

CHRISTMAS TREE PROMOTION BOARD

Board Meeting

September 16, 2021

Via Video Conference

Welcome and Roll Call: The meeting was called to order at 11:01 a.m. Eastern Daylight time by Chairman, Roger Beyer.

Board Members in Attendance: Mark Schmidlin, Derek Ahl, Gary Westlake, Charles Fowler, Renee Campbell, Chuck Berry, Bob Schaefer, Roger Beyer, Bill Brawley, Mike Cocco, and Jane Neubauer

Board Members not in Attendance: Larry Downey

USDA Representative(s) in Attendance: Sue Coleman

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

Guest(s) in Attendance: Frans Kok

Agenda:

Marsha Gray requested the addition of "Promotion Marketing Strategy" under the Promotion Committee. The Board will enter into one Executive Session to discuss Marketing Agency Search Evaluations and Promotion Marketing Strategy. Moving, 2021 Campaign update to the top of the Promotion Committee agenda.

It was **MOVED** by Bob Schaefer and **SECONDED** by Bill Brawley to approve the Agenda as corrected. **MOTION APPROVED.**

Meeting Minutes:

Roger Beyer requested Bob Schaefer's last name be corrected as it is misspelled the second time it is used under Old Business. Beyer also requested the time be changed under the Meeting Schedule as it should read 11:00 a.m. start time.

Chuck Berry asked to make a notation that Betty Malone attended in-person at the last meeting and not via Zoom.

It was **MOVED** by Bob Schaefer and **SECONDED** by Derek Ahl to approve August 5, 2021, Board meeting minutes as corrected. **MOTION APPROVED.**

Committee Reports

Finance – Bob Schaefer reported

- a. **July 2021 Financial Statement (unaudited)** – Schaefer provided a brief overview of the July 2021 Financial Statement.
- b. **August 2021 Financial Statement** – Schaefer provided a brief overview of the August 2021 Financial Statement.
 - Marsha Gray explained how unpaid research commitments each year are charged to the Research Expense account at the end of the fiscal year (July 31) and accrued in the Accrued Expenses line that appears on the Balance Sheet. When research invoices are presented for a previous contract/fiscal year, they are paid from the Accrued Expenses account.
 - Roger Beyer requested that a detailed list of payments made from the Accrued Expenses account be provided with the financial statements. Gray confirmed that the staff had been doing that previously. However, there seemed to be a reason that USDA had requested that we not share that report. USDA Rep Sue Coleman and Gray will discuss further to determine what can be provided.
 - Schaefer noted that the budget on the final page of the report is not correct. Marsha Gray agreed, noting that the new budget has been entered into QuickBooks. However, it did not seem to translate to this report. She will have the bookkeeper make the correction and resend it to the Board. Schaefer also noted that Board Meeting expenses were higher than usual for the August meeting, most likely due to increased costs of flights and rental cars.
- c. **Update on 2019-20 Financial Audit** – The Finance Committee requests a one-item agenda meeting in

October to approve the audited Financials.

It was **MOVED** by Gary Westlake and **SECONDED** by Chuck Berry to accept the Financials as presented with the noted correction on the budget. **MOTION APPROVED.**

Research – Mark Schmidlin and Cyndi Knudson reported

- Research Grant Contracts for the FY 2021-2022 have been approved by USDA and sent onto the Universities for review and execution.
- Seedling and Transplant Survey is underway, the first round of responses have been received. Data should be available by the end of October.
- Research Library was very well received at the State Association meetings. Knudson is working on getting the Seedling Survey reports displayed on the Research Library.
- While presenting at the Ohio Christmas Tree Association, Jane Neubauer shared that she received great comments about the Research Library.

Industry Relations – Gary Westlake reported

- CTPB Summer Association tour that started in late June will wrap up at the end of September. Westlake thanked Jane Neubauer, Chuck Berry, Cyndi Knudson, Mike Cocco, and Larry Downey, who attended State Association meetings to present for the CTPB. Westlake also thanked Marsha Gray, who devoted her summer to attending as many meetings as possible.

Governance – Charles Fowler reported

- The Governance Committee has a meeting scheduled for Thursday, September 23, 2021, at 10:30 a.m. Eastern.
- If the Board has any additional comments regarding the Order, please submit those comments to Charles Fowler or Marsha Gray by Saturday, September 18th.
- Roger Beyer requested that Marsha Gray send the Zoom link for the Governance Committee meeting to the entire Board.

Promotion – Bill Brawley reported

- a. **Update - 2021 Campaign** – Brawley shared that the Committee had their first status meeting with Fleishman Hillard and Concept Farm. Marsha Gray shared that status meetings are held weekly until Christmas. During the meeting, agencies provide the status of current projects.
- Gray provided a brief overview of the current work Fleishman Hillard is working on:
 - The primary item they are working on is media relations and press releases. There has been a lot of press regarding the artificial tree industry that reported increasing the price and dealing with shipping issues from China.
 - Fleishman Hillard is working to obtain a high-level influencer, and the top two of interest are available – they are working to negotiate their fees.
 - Briefly discussed the Satellite Media Tour - generally, they wait until an Influencer has been selected before moving forward.
 - An E-card is another item they are working to connect directly with consumers to the CTPB website. They will receive a free e-card that can be shared with their friends and family. The CTPB would obtain all email addresses. They are currently working on designing the messaging and technology to be hosted on the website.
 - Gray provided a brief overview of the current work of Concept Farm:
 - Working on the Retail Locator to get growers to register or renew their business listing.
 - New content, the story of the converts. Converts are individuals that purchased a real tree for the first-time last year or the first time in a long time. They will be included in social postings and press releases that will consist of video and audio content.
 - Marsha Gray shared a wish list item – mentioned it may be a little late to produce for the 2021 year - creating multiple, short, how-to videos. Gray shared the Promotion Committee doesn't have the budget but suggested looking into sponsorship for these short videos. Concept Farms and Fleishman

Hillard are discussing pitching this sponsorship to some of their larger companies (i.e.: auto companies, baked goods, coffee and hot chocolate retailers) to see if they would be interested. Roger Beyer suggested seeing if a chain saw company would be interested.

The Chairman, Roger Beyer, called the Board into an Executive Session at 11:41 a.m. Eastern time.

The Chairman, Roger Beyer, adjourned the Executive Session at 12:40 p.m. Eastern time. Beyer stated that during the Executive Session, the Board decided to conduct in-person interviews of four agencies for the Promotion Committee at a date TBD likely in February. No decision was made on the market research strategies.

Compliance Committee – Derek Ahl reported

- **Assessment Collection Update** – Marsha Gray provided a brief overview of the Assessment report and stated there were no significant changes since the last meeting.

Management Staff Updates – Marsha Gray reported

- a. **USDA Management Review** – Every three years, USDA requires a Management Review. October 4th - 6th are the planned dates for the CTPB Management Review. Sue Coleman stated the review could possibly be done virtually instead of in person.

Old Business – No old business to come before the Board

New Business

- a. **Nomination Committee** – Roger Beyer appointed a Nominating Committee of officers for next year. Appointed: Charles Fowler, Mark Schmidlin, Derek Ahl, and Roger Beyer. Roger Beyer shared that he would be the chair, and they plan to meet before the first of the year.

It was **MOVED** by Chuck Berry and **SECONDED** by Bob Shaefer to approve the Nominating Committee as Roger Beyer presented. **MOTION APPROVED.**

USDA Report – Sue Coleman Reported

- Jenny Moffit was sworn in on August 17th as the USDA Under Secretary of Marketing Regulatory Programs. On September 1st Marketing Order and Agreement Division and the Promotion and Economics Division have merged to form the Market Development Division (MDD). Heather Pichelman is now the Associate Deputy Administrator for Specialty Crops Program under Sonia Jimenez and is also serving as the acting Director for the Market Development Division.
- Christmas Tree Promotion Board did have a FOIA request to publicize the number of growers brought into compliance every quarter. The documents have been provided to the AMS FOIA office, and the AMS Officer will provide those documents to the requestor.

For the Good of the Order /Announcements:

- Mr. Frans Kok requested clarification on the August 5th Meeting Minutes as to the status of the Order. Roger Beyer stated that there was no action taken on the changes of the Order, the Committee will be scheduling another meeting to complete further work. The Committee was given authority to send to CTPB's attorney to ensure the order is worded properly. Mr. Kok stated that as a member of the public, he objects to the provisions in the Order, sections 1214.81 and 1214.82, which required voters to have paid assessments to the Board.

Meeting Schedule

- a. **October audit approval meeting** - The Board's next meeting will be held in early October with an abbreviated agenda to approve the audited Financials.
- b. **January Meeting** - Tentative Board meeting for January 20, 2022, to hear the Promotion Committee recap for the 2021 year.
- c. **February Meeting** - In-Person Meeting – Discussion of an easy fly-in/fly-out location, possibly, Dallas,

TX. The multi-day meeting, one for the Board meeting and an additional day to interview the four selected agencies. Staff will create and send a Doodle Poll for the Board to vote on the best dates.

Adjourn:

It was **MOVED** by Bill Brawley and **SECONDED** by Gary Westlake to adjourn the meeting. **MOTION APPROVED.**

Chairman Roger Beyer adjourned the meeting at 1:04 p.m. Eastern time.

Respectfully Submitted,

Gary Westlake
Secretary