

## **REAL CHRISTMAS TREE BOARD**

### **In-Person Board Meeting**

February 16, 2023

Garden ABC – Sheraton Airport  
Portland, Oregon

**Welcome and Roll Call:** The meeting was called to order at 8:00 a.m. Pacific time by Chairman, Derek Ahl.

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

**USDA Representative(s) in Attendance:** George Webster

**Staff in Attendance:** Marsha Gray, Cyndi Knudson, and Jenny Tomaszewski (via Zoom)

**Guests in Attendance:** Chris Aldrich, Chase Berry, Bill Brawley, Barry Campbell, Kari Puffer, Jim Puffer, Kirk Stroda, and Sophia Stajduhar

#### **Board Orientation – George Webster, USDA**

- George Webster, a USDA representative, led a Board orientation, including an overview of the Act, Order, and AMS guidelines.
- a. **Sign Lobbying Certification and Conflict of Interest Statements:** Board members and staff signed Disclosure/Conflict of Interest Statements and Certification Regarding Lobbying statements.
- b. **Review of CTPB budget and Board Expectations** – Marsha Gray reviewed RCTB Policies, Board expectations and provided an overview of the financials.

#### **Agenda:**

Roger Beyer requested the addition of Board Nominations under New Business.

It was **MOVED** by Roger Beyer and **SECONDED** by Mark Schmidlin to approve the agenda with addition.

**MOTION APPROVED.**

#### **Chairman's Report and Welcome – Derek Ahl**

- a. **Approval of Committee Chair Appointment** – Derek Ahl announced his committee chair and vice-chair assignments.
  - Compliance Committee: Chair, Renee Beutell
  - Governance Committee: Chair, Charles Fowler
  - Promotion Committee: Chair, Jane Neubauer; Vice-chair, Chuck Berry
  - Industry Relations Committee: Chair, Gary Westlake
  - Finance Committee: Chair, Bob Schaefer
  - Research Committee: Chair, Mark Schmidlin

It was **MOVED** by Roger Beyer and **SECONDED** by Charles Fowler to approve the slate of Committee appointments as they were presented. **MOTION APPROVED.**

#### **Meeting Minutes:**

It was **MOVED** by Gary Westlake and **SECONDED** by Charles Fowler to approve January 12, 2023, Board meeting minutes as presented. **MOTION APPROVED.**

It was **MOVED** by Roger Beyer and **SECONDED** by Chuck Berry to approve January 27, 2023, Executive Committee Meeting Minutes as presented. **MOTION APPROVED.**

#### **Committee Reports**

**Finance Committee** – Bob Schaefer reported.

- Schaefer provided a brief overview of the January 2023 financial statement.

It was **MOVED** by Mark Schmidlin and **SECONDED** by Roger Beyer to accept the January 2023 financials as they were presented. **MOTION APPROVED.**

Derek Ahl invited guests Chris Aldrich, Chase Berry, Bill Brawley, Barry Campbell, and Kirk Stroda to introduce themselves to the Board.

Steve Mortimore joined the Board meeting via Zoom.

The Board took a break at 9:23 a.m. and reconvened at 9:42 a.m.

**Special Presentation** – Online Reporting and Payment System –Steve Mortimore, with Fishhook Development, provided the Board with a detailed presentation on creating an online environment for reporting yearly assessments or exemptions and proposing a private online portal with a secure login that is explicit to each grower.

An open Board Q&A session followed the presentation.

The Board took a break at 10:33 a.m. and reconvened at 10:46 p.m.

### **Continuation of Committee Reports**

#### **Promotion Committee:**

Jane Neubauer welcomed and introduced the FleishmanHillard team.

- a. **Presentation of Campaign Results** – John Armato, Bailey Barry (via Zoom), Emily Ann Brown (via Zoom), Jake Ferguson, and Gabby Hawley with FleishmanHillard provided an overview of their agency's work for the 2022 season and entertained questions from the board.

The Board recessed for lunch at 12:15 p.m. and reconvened at 1:19 p.m.

- b. **Evaluation Proposal** – Jane Neubauer and Marsha Gray shared information with the Board regarding the paid digital campaign elements. The analysis can be complicated and quite specialized. Neubauer and Gray requested that the board approve a contract with Chief Growth Advisory for an analysis of the results and to educate them on considerations for future campaigns. Chief Growth Advisory was recommended by Scott Park of Firefall, RCTB's web developer.

It was **MOVED** by Roger Beyer and **SECONDED** by Bob Schaefer to approve a contract for up to \$1,500.00 with Chief Growth Advisory from the Promotion Planning budget.

Board Discussion.

### **MOTION APPROVED.**

**Research Committee** – Mark Schmidlin and Cyndi Knudson reported.

- a. **Current Project Status Update** - Knudson shared that all projects funded this year are in motion.
  - Knudson reported that there have been several promising verbal reports from researchers regarding their ongoing projects.
  - Knudson shared that researchers got together to sort and disburse seedlings for the CoFirGE 2 trial. The seedlings are being distributed to researchers who were involved with CoFirGE 1 for planting in plots in their respective states.
- b. **Seedling Survey Update** - Surveys have been sent out to the major seedling suppliers and are returning steadily. Several growers have requested to complete the form via phone.
- c. **Research Topic Survey for Growers** - The form is available on the website; Marsha Gray will send it via the e-newsletter and various trade journals. Knudson shared that Survey Monkey is relatively expensive and plans to keep it in paper form this year.
- d. **2023 RFP Process** – The RFP will be announced at the beginning of May as long as the budget is

approved.

- Knudson announced there are two newer researchers in the Pacific Northwest, Alex Gorman and Molly Darr.

#### **Governance Committee – Charles Fowler**

- a. **Committee Update on Order Recommendations** – The Governance Committee met last week to review the response from USDA regarding the ruling on requested changes to referendum voting. George Webster shared that if there is a referendum, AMS will send out a ballot to all eligible producers and importers. However, if anyone steps forward and requests a ballot from USDA, USDA must send them a ballot, and it will include a letter stating the requirements for being considered an eligible producer or importer and that if the recipient is not up to date with assessments, they are not in compliance. The letter has not yet been drafted.

The Governance Committee recommends that the Board allow the Committee to open the Order to make the other requested revisions. Fowler reviewed the suggested changes with the Board. George Webster shared that opening the Order can be a lengthy process. Once the Board approves the proposed changes and gets industry input on proposed changes, USDA drafts a Proposed Rule which is posted to the federal register for a public comment period, which typically lasts 60 days. AMS will review all the comments, and if they are in favor, they will create a final rule. The cost to open the Order depends on the number of comments received during the period. Board members discussed the process and whether the Committee should move forward with opening the Order.

It was **MOVED** by Roger Beyer and **SECONDED** by Charles Fowler to approve the recommended changes and submit the Order to the Industry for comment.

Board discussion.

Amended Motion - It was **MOVED** by Roger Beyer and **SECONDED** by Larry Downey to amend the motion to include in section 1214.5 no more than 90 days or less than 60 days prior to the fiscal year.

#### **AMENDED MOTION APPROVED UNANIMOUSLY**

Board discussion.

#### **ORIGINAL MOTION AS AMENDED APPROVED UNANIMOUSLY**

#### **Compliance Committee – Renee Beutell**

Chairman, Derek Ahl, called the Board into an Executive Session at 2:06 p.m.

- a. **Compliance Contractor and Auditor Contracts**

Chairman, Derek Ahl, adjourned the Executive session at 2:23 p.m.

It was **MOVED** by Renee Beutell and **SECONDED** by Mark Schmidlin to renew a contract with the auditor, James Lantz, to complete grower audits not to exceed \$35,000 this fiscal year and a second contract for Compliance Officer, Jamie Hanselman, for approximately 183 hours, not to exceed \$8,200.00 this fiscal year.

**MOTION APPROVED.**

The Board recessed at 2:26 p.m. and reconvened at 2:34 p.m.

#### **Industry Relations Committee – Gary Westlake**

- a. **RCTB “Stories” Project** - Westlake asked all Board members to share their Real Christmas Tree stories. Board members went around the table, each member sharing their story.
- b. **Winter Meeting Presentations** – Marsha Gray shared that she is in the midst of her Winter State Association meeting rounds.
- c. **Summer Meeting Opportunities** – Marsha Gray shared that she has already begun to schedule Summer State Association meetings.

**Management Staff Update** – Marsha Gray reported.

- a. **Assessment Collection** – A brief overview of the assessment collection report was provided. As of February 15, 2023, a total of \$1,036,927 has been received.

**Old Business:** No new items to report.

**New Business:**

- a. **Grower Comment – Exemption levels** – Marsha Gray shared an email with the Board from a grower who is upset that growers with fewer than 500 trees are not paying. Grower suggested that Board consider waiving fees on the first 500 trees for all producers. Board members discussed. USDA sets exemption levels, and the Board agreed that they would not recommend any changes to the exemption level.
- b. **Board Nominations** – George Webster shared that the following Board members' seats on the Board are up for reappointment next year; Renee Beutell, Chuck Berry, Mike Cocco, Larry Downey, and Jane Neubauer. Roger Beyer's seat is also up for reappointment. However, Roger will term out at the end of 2023. Marsha Gray shared that she and Sue Coleman had previously discussed a plan where four board seats were up for appointment each year and keeping the rotation of board members more balanced. George Webster and Marsha Gray will reevaluate before the next Board meeting in March and present an option for the board. Webster shared that USDA would like the Board to be diverse as possible.
- c. **Fishhook Development Proposal** – Derek Ahl revisited the presentation from Fishhook Development. Marsha Gray relayed the daily processes in which checks are scanned at the bank, entered into the current database, and filed. Gray also provided more detail on how the new process would work. Gray emphasized that this new reporting format would create greater accuracy and efficiency for both producers and RCTB staff.  
Board discussed the process and whether the Board would like to proceed with Fishhook's proposal.

It was **MOVED** by Chuck Berry and **SECONDED** by Renee Beutell to accept the proposal from Fishhook Development as it was presented with a maximum of \$36,000. **MOTION APPROVED.**

- d. **Terminology "Fake"** – Mike Jones presented concerns regarding the RCTB campaign not directly addressing artificial Christmas trees and the denial by USDA to allow the Board to use the word fake to describe artificial Christmas trees. Derek Ahl asked Board members if the Board should consider rebuilding a case to submit to USDA that the word fake could be used in the RCTB marketing campaign. Currently, USDA has banned the use of the word fake and has identified it as disparaging. Board members voiced their concerns stating that the word is often used when referring to artificial Christmas trees and is often used by the media and in common language. The Board has directed staff to develop examples of how the artificial tree industry uses the word fake to market their product. Staff will share their findings at the next meeting.

**USDA** – George Webster

- Webster shared that USDA encourages the Board to be as diverse as possible with the open nominations time frame approaching. If Board members know of anyone interested in serving on the Board or anyone who would like more information, please give their contact information to Marsha Gray or George Webster.
- Christopher Purdy is the acting Deputy Administrator of the Specialty Crops Division.
- The Federal Trade Commission is seeking public comment on the guides for using Environmental Marketing Claims. Their guidelines were last updated in 2012. The FTC hopes to get public opinions on terms such as sustainable, recyclable, degradable, and ozone-safe. Public comment will remain open until April 24, 2023.
- Webster continues to monitor the situation of getting the RCTB into the new US Customs database.

**For the Good of the Order/Announcements:**

- Mark Schmidlin announced that Roger Beyer is retiring from the Oregon Seed Council. The Oregon

Seed Council wrote a nice article about Roger Beyer and his work over the years. Schmidlin shared copies of the article with the Board.

- Derek Ahl thanked the Board for working through his first Board meeting as chairman.

**Meeting Schedule:**

- Future Meeting Schedule** – The RCTB Board will continue to meet on the third Thursday of each month at 8:00 a.m. Pacific time, 10:00 a.m. Central time, and 11:00 a.m. Eastern time.
- Summer In-person Meeting** – The RCTB will meet on August 3<sup>rd</sup> in conjunction with Minnesota Christmas Tree Association meeting on August 4-5 (NCTA Tree and Wreath Contest).
- Next Meeting** - The next RCTB meeting will be held on March 23<sup>rd</sup> at 11:00 a.m. Eastern time.

**Adjourn:**

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

Chairman, Derek Ahl, adjourned the meeting at 4:40 p.m. Pacific time.

Chairman, Derek Ahl, called the meeting back into order at 4:50 p.m. Pacific time.

A motion was needed to amend the budget to reflect that the Board will not be paying \$70,000 to be included in the old US Customs computer and also to accommodate the \$36,000 contract with Fishhook Development for creating the new online reporting system.

It was **MOVED** by Roger Beyer and **SECONDED** by Mike Jones to reduce the budget for account 72000 US Customs Collections by \$70,000 and return that amount to the Reserve Account and increase the budget for account 67000 Professional Services Other by \$36,000 and reduce the Reserve Account by the same amount. **MOTION APPROVED.**

Chairman, Derek Ahl, adjourned the meeting at 5:00 p.m. Pacific time.

Respectfully Submitted,

Chuck Berry  
Secretary