

**CALIFORNIA DEPARTMENT OF FOOD AND AGRICULTURE (CDFA)
ANIMAL HEALTH AND FOOD SAFETY SERVICES (AHFSS)
MEAT, POULTRY AND EGG SAFETY BRANCH (MPES)
SHELL EGG ADVISORY COMMITTEE (SEAC)
BUDGET SUBCOMMITTEE
MEETING MINUTES
MARCH 8, 2021**

California Department of Food and Agriculture
2800 Gateway Oaks Drive, Room 267
Sacramento, CA 95833

Item
No.

(1) CALL TO ORDER

Mr. David Will, Chair, called the SEAC Budget Subcommittee meeting to order at 9:05am and a quorum was established.

(2) ROLL CALL

Roll call was taken by Mr. Michael Abbott, Egg Quality Manager, Egg Safety and Quality Management (ESQM).

Committee Members Present:

David Will, Chair
Mike Gemperle, Vice Chair
Michael Sencer, Hidden Villa Ranch

Interested Parties:

No Interested Parties

CDFA:

Dr. Annette Jones	Michael Abbott
Rachel Andrade	Laura Barlow
Penny Arana	Logan Bartley

(3) BUDGET DISCUSSION

Michael Abbott began with the discussion of the Projected Funds portion of the Budget Proposal. He stated that the hope of the projection was to maintain the percentage of surplus that the program was required to have at the end of the fiscal year.

Mr. Abbott continued the agenda item with the explanation of the Projected Revenue. The estimated Beginning Operating Fund Balance on July 1, 2021 was \$4,876,042. The estimated Revenue for the 21/22 FY was \$4,027,744. That would leave the Total Funds Available for Expenditure to be \$8,903,586. With the projected 21/22 FY Budget of \$5,063,535, the estimated Cash Reserve at the end of the 21/22 FY would be \$4,298,299.

Mr. Will presented a question regarding the supposed 3/4th increase in Personnel. Mr. Abbott explained that an SSA Position is going to be converted into an AGPA Position. There is no increase in staff by any means.

Mr. Will presented a question regarding the benefits budget. Rachel Andrade explained that the benefits budget decreased because of the 9.23% pay cut that all staff incurred, as well as the introduction of new staff, whose benefits cost less than other staff. She also explained that there was a planned raise that was foregone due to the COVID-19 Pandemic, and thus was not included in the budget.

Michael Abbott expressed that the Travel Budget is remaining comparable the previous year in hopes that the statewide situation improves enough for inspections to return to normal activity.

Mr. Will expressed concern regarding the Border Station Budget. During the 19/20 FY, the BPS Program did not spend all the budget given to them. Dr. Annette Jones explained that it was likely that the BPS Program had funds of their own that they used opposed to using the budget given to them. However, Mr. Abbott reassured the Board that the BPS Program has been completely on track to spend the budget given to them and are likely to do so for the 21/22 FY.

Mr. Will inquired about the state of the County Contracts Budget. Penny Arana explained that the program was unable to keep San Bernardino County active and are trying to get San Diego back in action.

He continued by inquiring about the CDFRA Audits budget for the 2021/2022 FY. That is also reduced due to the payroll reduction. Information Technology Services' budget is going to be increased due to a major software update that is currently being developed. This will be the 4th year of Pension Payments. This is in order to correct the Under Funded Pension Benefits.

Mr. Will further inquired about the expenditures of the program. Currently, the program has an excess of reserve. However, it was presented that if the program continued to receive and pay the same amount of funds that it is now, they would be overspending \$1 Million each year. The estimated result of this is a steady decrease in reserves.

There was discussion to define the term "Cage-Free" because of the uncertainty of Prop 12. With a clear definition of the term, it would be enforceable by the program.

The discussion regarding cage-free definition will be a topic in tomorrow's SEAC Board Meeting.

There was discussion to increase the mill fee to \$0.11 in order to reduce the amount of money lost by the program each year, according to the projected funds.

(4) **PUBLIC COMMENTS**

- No public comments were made

(5) **ADJOURN**

Motion #1: Mike Gemperle motioned to approve the 21/22 FY Budget as written, and to raise the mill fee to \$0.11 effective July 1, 2021. Mike Sencer Seconded the motion. The motion passed unanimously.

Motion #2: Mike Sencer made a motion to adjourn the meeting. Mike Gemperle seconded the motion. All members agreed with no abstentions The motion passed unanimously.

The meeting adjourned at 10:33am.

Respectfully submitted:

Logan Bartley