

CHRISTMAS TREE PROMOTION BOARD

Board Meeting

September 22, 2020

Via Video Conference

Welcome and Roll Call: The meeting was called to order at 11:08 a.m. Eastern time by Chairman, Beth Walterscheidt.

Board Members in Attendance: Paul Battaglia, Roger Beyer, Beth Walterscheidt, Bob Schaefer, Charles Fowler, Derek Ahl, Jim Corliss, Gary Westlake, and Della Deal

Board Member Not in Attendance: William Brawley, Chris Maciborski, and Mark Schmidlin

USDA Representative(s) in Attendance: Sue Coleman

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

Guest(s) in Attendance: Chuck Berry, Anzil Blackadar, Renee Campbell, Larry Downey, George Haramis, and Frans Kok

Agenda:

Marsha Gray requested to add three additional project proposals under Promotion, and Beth

Walterscheidt requested to add Nominating Committee under For the Good of the Order.

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

MOTION APPROVED.

Meeting Minutes:

Roger Beyer requested a correction on the second page, third bullet point under Compliance Committee. The line should read “auditor, Jim Lantz”, instead of “audit, Jim Lantz.”

It was **MOVED** by Roger Beyer and **SECONDED** by Charles Fowler to approve the August 25, 2020 Board Meeting minutes as corrected. **MOTION APPROVED.**

Committee Reports

Finance – Marsha Gray reported for Mark Schmidlin

- A brief overview of the August 2020 financial statements was provided. Gray noted several items within the financial statement:
 - On page one of the report, there are numerous bank accounts listed as we are transitioning from Renasant Bank to Pinnacle Bank. At this time, most of the funds have transferred to Pinnacle Bank, and a small balance will remain at Renasant Bank to finish business.
 - Liability and Equity line item – at the end of each fiscal year, USDA requires the CTPB to set aside funds for anything under a contract that hasn't been paid in full.
 - Profit and Loss statement – in August, \$45,198.00 was received in assessments from completed grower audits.
- A question was posed as to why there is a negative balance in the Renasant sweep account. Gray shared that the two Renasant accounts, checking and sweep, are tied together and the total of the two is accurate.
- A question was posed as to why the interest income seemed low and wondered if it was due to transferring funds from Renasant to Pinnacle. Gray stated the interest income wasn't recognized from Pinnacle Bank in this statement. It was likely a delay in when interest is reported by the bank.
- Banking Update – Marsha Gray shared the accounts and lockbox have been established at Pinnacle Bank. All assessment forms have been updated to reflect the new lockbox address.
- Audit Update – Marsha Gray shared that the financial audit with USDA has begun. Gray is hoping to present the final audit at the October 6th Board Meeting, depending on workload of auditor.

Compliance Committee – Marsha Gray reported for Chris Maciborski

- A brief overview of the 2019 assessment collection was provided. As of Monday, September 21, 2020, a total of \$1,719,751.00 has been collected.
- Beth Walterscheidt asked Sue Coleman if the letters the Board requested USDA to send to individuals who voted in the referendum but were not in compliance have been sent? Coleman shared that the letters have not been sent as the South building remains closed. The Promotion and Economic Division employees are still working remotely. Coleman and USDA are working on getting the letters mailed out.
- Grower Audit Update - Gray shared that two growers who refused to meet with the auditor, Jim Lantz, have received one final letter from the CTPB as requested by USDA. Currently, both growers have indicated willingness to work with the auditor.
- The Compliance Committee is putting together different scenarios to determine the various ways in which trees are bought and sold among growers. Gray will be sending the submitted scenarios to the Committee for their review. Once the Committee has reviewed, they will be sent to USDA for their interpretation.

Research – Della Deal and Cyndi Knudson reported

- Knudson shared that all contracts for this year's research projects have been executed and are in place.
- Seedling Survey Update – responses have been collected. Knudson is currently waiting for a couple of surveys to be completed and returned. Knudson is working with researchers in different regions to get seedling survival estimates together to include with the survey results.
- Research Webpage - making good progress, going back and forth with the researchers to get a standardized report for completed research projects, and accumulating all the links to extension publications or other publications.

Industry Relations – Gary Westlake had no new items to report.

Governance Committee – Bob Schaefer reported

- Schaefer thanked Sue Coleman for going through the Order and making recommendations on changes. The Committee will be reviewing these suggestions and bringing them back to the Board.

Promotion Committee – Paul Battaglia reported

- Campaign Updates - the shearing segment for How Does it Grow has been completed. The harvest segment is the last item to be filmed. The Committee is hoping for a release date the week of Thanksgiving.
- Photos of numerous tree species have been completed. These photos will be shared on the newly designed website.
- Battaglia shared the Committee had a conference call with Chuck Toombs, professor at Oregon State University. Toombs students are working on ideas that will be implemented at retail lot locations as a part of their research project.
- Marsha Gray reported that the new website has been designed – it has not been finalized or approved by USDA, which should be taking place within the next week. As items are approved, it will begin populating more.

The retail locator is categorized by four categories: choose & cut, seasonal lot, garden center, or mass merchandiser with multiple locations. Gray has requested the Board and Promotion Committee test the online form for accuracy. Once the kinks have been worked out, there will be an announcement in the e-newsletter with specific details on sign-up. Gray will be reaching out to wholesale growers to make them aware of the locator and how they can share the information with their customers. A postcard will be created for wholesalers,

assessment payers, and exempt growers. Gray has been in contact with Home Depot and Lowes about the locator, and they seem eager to participate.

- Tree species guide - nineteen different tree species have been photographed. These photographs will be displayed on the newly designed website.
- Moving forward with City Mom Collectives (blogging influencers), Scary Mommy, and The Dad.
- Satellite Media Tour has secured Nicole Jolly (the host of How Does It Grow) as host of the tour. The location has been confirmed.
- Fleishman Hillard released a survey that was completed by children. They were asked various questions about Christmas, such as how long does it take to grow a Christmas tree, does Santa have a real Christmas tree? These engagements will be used in upcoming press releases and in video created by Concept Farm.
- Gray shared that the retail locator sign up will be announced through the e-newsletter as well as through a postcard mailing. A notice will be prepared for wholesale farms and CTPB will provide them with an email announcement as well as postcards that they can share with their retail customers.
- Gray shared that \$910,000 is the current Promotion budget, of which \$907,000 of the budget has been committed.
- Consideration of funding additional projects:
 - Dad How Do I? Rob Kenny, YouTuber, produces videos of Dad things such as unclogging a sink, changing the oil in your car, how to BBQ successfully. The Promotion Committee would like to ask Rob Kenny to do a segment on how do I take care for a Christmas tree, or how do I set-up a Christmas tree? The cost is \$7,500 to complete the segment.
 - Trees for Troops "A Virtual Celebration" - FedEx is not delivering Christmas trees to military bases overseas. Military families that live within the U.S. will be connected with someone that is living abroad. Details have not been finalized. The estimated cost is \$5,000.
 - Companion Trees – Capitol Christmas Tree project. Each year a different State is represented to take Christmas trees to Washington DC. This year, the US Forest Service selected a tree from Colorado and is looking for companion trees to place in legislatures and departmental offices. The forestry is looking for 80 trees of a standard 8-foot variety. Colorado has limited resources, and they have requested the CTPB help fund the tree project. Details have not been finalized. The estimated cost is \$5,000.
- Gray shared that the budget currently shows a projected net income, and the Promotion Budget could be increased, which would decrease the projected net income.

It was **MOVED** by Roger Beyer and **SECONDED** by Bob Schaefer to increase the Promotion Budget by \$17,500.

Discussion: Gary Westlake asked what type of stand (screw or pin style) will be used in the segment Dad How do I? Westlake also wondered if the Board could solicit sponsorship from stand manufacturers to help off-set the cost? Gray shared concern about featuring one brand over the other and suggested using both styles of stands. Sue Coleman shared that the Board could accept donations, but they must be free of all encumbrances.

Board discussion on different ideas that could be included in the Dad How Do I segment.

MOTION APPROVED.

- Bob Schaefer asked the Board about TikTok. One of Schaefer's employees displayed a shearing video on TikTok and received over a million views. Gray shared that she will ask the two agencies about TikTok. Sue Coleman stated that the site was not secure, and she is unable to view the site.

Management Staff Update

- Marsha Gray shared she is still looking into the process of an online payment system. Gray has been in conversation with the Watermelon Board regarding the details of their system.

USDA Update – Sue Coleman reported

- Heather Pichelman, Promotion and Economics Director, is working a detailed assignment with the AMS office until the end of the year. Patty Petrella will fill in as the acting director, and Kelly Robertson is the acting deputy director through October 23rd.
- Nominations – background checks are being completed on all nominees, and following clearance, they will be sent to the Secretary for an appointment.
- Coleman corrected a statement that she made at the last meeting and clarified that exempt growers (500 or less) could not vote in a referendum. However, any person may comment on any action that amends the order through the Federal Register.

Other Business

- NCTA “Voice of the Industry” Contract – Marsha Gray shared they are moving forward with the NCTA contract. A few wording additions were made to the contract to more fully outline CTPB desires. . In addition a copy of CTPB’s anti-trust policy was attached to the contract.

For the Good of the Order

- Beth Walterscheidt will be creating a Nominating Committee. Walterscheidt has requested that Board members let her know if they are interested in sitting on a Committee or if they would like to be considered for an open position.
- Kok thanked Sue Coleman for her correction regarding who can vote in referendums. Kok voiced his concern regarding growers who voted in the referendum but had not paid the assessment and asked that USDA reconsider sending the letters to those individuals, stating that this is harrassment
- Kok requested Coleman send him an email with the position changes that have taken place at USDA.

Next Meeting:

The next video conference Board meeting will be on Tuesday, October 6, 2020, at 11:00 a.m. Eastern time if needed

Adjourn:

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

Beth Walterscheidt adjourned the meeting at 12:28 p.m. Eastern time.

Respectfully Submitted,

Bob Schaefer