CALIFRONIA CITRUS PEST AND DISEASE PREVENTION PROGRAM FINANCE SUBCOMMITTEE MEETING

Meeting Minutes Tuesday, August 4, 2015

Opening:

The Finance Subcommittee conference call was called to order at 10:00 a.m. on August 4, 2015, by Subcommittee Chair James McFarlane.

Subcommittee Members Present:

Jim Bates* Bob Felts, Jr.* James McFarlane*

CDFA Staff:

Jason Chan* Paul Martinez* Debby Tanouye*

Victoria Hornbaker*

Opening Comments:

Chairman, James McFarlane, welcomed the Subcommittee and staff participating in the webinar.

Public Comment:

There were no public comments.

2014/2015 Budget Review

CPDPC Budget

The program collected \$1,513,777in revenues in the month of June for a new total of \$11,841,267 for current year which represents about 82 percent of the total projected revenue. We are receiving revenue at about 16 percent more than projected, which is good news. There has been \$1,744,735 in expenditures in June 2015, making the total expenditures year to date \$9,926,597. The new budget balance is \$6,696,081. Budgets will be prepared for the activities in Santa Clara and San Benito and presented at the next full committee meeting. The Executive Committee approved a budget of \$57,042 to add 2 temporary inspectors for the Central Valley to focus on enforcing packinghouse and hauler compliance agreements. Additionally, the Diagnostic lab is seeking an additional budget augmentation of \$160,000 to the current assessment budget of \$514,664, due to the additional samples from the new HLB area.

CHRP Budgets

The total expected from CHRP per the original agreement is \$9,624,859. There was \$738,205 in expenditures in June, making the new total \$5,009,777. There is a new balance to go of \$4,615,082. There will be an additional allotment from CHRP in the amount of \$1,219,842; per the Committee's recommendation, these funds will be used for expenditures in the Assessment budget, \$908,749for commercial grove trapping and \$311,093 for winter trapping. It was noted that the funds will be displayed in the July report.

^{*} Participated via webinar

Other Budgets

The TASC Grant had \$111,394 in expenditures in June. The new total expenditures are \$326,656with a remaining balance to go of \$148,344. There were no changes to the Citrus Commodity Survey, the NIFA Funds or the CDFA Funds. There was \$1,397 in expenditures in the HLB MAC budget, leaving a budget balance of \$94,107.

Variance Analysis

Currently there is a negative 8 percent year to date variance and the program is approximately 60 percent spent. Compared to the previous year, there is a 107 percent variance in expenditures, which is due to earlier use of the treatment applicators due to finds occurring earlier in the fiscal year than last year. Monthly projections were also greater through May

2015/2016 Projections

Revenue Projection

A revenue projection was shared with the subcommittee, based on the NASS Pacific Region Crop Projection, 7/10/2015. The projection is for 79 million cartons of navels, 40 million cartons of lemons, 32 million cartons of mandarins, 19 million cartons of Valencia's and 7.6 million cartons of grapefruit for a total projection of 177.6 million cartons. This amount might be conservative, but the finance subcommittee felt comfortable using this it as a starting point. If the Committee decides to go with 7 cents per carton, the expected revenues would be \$12,432,000, at 8 cents per carton the revenues would be \$14,208,000 and at 9 cents per carton, the revenue projection would be \$15,984,000. The subcommittee was supportive of seeking the maximum of 9 cents per carton.

Budget Projections

It was noted that not all of the projections are complete, but those that are complete were presented. The assessment budget is projected at \$1,090,349, which is about \$150,000 more than last year. The increase is mainly due to moving from a seasonal position to a permanent position for the program support and assessment collection, a proposed addition of an environmental scientist position and additional supplies and software to support mapping and GIS activities. The outreach budget is projected at \$700,000, which is all contractual with the outreach contractor. The area-wide coordinators budget is projected to be \$672,000. The new area contingency budget is projected to be \$1,351, 52. The CRB Operations budget will be revised, but a placeholder of \$1,400,000. The diagnostic lab is projecting a budget of \$884,260. The subcommittee was comfortable with the projections that were presented. Additional budgets will be presented at the next subcommittee meeting.

The meeting was adjourned at 11:00 a.m.; the next meeting is scheduled for September 2, 2015 at 10:00 a.m.