

CHRISTMAS TREE PROMOTION BOARD

Board Meeting

May 26, 2020

Via Video Conference

Welcome and Roll Call: The meeting was called to order at 11:02 a.m. Eastern time by Chairman, Beth Walterscheidt.

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

Board Members Not in Attendance: Chris Maciborski, Della Deal

USDA Representative in Attendance: Sue Coleman

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

Guest(s) in Attendance: None

Agenda:

Bob Schaefer requested to add the NCTA Survey to the "Good of the Order". Gary Westlake requested to add Board Nominations to the "Good of the Order". Beth Walterscheidt added an upcoming meeting on June 2nd under "next meeting".

It was **MOVED** by Jim Corliss and **SECONDED** by Charles Fowler to approve the Agenda as corrected.

MOTION APPROVED.

Meeting Minutes:

It was **MOVED** by Gary Westlake and **SECONDED** by Bob Schaefer to approve the April 28, 2020 Board Meeting minutes as presented. **MOTION APPROVED.**

Management Evaluation – Beth Walterscheidt

- Review Management Evaluation – Beth Walterscheidt thanked board members for completing the management evaluations. A summary of comments was included in the meeting packet as Management Evaluation 2020 Final. The Final Evaluation was presented to Gray Management.
- 2020-2021 Management Agreement – Walterscheidt referenced the proposed contract with Gray Management for management services from August 1, 2020 – July 31, 2021.

It was **MOVED** by Paul Battaglia and **SECONDED** by Roger Beyer to approve the Gray Management Agreement for 2020-2021 as presented. **MOTION APPROVED.**

Committee Reports

Finance – Mark Schmidlin reported:

- A brief overview of the April 2020 Financial Statement was provided.
- Assessment Collection as of Friday, May 22, 2020 totals \$1,805,112.97.

Compliance Committee – Marsha Gray reported for Chris Maciborski

- Collections Update – Assessment collection report through 5-22-2020 was presented. The top line is not populating in the proper state. Currently working with the software company to fix the issue. Total 2019 harvest assessments collected as of Friday, May 22, 2020 is \$1,722,361.87.

- Grower audits have been on hold because of COVID-19. Starting next week, the auditor, Jim Lantz, has four scheduled audit appointments. Mr. Lantz is working hard to get the remainder of the audits scheduled.
- Jenny Tomaszewski reported an update on the Non-responder Mailing update:
 - **1,145** pieces were mailed by FedEx or USPS.
 - **193** 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/rejected.
 - **5** pieces were received back for bad addresses. These were also removed from the database, as an alternate address could not be located.
 - **38** pieces were received back with a completed Exemption form.
 - **9** payers have paid: **\$5,287.80** as of May 22, 2020.

Promotion Committee – Paul Battaglia reported:

- Battaglia, Bill Brawley and Marsha Gray had planning meetings via video conference for the 2020 campaign with Fleishman Hillard and Concept Farm. The agencies presented a wider variety of recommendations for the coming year.
- The agencies will be presenting final recommendations and budgets, based on group discussion and feedback, in a few weeks.
- Prior to the session, we had an independent marketing profession from Syracuse University provide an evaluation of the 2019 campaign work by the two agencies. The evaluation was quite favorable and Battaglia indicated that it was helpful for the committee to feel confident about agency work.
- One key recommendation by the agencies was to build a more robust website and invest in driving traffic to that site. The website could provide many items of interest to consumers, including good descriptions of tree species, care information, fun activities and, as a top recommendation, a retail locator.
- Marsha Gray shared that the retail locator would provide information on all types of retail outlets where Christmas trees are sold.
- The board engaged in discussion on the idea of a locator, including concerns of impacts on NCTA and state associations that offer locators as a member service.

Research – Cyndi Knudson reported:

- RFP was emailed to over 70 researchers and proposals are due back on June 12th. AmericanHort also agreed to email out to persons they thought fit the criteria. The committee will review the proposals and share them with the board in July.
- Working on the no cost extensions for the current contracts. Most of the Researchers are unable to get into the field and many of the currently funded projects will be delayed.
- Knudson received an email from an NCSU researcher that they would not be able to submit research grant proposals to the CTPB due to the requirement in our Order that we maintain at least joint ownership of intellectual property developed through research grants we fund. This was the problem with Dr. Jack Wang's CRISPR proposal during the FY 2019-2020 grant funding cycle. Knudson has contacted a number of persons at NCSU including the office of Sponsored Programs and will report on any findings regarding this situation.
- Industry Data/Seedling Survey Project is moving along and prepared for a July release.

Industry Relations – Gary Westlake reported:

- Cyndi Knudson shared at the last Board meeting password protection for a research portal. Knudson is working with the website developer; and protection could be a unique password for each user or a general password for all users. The cost is \$500.00 for the web developer to

add the plug-in. If someone forgets their password, the plug-in handles that issue, not a person.

- This could provide data on how the portal is used and popular topics.

It was **MOVED** by Gary Westlake and **SECONDED** by Bob Schaefer to approve the release of \$500.00 to be used for individual passwords on the Research portal. **MOTION APPROVED.**

- Gary Westlake shared that the Industry Relations Committee will be meeting on June 12th to discuss the research video project and the possibility of working with the Promotion Committee regarding an effective way to reach growers.
- Paul Battaglia shared that we need to communicate more with our growers and wondered what might be most effective.

Governance Committee – Bob Schaefer reported:

- Schaefer presented the recommended Policy Book updates to the board. Sue Coleman asked the board to remove the Social Media Policy section, as the CTPB is asked to create an annual Social Media Plan instead.

It was **MOVED** by Bob Schaefer and **SECONDED** by Roger Beyer to approve the Christmas Tree Promotion Board Policy Book as presented with the removal of the Social Media Policy on page 10.

Discussion: Roger Beyer asked if the Social Media Plan should be referenced in the Management Agreement. Sue Coleman suggested that it does not need to be referenced specifically, however recommended adding a reference to “AMS/USDA Guidelines” in the agreement along with reference to complying with Act, Order and Bylaws.

MOTION APPROVED.

It was **MOVED** by Paul Battaglia and **SECONDED** by Bob Schaefer to amend the approved Gray Management contract with the following correction in section 2 e. of the attachment: “Ensure compliance with all provisions and requirements of the Act, Order, By-Laws and USDA/AMS Guidelines.” **MOTION APPROVED.**

Management Staff Update - Marsha Gray reported

Current standing for Board Nominations are:

- 2 importers: Larry Downey (QC) and Anzil Blackadar (NS)
- Eastern Region: Renee Campbell (NC), Steve Mannhard (AL), Chuck Berry (GA) and Travis Drexler (NY)
- Central Region: Jane Neubauer (OH) and Andrew Mattimoe (OH)
- Western Region: Keith Garlock (CA) and Roger Beyer (OR). We are also expecting two additional nominees.
- Ms. Gray shared that Dr. Tim Richards of ASU, he has been working very diligently on the Independent Evaluation. A report of his findings should be released on or around July 1.

USDA Update

- Sue Coleman shared that Administrator Summers provided a response to the letter that the Board sent to USDA. USDA will begin working on a letter to send to those who voted in the 2019 referendum when they can regain entry into the building. Currently, all USDA employees are currently working from home.
- Gary Westlake asked Sue Coleman if these individuals can receive the same amnesties as

those who are getting into compliance? Marsha Gray shared that it would be good to include Heather Pichelman so that the same opportunity is offered to those individuals as well. Sue Coleman will do a little research so that we are being consistent as well as fair.

Other Business

Board discussion on the possible impacts of COVID-19 on Christmas tree growers.

- Bob Schaefer shared that it is too early to come up with a definitive answer, but it is not too early to come up with some what-ifs.
- Gary Westlake wondered if the CTPB is the producer of this information or do we leave it for NCTA to produce? Schaefer shared that NCTA is trying to come up with some different scenarios and possible solutions. Westlake stated that it needs to include guidelines for growers and assurance for consumers.
- Marsha Gray shared that we should talk with the AmericanHort as they are working with the PNWCTA on a webinar of best practices in light of COVID-19. There will be a lot to learn from the horticulture group.

For the Good of the Order

- Gary Westlake inquired how board nominations work for executive leadership. Beth Walterscheidt will appoint a nominating committee in October/November and that committee will come up with names for the executive leadership.
- Bob Schaefer shared that he has been in discussion with Dugald Kell and Tim O'Connor regarding the NCTA consumer survey results. It was acknowledged that many within the industry are unconvinced of the accuracy of the results.
- Marsha Gray asserted that the results of the survey and the practice to continue the survey is completely the purview of the NCTA and not a CTPB issue. However, it could possibly be a concern for the CTPB if the survey data is seen as a negative with the media.
- Board discussion on the results of the NCTA Survey and the price of real trees. Roger Beyer commented that the CTPB has to decide if they want to continue to fund the Voice of the Industry project with NCTA if they choose to present messages that the CTPB does not support.

Next Meeting

- The next video conference Board meeting will be held on Tuesday, June 2nd meeting for a one agenda item at 11:00 a.m. Eastern time. Marsha Gray will email a consumer research proposal that will be discussed at this meeting.
- The next video conference Board meeting will be held on Tuesday, June 23, 2020 at 11:00 a.m. Eastern time.
- The board discussed continuing with the in-person July meeting verses an electronic meeting option.

It was **MOVED** by Bob Schaefer and **SECONDED** by Mark Schmidlin to cancel the July 22-23, 2020 face-to-face meeting in Indianapolis.

In Favor: Paul Battaglia, Roger Beyer, Beth Walterscheidt, Bob Schaefer, Mark Schmidlin, Charles Fowler, Derek Ahl, William Brawley, Gary Westlake.

Opposed: Jim Corliss.

MOTION APPROVED.

- The Board will continue with the July 22-23, 2020 meeting dates via video conference.

Adjourn

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

Beth Walterscheidt adjourned the meeting at 1:33 p.m. Eastern time.

Respectfully Submitted,

Bob Schaefer