleven proposals bring them to a total of \$229,193.
 - Remaining funds will be available for proposals submitted throughout the fiscal year based on need.

It was **MOVED** by Mark Schmidlin and **SECONDED** by Gary Westlake to fund the eleven research proposals recommended by the Research Committee. **MOTION APPROVED**

Governance Committee – Charles Fowler reported

- Fowler shared they are waiting on a response from Heather Pichelman with USDA. Fowler had nothing additional to report.

Compliance Committee – Marsha Gray reported for Derek Ahl

- Jason Hanselman has decided not to renew his contract with the RCTB. The Compliance Committee is looking for a new Compliance Manager. Gray is hoping to receive a few recommendations from Hanselman and additionally has reached out to the Commodity Round Table for suggestions.
- Board members discussed different ideas regarding the compliance position.

Promotion Committee – Bill Brawley reported

Brawley updated the Board on the campaign status:

- USDA has approved the new logo and tagline - Marsha Gray shared with the Board a document on using the logo correctly, including the color and font. The rebranding press release went live on July 25th in English and Spanish.
- FleishmanHillard will be developing a master set of campaign messages.
- John Armato with FleishmanHillard will be creating three how-to training videos.
- Large Grower Survey has been developed and will be released to the industry today.
- The website has received the first round of rebranding, and round two is in the process; the final round will include the “Joy to the Real” theme in September/October.
- Social channels have been updated with the new name and logo. Several social posts were approved for August, with many more to come in the future.
- Working with Shutterstock, a company that specializes in user-generated content videos. They are gathering videos to provide the Promotion Committee with a minimum of 20-videos to use for the campaign. This material will be used to create the “Joy to the Real” campaign video.
- The FleishmanHillard team has interviewed 25 influencers and has narrowed it down to 7 influencers. Influencer, Dude Dad, would like to work with the RCTB again.
- Search engine optimization – driving traffic to the website and search engine marketing, paid search, and paid digital ads are all in process.
- Satellite Media Tour – A1 Broadcast has been secured for the 2022 SMT. No destination or spokesperson has been secured yet.
- Question was asked about FleishmanHillard researching the total number of trees sold. Marsha Gray shared that FleishmanHillard has not come up with a better solution, and the search continues to find someone who can provide some methodology to get a better count.

Industry Relations Committee – Gary Westlake reported

- a. **Summer Meeting Report** – Marsha Gray shared that she has attended numerous association meetings and will attend the North Carolina meeting on August 9/10 and Pennsylvania and Massachusetts on August 19/20. Gray reported that growers have been very receptive to the new name change. Charles Fowler reported that he attended the Virginia Association meeting and shared positive feedback as well.
- b. **Quebec Meeting** – Marsha Gray plans to attend the Quebec Association meeting. Larry Downey shared three associations will meet in September: Exotic Conifer Association will meet on Friday, September 23rd, and the NH/VT Association and the Quebec Association will meet on Saturday, September 24th. Registration is open. There will be French and English groups available.

Management Staff Update – Marsha Gray reported

- a. **Assessment Collection** – A brief overview of the assessment collection report was provided. As of August 2, 2022, a total of \$1,694,671.30 has been received.
- Question regarding the electronic payment system and the status? Marsha Gray shared she met several months ago with an individual currently setting up an electronic system for the Pecan Board. Gray will be following up with him shortly to see if it is something that can be implemented for the RCTB.

Old Business: No new items to report.

New Business:

- a. **Approval of Legal Retainer** – Marsha Gray presented the retainer letter from Watkinson Miller, PLLC, who has been the RCTB's Legal Counsel. USDA has already approved the format.

It was **MOVED** by Chuck Berry and **SECONDED** by Bill Brawley to approve Watkinson Miller, PLLC. as our legal counsel. **MOTION APPROVED.**

- **NCTA Update/Communication Discussion** – Bob Schaefer shared he attended the NCTA's in-person Board meeting in Michigan. Schaefer shared they are looking for two individuals to help with the Voice of the Industry as Doug Hundley has retired.
- Schaefer suggested that information that needs to be shared with the NCTA and the industry should be sent directly to the full NCTA Board and Executive Director.

It was **MOVED** by Bob Schaefer and **SECONDED** by Chuck Berry to direct RCTB Executive Director to share all communication regarding promotion and media relations with NCTA Executive Director and the entire NCTA Board.

Board discussion: Board feels it's important to improve communications between the organizations and including all NCTA board members in future communications is this is the best way to accomplish that goal.

MOTION APPROVED.

USDA – George Webster reported

- a. **Update on U.S. Customs collections of importer assessments** – Webster shared he has met with Sue Coleman, who has been the unofficial middle-person for the Board and U.S. Customs. The Customs and Border Patrol have been working on updating their antiquated computer system. They hope to have a completely new system by this time next year. However, that means they are not accepting new Commodities into the system until Summer 2023. USDA will meet with the Office of Trade to help find some tools or processes that will help the RCTB with compliance at the Border.
- Marsha Gray inquired if the Pecan Board was able to get into the system. Webster stated that it is a fair and equal process for all Boards.

For the Good of the Order/Announcements: No items to report

Meeting Schedule:

- a. The next meeting of the RCTB will be held on September 7, 2022, at 11:00 a.m. Eastern time.

Adjourn:

It was **MOVED** by Gary Westlake and **SECONDED** by Bob Schaefer to adjourn the meeting. **MOTION APPROVED.**

Chairman Roger Beyer adjourned the meeting at 1:30 p.m. Eastern time.

Respectfully Submitted,

Gary Westlake
Secretary