

## CHRISTMAS TREE PROMOTION BOARD

### Teleconference Board Meeting

Tuesday, March 24, 2020

#### MINUTES

**Welcome and Roll Call:** The meeting was called to order at 11:09 a.m. Eastern 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 Della Deal

**Board Members Not in Attendance:** Chris Maciborski

**USDA Representative in Attendance:** Sue Coleman

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

**Guest(s) in Attendance:** None

#### Agenda:

It was **MOVED** by Mark Schmidlin and **SECONDED** by Della Deal to approve the Agenda as presented. **MOTION APPROVED.**

#### Meeting Minutes:

Beth Walterscheidt corrected the last name of Jim Hingst, a guest at the February 11, 2020 meeting. It was **MOVED** by Bob Schaefer and **SECONDED** by Gary Westlake to approve the February 11, 2020 Board meeting minutes as corrected. **MOTION APPROVED.**

It was **MOVED** by Mark Schmidlin and **SECONDED** by Bob Schaefer to approve the March 12, 2020 Executive Committee minutes as presented. **MOTION APPROVED.**

#### Independent Evaluation – Beth Walterscheidt reported

- USDA requires an independent evaluation every five years. Marsha Gray distributed a request for proposals among individuals and firms that have experience in these types of evaluations and received four proposals. The Executive Committee reviewed the four proposals at their last meeting and selected Dr. Timothy Richards from Arizona State University to complete the evaluation. It was noted that at the last meeting the Board authorized the Executive Committee to select the contractor.
- The total cost for the evaluation is \$30,500 and includes a purchase history survey, which will go out to US households. The results of the survey will be available to the CTPB Board.

It was **MOVED** by Jim Corliss and **SECONDED** by Paul Battaglia to approve a budget amendment to transfer \$30,500 from the Promotion Budget to create a new, one time, line item to cover the cost of the Independent Evaluation. **MOTION APPROVED.**

#### Committee Reports

##### Finance: Mark Schmidlin reported

- Committee Members: Mark Schmidlin, Roger Beyer and Beth Walterscheidt
- Mark Schmidlin reviewed the February 2020 Financial Statements.
- 2020/21 Fiscal Year Budget needs to be approved by the Executive Committee and submitted to USDA by April 15<sup>th</sup>. Finance committee has begun work and will bring a budget recommendation to the board prior to April 15.

**Compliance Committee – Marsha Gray reported for Chris Maciborski**

- The majority of the 2019 assessment collection is in with a total collection of \$1,628,094.92 as of March 23, 2020. Assessment income exceeds \$1,700,000 but also includes funds collected on previous years' harvest.
- The assessment collection report has been changed slightly. USDA has requested that we don't identify any state that might have fewer than four reporting growers. They are grouped together, and titled: Central - Small States, East - Small States and West - Small States.
- The auditor, Jim Lantz, has completed five of the twelve audits, however, with COVID-19 he is on delay. Planning to finish the rest of the audits in June, depending on COVID-19 situation.
- Jenny Tomaszewski reported an update on the Non-responder Mailing update:
  - **1,689** pieces were mailed by FedEx or USPS all pieces were sent with a signature required.
  - **259** 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.
  - **161** pieces were received back with a completed Exemption form.
  - **22** payers have paid: **\$48,647.50** as of March 23, 2020.
- Marsha Gray shared that we are working on the non-responders list to get prepared for round two of the non-compliance mailing.
- Board discussion on non-responders and voters that were not in compliance.

It was **MOVED** by Mark Schmidlin and **SECONDED** by Gary Westlake to direct staff to submit a letter to the Administrator, Bruce Summers, stating our feelings about the non-payers who were allowed to vote in the past referendum. **MOTION APPROVED** by roll call vote.

In Favor: Paul Battaglia, Jim Corliss, Beth Walterscheidt, Gary Westlake, Mark Schmidlin, Charles Fowler, Derek Ahl and William Brawley.

Opposed: Della Deal, Bob Schaefer and Roger Beyer.

#### **Promotion Committee** – Paul Battaglia reported

- Committee Members: Bill Brawley (Vice Chair), Ashley Ahl, Beau Coan, Terry McClain, Jane Neubauer, Kendra Driver, Mark Arkills, Olivia Dobbs, Travis Drexler and Beth Walterscheidt.
- The Next Promotion Committee meeting will be held on Tuesday, March 31, 2020 at 11:00 a.m. Eastern time. The committee will be reviewing the material from the 2019 campaign and planning for the upcoming 2020 campaign year. All committee members have been provided the presentations from both Concept Farm and Fleishman Hillard along with reach and budget data for all campaign components.
- Marsha Gray shared that the committee will be reviewing and making recommendations. Ms. Gray suggested prior to the Promotion Board meeting – any Board members who may have ideas or comments about items that they would like to see in this year's campaign, please provide your thoughts to the Promotion Committee before April.
- Planning contracts for the 2020 campaign is already included in the approved budget and Marsha will be preparing the planning contracts with our agencies in the next week. Face-to-face planning meeting with the two firms was planned for some time in May, but may need to be changed to an on-line format due to COVID-19.
- Roger Beyer asked the committee if they have made plans to accept proposals from other agencies for future (2021 and beyond) campaigns. Paul Battaglia stated they are going to look at the results of the Independent Evaluation before considering requesting proposals.

#### **Research** – Della Deal and Cyndi Knudson reported

- Research Committee members: Derek Ahl, Mark Schmidlin, Gary Westlake, Della Deal, Josh Peterson, Kirk Stroda, Bob Jones, Jim Heater, Matt Sexton and Brad Wishon.
- The next Research Committee meeting will take place on Monday, March 30, 2020 at 11:00 a.m. Eastern time.

- Della Deal made a request for the research material to be placed on our website. Cyndi Knudson shared they would like to have a page, password protected, where we could provide links to different research projects that the CTPB has funded; organized as a library. Marsha Gray shared that we could put a page together for the board to review before it goes “live”.

It was **MOVED** by Charles Fowler and **SECONDED** by Bob Schaefer to proceed with publishing a password protected research page on the christmastreepromotionboard.org website. **MOTION APPROVED.**

- Cyndi Knudson shared that they are getting in some mid-point research projects. Will pass them on, once they are received.
- The Research Topic Survey was sent out via email and we have received a lot of good results. The results will be shared at the next Board meeting. The survey will be included in an upcoming issue of Christmas Trees Magazine. Survey will be placed on the website so individuals can continue to complete the survey.
- Request for Proposals for the upcoming fiscal year’s research projects are scheduled to go out early May, but is based on the budget being approved by USDA. The due date for RFP’s to be turned in is early June. The committee will review and score them in early July. Findings will be presented to the board at our in-person July meeting.
- Seedling Survey is making progress. List of seedling suppliers put together, working to double check addresses. The plan is to implement the survey in July and hoping to have numbers to report by September.

#### **Industry Relations** – Gary Westlake reported

- Committee Members: Gary Westlake, Jim Corliss, Amber Scott, Tom Dull and Beth Bossio
- Mr. Westlake thanked everyone who shared at State and Regional meetings this year.
- Mr. Westlake provided an overview of the proposal for the research video project. The revised recommendation would create a shorter video with an emphasis on how growers can have input on research projects and how they can access library being developed, rather than a longer video featuring current projects. Estimated cost, if Concept Farm is used, would be around \$3,000 to \$4,000.
- Roger Beyer asked where this project would be funded out of, the Research Committee or Industry Relations. Marsha Gray suggested that it would be an appropriate item for the Industry Relations budget and will review the status of that budget to determine if there are funds currently available.
- Beth Walterscheidt recommended that Gary Westlake develop the plan with the Industry Relations Committee and bring recommendation back to the board.

#### **Governance Committee** - Bob Schaefer reported

- Committee Members: Charles Fowler (Vice Chair), Roger Beyer,
- To address the required review of board representation, the committee reviewed two sets of data; the USDA Census of Agriculture and the CTPB assessment data. USDA data would suggest a change in the make-up of the Board by region while CTPB assessment data supports no change in the board distribution. Committee recommends no change in board distribution.

It was **MOVED** by Roger Beyer and **SECONDED** by Della Deal to use the CTPB assessment data for board distribution and keep board representation as is. **MOTION APPROVED.**

- Project to update By Laws and Policies is being reviewed by the Governance Committee. Bob Schaefer thanked Sue Coleman for taking the time to highlight items for them to key in on.
- Bob Schaefer asked Sue Coleman to describe the process to change language in Code of Federal Regulations for the CTPB Research and Information Order. Sue Coleman indicated that USDA will entertain any recommendations that the Board may have. USDA requests that you submit a justification document. Included in that document, provide an argument as to why you feel there should be a change. Once submitted, it is published in the Federal Register for public comment, takes about 60 days. USDA will receive the comments and review them, if there is support for change, USDA will put forth a

final rule. The change goes into effect 30 days after the federal rule has been published. Two notices will be published in the Federal Register. Cost is \$159 per column (three columns on a page) for the Federal Register notice.

### **Management Staff Update**

Marsha Gray reported she has asked the Executive Committee to consider a proposal from Pinnacle Bank and consider changing our banking relationship. Brad Miller and John Paul Koch, now both with Pinnacle, were the original bankers with Metropolitan Bank (now Renasant), who CTPB selected when the program began. Miller and Koch came to our first meeting in Chicago and loaned the CTPB money for start-up and were the two bankers at Renasant with experience with R&P programs. Ms. Gray has asked them to put together a presentation for the Executive Committee to review.

### **USDA Update**

Sue Coleman reported that the CTPB's forms get updated every three years. Changes were suggested and are currently on notice with the Federal Register for comment. Visit: [www.regulations.gov](http://www.regulations.gov), search Christmas Trees. Comments are due by May 15<sup>th</sup>.

### **Other Business:**

#### **Announcements:**

- Beth Walterscheidt requested that the board be prepared to reserve two days for our next face-to-face Board meeting - July 22<sup>nd</sup> and July 23<sup>rd</sup> in Indiana.
- Ms. Walterscheidt would like to have Board meetings on the fourth Tuesday of each month.
- Ms. Walterscheidt will be coordinating Gray Management's yearly review.

#### **Meeting Schedule:**

- The next teleconference Board meeting will take place on Tuesday, April 28<sup>th</sup> at 11:00 Eastern time.
- The next face-to-face meeting will take place at Dull's Tree Farm in Indiana on July 22-23<sup>rd</sup>.

#### **Adjourn:**

It was **MOVED** by Bob Schaefer and **SECONDED** by Gary Westlake to adjourn the meeting at 1:36 p.m. Eastern time. **MOTION APPROVED.**

Respectfully Submitted,

Bob Schaefer  
Secretary