

CHRISTMAS TREE PROMOTION BOARD

Board Meeting

Tuesday, February 11, 2020
Crowne Plaza Hotel, Austin, Texas

MINUTES

Welcome and Roll Call: The meeting was called to order at 8:06 a.m. Central time by Chairman, Beth Walterscheidt.

Board Members in Attendance: Paul Battaglia, Roger Beyer, Jim Corliss, Beth Walterscheidt, Bob Schaefer, Gary Westlake, Mark Schmidlin, Charles Fowler, Derek Ahl, William Brawley and Chris Maciborski

USDA Representative in Attendance: Sue Coleman

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

Guest(s) in Attendance: Chuck Contompasis and Griffin Stenger with Concept Farms. Liz Conant and John Armato with Fleishman Hillard

Guests in Attendance: Jim Wilson, Francis Fredrick, Stan Reed, Rocky Smith, LeAnn Smith, Jim Hingst, Bob Jones and Carla Jones

Agenda:

Mark Schmidlin requested adding "Good of the Order" under the announcements section. It was **MOVED** by Bob Schaefer and **SECONDED** by Della Deal to approve the Agenda as amended. **MOTION APPROVED.**

Meeting Minutes:

It was **MOVED** by Chris Maciborski and **SECONDED** by Gary Westlake to approve the January 15, 2020 meeting minutes as presented. **MOTION APPROVED.**

Signing of Conflict of Interest, Lobbying Prohibition Statements: Board members and staff signed letters of acknowledgment of receipt, disclosure, code of ethics, conflict of interest statements and certification regarding lobbying.

Committee Assignments:

Beth Walterscheidt announced her committee chair and vice-chair assignments. She requested that in selecting the members for each committee that committee chairs make diverse choices. All committees should have members selected by March 3rd. Ms. Walterscheidt needs to be included in all committee correspondence and a 14-day meeting notice is required.

- Promotion: Chair, Paul Battaglia; Vice Chair, Bill Brawley
- Research: Chair, Della Deal; Vice Chair, Derek Ahl
- Industry Relations: Chair, Gary Westlake; Vice Chair, Jim Corliss
- Governance: Chair, Bob Schaefer; Vice Chair, Charles Fowler
- Finance: Chair, Mark Schmidlin, Vice Chair, Roger Beyer
- Compliance: Chair, Chris Maciborski; Vice Chair, Bill Brawley

Committee Reports:

Finance:

- Mark Schmidlin presented the January 2020 financial statement.
- Marsha Gray provided a brief overview of the various income and expense categories in the profit and loss statement. She also reviewed the balance sheet, pointing out the two reserve fund categories (Research and Future Projects) as well as explained the purpose of the Accrued Expenses account.
- Gray explained that several expense accounts will come in under budget - Promotion Current Campaign (Acct 52100) and Compliance and Compliance Audit (Acct 64000).
- Roger Beyer mentioned no interest income appears for January. Interest income is earned in the sweep account and the sweep account statement comes out a few days after the month. There wasn't time to include it to have the financials ready for the board meeting. Gray reported that the interest earned in

January was \$514.11.

Compliance Committee:

Chris Maciborski asked staff to provide reports. Marsha Gray provided review of the 2019 compliance mailing:

- **1,689** pieces were mailed by FedEx or USPS all pieces were sent with a signature required.
- **228** names and addresses have been removed from the database because they were, out of business, deceased, retailer or no Christmas Tree industry connection.
- **3** pieces were refused.
- **84** pieces were received back for bad addresses. These were also removed from the database, as an alternate address could not be located.
- **159** pieces were received back with a completed Exemption form.
- **15** payers have paid: **\$46,765.60** as of February 7, 2020.

Board discussion was held on how to proceed with 1,000 – 1,200 Growers who have provided no response. Board discussed what assistance could USDA provide; possibly a letter. Sue Coleman indicated that individual cases could be sent to the USDA for collection assistance after the board provides two documentable notices.

It was **MOVED** by Chris Maciborski and **SECONDED** by Roger Beyer to undertake a second signature-required mailing of the non-responding growers. If no response is received, CTPB may proceed with a case for USDA.

MOTION APPROVED.

- Marsha Gray provided an update on the grower audit that is taking place with auditor, Jim Lance. 12 Growers have been selected for audit from all different regions. Each grower received notice via FedEx letter with required signature. The results of the audit should be collected by May.
- Marks Schmidlin raised discussion on who is required to pay the assessments of trees on the stump. A clarification from Ms. Gray; whoever owns the trees at the time of cutting is required to pay. USDA representative, Sue Coleman, shared in the Order, section 1214.52(b), the exact language for collection which, supported Ms. Gray's statement.

The board recessed for break at 9:32 a.m. And reconvened at 9:47 a.m.

Promotion Committee:

- Paul Battaglia reminded the board that CTPB funded the NCTA Voice of the Industry project in 2019 (Education funds) and also, sponsored the Christmas Spirit Foundation's Trees for Troops project (Promotion funds). Written reports from both entities were included in board packet.

Paul Battaglia welcomed and introduced the two agencies for 2019 Campaign:

- **Presentation from Fleishman Hillard:** John Armato and Liz Conant provided a Powerpoint overview of their agency's work for the 2019 season.
- **Presentation from Concept Farm:** Griffin Stenger and Chuck Contompasis provided a Powerpoint overview of their work on the 2019 campaign season.

There was general discussion with Concept Farm and Fleishman Hillard regarding the 2019 campaign and ideas for future campaigns.

The board recessed for lunch at 11:58 a.m. And reconvened at 1:08 p.m.

Research:

- Della Deal reported they have 8 members sitting on the research board – currently looking for another Eastern member to join.
- An overview of all the research projects to date was provided. North Carolina State University refused the funds for the CRISPR Kit project over shared ownership of intellectual property developed from project.

RFP's are expected to be sent out in May and are due back the beginning of July. Research proposals will likely be presented to the Board in August.

- Board discussion on how to share our detailed research projects with our growers. The discussion centered around offering growers a password protected place on our website for them to view the projects

Cyndi Knudson reported on the Seedling Survey details:

- Estimate cost \$4,950.00 is based on 50 suppliers to determine the number of transplants that were sold in the 2018-2020 planting seasons.
- Data collected for bare-root transplants and plugs with the intent of producing Christmas trees.
- Data will be tabulated and printed in a report for the Christmas tree industry.
- Surveys will be sent via FedEx with a return envelope enclosed.
- The material is highly confidential and no personal information will be tied to any of the responses.

It was **MOVED** by Roger Beyer and **SECONDED** by Jim Corliss to approve funding the proposed 2020 Seedling Survey using funds from Special Projects (Account 57000). **MOTION APPROVED.**

Industry Relations – Gary Westlake reported

- The research video project has received three quotes from three different agencies with a rough estimate of 15,000-18,000 for the video, which will highlight all research material.
- Roger Beyer suggested creating a published research journal. Board discussed which product would be better.
- Mr. Westlake suggested adding a place on the website where a grower can confidentially report another grower who is not in compliance.
- Marsha Gray shared on the different ways in which we communicate with our Growers and how we get them to read what is sent via mail, email or social media.
- Ms. Gray and Mr. Westlake have been attending State and Regional meetings.

Governance Committee – Bob Schaefer reported

- The Governance Committee will be reviewing all Bylaws and Policies and recommending updates if needed.
- Schaefer emphasized the importance of looking for qualified individuals who would be interested in serving on the Board.
- Board Representation Project – In accordance with the Order, Beth Walterscheidt and the Governance Committee will be reviewing the geographic representation of the board. Currently on the Board we have, 5 in the West, 2 in the Central, 4 in the East and 1 Importer. The 2018 Assessments and the 2017 Census of Agriculture will be referenced in determining proper distribution.

The board recessed for break at 3:10 p.m. And reconvened at 3:21 p.m. Paul Battaglia reminded the Board that we need a motion to return the research funds to reserve. It was **MOVED** by Paul Battaglia and **SECONDED** by Mark Schmidlin to return the \$58,300 earmarked for the CRISPR Kit project from the current Research budget (Acct 53000) to the Research Reserve fund. **MOTION APPROVED.**

Management Staff Update – Marsha Gray reported

- Independent Evaluation takes place every five years and required by USDA. The evaluation is a sort of ROI report back to the industry. Gray has contacted seven different firm and individuals who have done this work for other programs. The deadline for them to submit a proposal is February 27th. The executive committee will be reviewing these proposals and will present their recommendation to the Board.
- Marsha Gray and Bob Schaefer shared with the Board questions and concerns from the major grower meeting that took place in Dallas, Texas on Tuesday, January 22, 2020. Bob Schaefer organized the meeting and received positive feedback from the growers who participated.

USDA Update – Sue Coleman reported

- Every three years the Office of Management and Budget reviews all forms used by the Christmas Tree Promotion Board. Our forms are open for changes currently.

Suggested Changes:

- Marsha Gray would like to change the Importer of Record line on the Sales Assessment form.
- Paul Battaglia suggested adding a request to identify production by state.

Other Business:

Paul Battaglia inquired about the True Food TV Segment. Marsha Gray shared that they have already shot the retail and recycling segments, are currently working on writing their script and working with Bob Schaefer to select dates for the planting segment. The planned airdate is Thanksgiving week.

Announcements:

- Jim Corliss expressed concern for Trees for Troops as growers are not contributing trees. Charles Fowler shared the trees are highly received by service men and women. Chair pointed out that this issue is for the Christmas Spirit Foundation to address, not CTBP.
- Good of the Order: Board members each had the opportunity to share positive updates and appreciation for industry efforts.

Meeting Schedule:

- The next teleconference meeting will be held on Tuesday, March 24th at 11:00 a.m. Eastern time.
- The next face-to-face meeting will take place at Dull's Tree Farm in Indiana on July 23rd.

Adjourn:

It was **MOVED** by Jim Corliss and **SECONDED** by Chris Maciborski to adjourn the meeting at 5:10 p.m. Central time. **MOTION APPROVED.**

Respectfully Submitted,

Bob Schaefer
Secretary