

CHRISTMAS TREE PROMOTION BOARD

Board Meeting

June 23, 2020

Via Video Conference

Welcome and Roll Call: The meeting was called to order at 11:04 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, and Chris Maciborski

Board Members Not in Attendance: Della Deal

USDA Representative(s) in Attendance: Sue Coleman, Don Hinman, Katie Looft, and Vickie Carpenter

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

Guest(s) in Attendance: Timothy Richards with Arizona State University

Agenda:

It was **MOVED** by Roger Beyer and **SECONDED** by Charles Fowler to approve the Agenda as presented. **MOTION APPROVED.**

Meeting Minutes:

It was **MOVED** by Roger Beyer and **SECONDED** by Charles Fowler to approve the May 26, 2020 Board Meeting minutes as presented. **MOTION APPROVED.**

It was **MOVED** by Mark Schmidlin and **SECONDED** by Bob Schafer to approve the June 2, 2020 Board Meeting minutes as presented. **MOTION APPROVED.**

Independent Evaluation Presentation:

Timothy Richards, with Arizona State University and Badger Metrics, LLC, presented a detailed PowerPoint presentation to the Board regarding his findings in the independent evaluation of the CTPB marketing campaigns.

Board members, along with USDA members, asked questions regarding Mr. Richard's presentation.

It was **MOVED** by Roger Beyer and **SECONDED** by Charles Fowler to accept the independent evaluation report as it was presented. **MOTION APPROVED.**

Sue Coleman noted that the Independent Evaluation must be posted on the CTPB website once approved by USDA. After the presentation, Timothy Richards, Don Hinman, Vickie Carpenter and Katie Looft left the video conference.

Committee Reports

Finance – Mark Schmidlin reported

- A brief overview of the May 2020 Financial Statement was provided.
- Assessment collection as of Monday, June 22, totaled \$1,821,082.22.
- William Brawley asked Marsha Gray for an estimate of the net income for the end of the fiscal year. Marsha Gray shared that we are running a positive balance and will send the Board an updated year-end estimate.

Compliance Committee – Chris Maciborski asked Marsha Gray to report

- Collections Update – Gray provided a brief overview of the 2019 assessment collection report.

As of Monday, June 22nd, the total collected is \$1,732,279.42.

- Grower Audit Update – Gray shared that Jim Lantz, auditor, is currently out completing three audits in the Northwest this week. Twelve audits were assigned, one dropped (sold the business), six have been completed, one refused, three are being completed this week. One additional is declining an in-person visit.
- Jenny Tomaszewski provided an update on the non-responders mailing:
 - **1,145** pieces were mailed by FedEx or USPS.
 - **262** names and addresses have been removed from the database because they were out of the business, deceased, retailer, or no Christmas Tree industry connection.
 - **4** pieces were refused/rejected.
 - **16** pieces were received back for bad addresses. These were also removed from the database, as an alternate address could not be located.
 - **77** pieces were received back with a completed Exemption form.
 - **20** payers have paid: **\$12,802.65** as of June 22, 2020.
- Gray suggested possible options for pursue non-payers and non-responders, including building cases and possibly contracting with someone to contact non-responders. Gary Westlake asked at what point do we turn these cases over to USDA and not employ our own? CTPB can create cases and turn them over to USDA. Paul Battaglia asked Sue Coleman, USDA Representative, to share what the process is when cases are sent to USDA? Ms. Coleman stated that we need to do as much as we can on our end before creating a case. If a case is created, USDA will send out two letters from Heather Pichelman, AMS Director of Promotion. If no response is received, it is then turned over to the Office of General Counsel for the USDA auditor to begin working on. At that point, funds that are collected will go directly to the Treasury and not back to the Board.
- Board discussion regarding USDA's audit process, and the cost to use USDA's services.

Promotion Committee – Paul Battaglia reported

- The Promotion Committee met with the two agencies, Fleishman Hillard and Concept Farm, who shared their promotion ideas for the 2020 season. The committee will meet on Thursday, June 25th, to review the plans of the agencies. Marsha Gray, William Brawley, and Paul Battaglia will compile the feedback of the committee and will present a plan to the Board on Tuesday, June 30th.
- Battaglia provided an update on the True Food TV segment. They started filming last year and have a lot of content. Currently, two more segments need to be filmed, shearing, and harvest, and these will be completed this year.

Research – Cyndi Knudson reported

- The Research Committee received 20 research grant proposals. They are requesting an approximate total of \$724,500.00. Research Committee members have received the proposals and will review them as a committee on July 16th. The committee will then put together their recommendations and present them at the next Board meeting at the end of July.
- USDA has approved the seedling survey – the mailing to the seedling suppliers will go out at the beginning of July.
- Knudson shared that the research portal project that is shared between the Research Committee and Industry Relations Committee is moving along. They are currently working on stage 1 – which includes gathering different links of completed research projects that the CTPB has funded.

Industry Relations – Gary Westlake reported

- The Industry Relations Committee met on June 12th and was joined by Cyndi Knudson, Paul Battaglia, and William Brawley - they covered effective ways to reach growers. They discussed if Constant Contact is the best way and if growers are more likely to look at the e-newsletters if it included a short video from a fellow grower?
- Westlake suggested they create catchy phrases such as research Friday or promotion Tuesday.

- The National Christmas Tree Association (NCTA) is working on COVID-19 and the effects on the upcoming season. The messaging for consumers, retailers, and growers will come directly from NCTA.

Governance Committee – Bob Schaefer reported

- The CTPB Bylaws and Policies have been updated and approved by the Board. The committee will begin working on the Order next.

Management Staff Update – Marsha Gray reported

- Nominations were received for each regional area, Eastern, Western, Central, and Importer. Ballots have been mailed and are due back July 15th. The votes will be tabulated, and the top two vote-getters from each region will be sent to USDA. The Secretary of Agriculture will then make appointments.
- Gray shared that with the recent USDA approval of the Policies, an additional checking account with a single signature of the Executive Director will be established. This checking account will specifically be used for refunding overpayments of assessments. USDA requires that Board members cannot see what fellow growers are receiving in a refund. Each case that receives a refund will be reviewed by the auditor during the annual audit.
- Gray has been communicating with Brad Miller and John Paul Koch banking representatives from Pinnacle Bank. They were initially with Metropolitan Bank, which became Renasant Bank (our current bank). Mr. Miller and Mr. Koch are putting together a proposal; Gray will be meeting with them sometime this week to review the proposal. After Gray reviews, she will bring the proposal back to the Executive Committee for consideration.

USDA Update – Sue Coleman had nothing new to report.

Other Business – No new items to report.

For the Good of the Order – No new items to report.

Next Meeting

- The next video conference Board meeting will be on Tuesday, June 30, 2020, meeting for a one-item agenda to approve the 2020 promotion plan.
- The next video conference Board meeting will be on Tuesday, July 28, 2020, which will include the research proposals.

Adjourn

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

Beth Walterscheidt adjourned the meeting at 1:00 p.m. Eastern time.

Respectfully Submitted,

Bob Schaefer