

**REAL CHRISTMAS TREE BOARD
IN-PERSON BOARD MEETING**

August 3, 2023

Best Western Plus
Isanti, Minnesota

Welcome and Roll Call: The meeting was called to order at 8:00 a.m. Central Standard Time by Chairman, Derek Ahl.

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

Board Members Not in Attendance: Renee Beutell and Larry Downey

USDA Representative(s) in Attendance: George Webster

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

Agenda:

It was **MOVED** by Chuck Berry and **SECONDED** by Charles Fowler to approve the agenda as presented. **MOTION APPROVED.**

Meeting Minutes:

It was **MOVED** by Mike Jones and **SECONDED** by Mark Schmidlin to approve the June 15, 2023, Board meeting minutes as presented. **MOTION APPROVED.**

It was **MOVED** by Gary Westlake and **SECONDED** by Roger Beyer to approve the June 29, 2023, Board meeting minutes as presented. **MOTION APPROVED.**

Chairman's Report:

- a. **Meeting with Large Producers** – Derek Ahl reported that the large producers met on Tuesday, August 1st, to share the focus the RCTB is taking on retailers, encouraging retailer engagement and support. This also allowed large producers to share thoughts regarding how RCTB can support the industry. Marsha Gray reported that there may be interest in periodic meetings.
 - Question was raised if the Board could create categories of growers to include all producers. Derek Ahl requested that the Board revisit this idea at the next meeting. Board members discussed different ideas.
- b. **Presentation from Fishhook Development – Online Reporting and Payment System** - Steve Mortimore from Fishhook Development provided a detailed presentation of the wireframes for the online reporting system.
 - Board members asked questions of Steve Mortimore and discussed different areas of the presentation. Marsha Gray shared that at the next Board meeting, she will provide check box items that will need to be approved, including payment options.

The Board took a break at 9:05 a.m. and reconvened at 9:13 a.m. Central Standard Time.

Committee Reports

Finance Committee – Bob Schaefer reported.

- a. **June 2023 Financials** - Schaefer provided a brief overview of the June 2023 financials.
- b. **July 2023 Financials** - Schaefer provided an overview of the July 2023 year-end financials without accruing the research funds, Fishhook web development, and Auditor Jim Lantz.

It was **MOVED** by Roger Beyer and **SECONDED** by Charles Fowler to accept June 2023 financials as they were presented. **MOTION APPROVED.**

- c. **Approval of Auditor** – Bob Schaefer shared that Propp Christensen Caniglia, LLC., is the CPA firm that has provided yearly audits for the Board in the past.

It was **MOVED** by Gary Westlake and **SECONDED** by Chuck Berry to approve the contract for auditor Propp Christensen Caniglia, LLC., to audit the RCTB's financial records for the 2022-2023 fiscal year. **MOTION APPROVED.**

Research Committee - Mark Schmidlin and Cyndi Knudson reported.

- a. **Presentation of Committee Recommendations for Research Funding** – Schmidlin and Knudson presented the research Committee's recommendations to the Board for the 2023-24 fiscal year. Knudson shared that the selections are slightly over the \$200,000 budget - funds are available in the research reserve for use. The total request is \$203,684. Thirteen proposals were received, and seven were selected and presented to the Board.
- Question was raised as to why all submitted research requests were not presented to the Board. Knudson stated that only the Committee's top picks get presented but will email the Board the additional proposals received.
- Justin Whitehill is making good progress in genome sequencing.

It was **MOVED** by Bob Schaefer and **SECONDED** by Chuck Berry to fund the seven research proposals recommended by the Research Committee. **MOTION APPROVED.**

Compliance Committee - Marsha Gray reported for Renee Beutell.

- a. **Compliance and Audit Update** – Gray shared that the auditor, Jim Lantz, has completed all but two audits. The two outstanding audit candidates have been in communication with Lantz, and he has already visited their farms, however, we are waiting on the required documentation. The Committee would like to accrue about \$7,000 to complete the two remaining audits.
- b. **Recommendation of renewing contracts with Jason Hanselman and Jamie Hanselman** – Gray provided an overview of the work that Jason and Jamie Hanselman have completed for the board and projects that they are currently working on. The Committee is recommending that the Board approve contracts with Jason Hanselman and Jamie Hanselman for a maximum of \$10,000 each for this fiscal year.

It was **MOVED** by Bob Schaefer and **SECONDED** by Mark Schmidlin to renew contracts for Jason Hanselman and Jamie Hanselman for a total of \$20,000. **MOTION APPROVED.**

- Board members discussed required late fees and interest penalties as required by the Act and Order.

Promotion Committee - Jane Neubauer and Chuck Berry reported.

- a. **Trees for Troops Sponsorship Approval** – Marsha Gray presented the received Trees for Troops Sponsorship request.

It was **MOVED** by Charles Fowler and **SECONDED** by Mike Jones to approve the \$10,000 sponsorship for Trees for Troops. **MOTION APPROVED.**

- b. **Firefall Website Proposal for Approval** – Marsha Gray shared that the Promotion Committee is requesting up to \$20,000 to update the retail locator, make other website updates, and host the .com website.

It was **MOVED** by Chuck Berry and **SECONDED** by Gary Westlake to approve up to \$20,000 for Firefall. **MOTION APPROVED.**

- c. **Campaign Update** – Jane Neubauer provided a recap of the current focus areas for the campaign year. Neubauer stated that the Committee will reach out to the industry for growers to provide specific images that can be used in the campaign.
- A consumer online survey of 1,500 people will be conducted. Some of the material is the same year-to-year to provide trends. Other material will be new this year.
- At the end of July, a press release went out with a Christmas in July pitch.
- Media authority is the goal for the RCTB, and FH will measure our "share a voice." This is done by determining how frequently RCTB and our messaging is referenced when real Christmas trees appear in the media.
- Retailer conference call focus group - John Armato would like to be involved in a conference call with large wholesalers/producers as well as a call with retailers to ask questions about their businesses and how the RCTB can support them.
- A new voice for the current campaign video has been selected and is being recorded.

- Question was raised on why FleishmanHillard is creating metrics to evaluate themselves versus contacting an outside company, such as Chief Growth Advisory, to set those standards. Board members discussed.

Industry Relations Committee - Gary Westlake reported.

- a. **Webinar Series Plan for Board Approval** – Cyndi Knudson reported that Michigan State University would host the webinars at no cost to the RCTB. Knudson has been working with Bill and Heidi Limburg. They are currently working on how to schedule and promote the webinars. Thinking of creating a quarterly plan for September, January, April, and then June or July to avoid busy times for growers. The goal is to record all the webinars and house them on the RCTB website for easy access to producers.
- Regional importance depending on the subject – trying to find the best time of day for all time zones. Considering 11:00 a.m. Eastern Time, a 45-minute presentation with 15-minute questions and answers. Focusing on either Tuesdays or Thursdays for the webinars. Preregistration will be required.

It was **MOVED** by Mark Schmidlin and **SECONDED** by Chuck Berry to approve the free webinar series plan. **MOTION APPROVED.**

Governance Committee – Charles Fowler reported.

- a. **Update on Industry Outreach on Proposed Order Changes** – Fowler shared that the requested changes to the Order have been released to the industry via e-newsletter and presented at State Association meetings. After the Board considers any feedback, final recommendations will be submitted to USDA.

The Board took a break at 10:50 a.m. and reconvened at 11:02 a.m. Central Standard Time.

Management Staff Update - Marsha Gray reported.

- a. **Assessment Collection** - A brief overview of the assessment collection report was provided. As of August 1, 2023, a total of \$1,544,087 has been received for the 2022 harvest year.
- b. **Status of Board Candidate Submission to USDA** – Jenny Tomaszewski assembled the nomination packet and submitted it to USDA on August 1st. Candidates have been informed if their name has been included in the packet to USDA.
- c. **Specialty Crop Block Grants** - Marsha Gray shared an idea about Specialty Crop Block Grants and connecting each state with the available funds. Currently, only a few states and associations are pursuing the available dollars. At the USDA level, would USDA consider a combined application for several states rather than going state by state to apply for the funds in each state? Gray has reached out to USDA and will continue to investigate.
- Board members discussed different ideas, including how the funds could be used.

Old Business: No new items to report.

New Business:

- a. **Approval of Legal Retainer – Watkinson Miller** – Marsha Gray shared that Watkinson Miller, PLLC, has been the RCTB's legal counsel.

It was **MOVED** by Charles Fowler and **SECONDED** by Roger Beyer to approve Watkinson Miller, PLLC. as our legal counsel. **MOTION APPROVED.**

- b. **NFPA Conference** – Derek Ahl shared that the Board approved up to \$7,000 for the National Fire Prof Conference. Board received a written report from NCTA on the conference.

USDA – George Webster reported.

- a. **Change in Marketing Specialists** – As of July 17th, Vickie Carpenter is now the main Marketing Specialist tasked to the RCTB, and Sarah Richardson will be the backup.
- b. **Management Review** - The RCTB Management Review took place on July 18-20, 2023, with Financial and Program Management Specialist Tarun Harit and Marketing Specialist Matthew Collins. A formal report of the review will be provided in the near future.
- c. US Customs is on track with updates, and the RCTB is set to be included in the computer system in October.
- d. Use of the word “Fake” is still being reviewed by upper leadership at USDA.

- e. OMB approved forms will expire at the end of 2024. Webster requested that if there are any issues or items for update, to please let AMS or Board staff know by September 1.
- f. **Importer Compliance** - Webster provided an update on an Importer that is not in compliance. USDA has sent two very stern letters and has not received a response.

For the Good of the Order/Announcements:

- Good to see everyone in person.
- A Board member received a comment regarding the management fee change in the Order. It was suggested that Board members and staff share with growers the reasons behind the decision to increase. It was requested to include this topic at the September meeting.
- It was recommended that all Committee chairs be included in the year-end budgeting process.
- Level of participation in the recent nomination voting process was discussed.

Meeting Schedule:

- a. **Next Meeting** – The next meeting of the RCTB will be held on Thursday, September 21st, at 11:00 a.m. Eastern time.

Adjourn:

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

Chairman Derek Ahl adjourned the meeting at 12:00 p.m. Central Standard Time.

Respectfully Submitted,
Chuck Berry
Secretary