

**CALIFORNIA CITRUS PEST AND DISEASE PREVENTION PROGRAM
FINANCE SUBCOMMITTEE MEETING**

Meeting Minutes
Wednesday, January 6, 2016

Opening:

The regular meeting of the Finance Subcommittee was called to order at 10:00 a.m. on January 6, 2016 in Sacramento, California by Subcommittee Chair James McFarlane

Committee Members Present:

Bob Felts, Jr.* James McFarlane*

CDFA Staff:

Jason Chan* Aliza Santos* Debby Tanouye*
Paul Martinez*

*** Participated via webinar**

Opening Comments:

Chairman, James McFarlane, welcomed the Subcommittee and staff participating in the webinar and called the meeting to order at 10:00 a.m.

2014/2015 Budget Review

CPDPC Budget

The program collected \$584,421 in October and November for a new total of \$14,393,247 for the current year which represents about 99 percent of the total projected revenue. There has been \$1,539,895 in expenditures since the last Subcommittee meeting, making the total expenditures year to date \$14,420,395. The new budget balance is \$2,733,800. The projected ending balance is \$11,370,853. Staff anticipates closing out the 2014/2015 budget by the middle of January.

CHRP Budgets

The total executed budget from CHRP per the original agreement and the augmentation is \$10,844,701. There was \$1,806,050 in expenditures since the last Subcommittee meeting, making the new total expenditures \$9,550,579. There is a new balance to go of \$74,280, but staff anticipates expending the entire balance and zeroing out the budget.

Other Budgets

The TASC Grant is completely expended at a total of \$475,000. The HLB MAC budget has a budget balance of \$55,370.

Variance Analysis

Currently there is a negative 15 percent year to date variance and the program is approximately 84 percent spent. The revenues are at a positive 6 percent year to date.

2015/2016 Budget Review

CPDPC Budget

The program collected \$619,178 in revenue for a new total of \$619,178 for current year which represents about 4% of the total projected revenue. The assessment budget increased by \$24,460 due to the approval of the Cal Poly Pomona grant, making the new total budget \$17,641,657. There has been \$1,017,842 in expenditures through November, leaving a budget balance of \$16,623,815. The projected ending balance for the 2015/2016 fiscal year is \$9,713,196.

Debby will be presenting new proposals for funding in new and expanding find areas including; San Mateo, Stanislaus, Kern and Santa Barbara Counties.

CHRP Budgets

The total expected budget from CHRP \$10,844,701. There was \$247,829 in expenditures since the beginning of the fiscal year. The new balance to go is 10,596,872.

Other Budgets

To date it is unknown if the program will receive a TASC Grant or a Citrus Commodity Survey Grant. There has been \$122 in expenditures on the HLB MAC budget.

Variance Analysis

The 2015/2016 budget variance analysis has been prepared with over one half of the projections being straight lined; the program is trying to build in better lags to represent the actual invoicing timeframes. The expenditures are 7.28 percent different compared to last November (2014) and 5.77 percent of the budget has been spent this year so far.

Spending Authority

A spending authority tracking sheet has been developed, which will be used to track expenditures from services and work in July 1, 2015 through June 30, 2016. This will help the program ensure that the authority is not overspent. The Finance Subcommittee will begin planning once the authority is 50 percent spent and to take action with the Committee once the authority is 75 percent spent. The authority is set at \$15,624,418 with \$3,867,689 spent so far in the State fiscal year. This would account for 25 percent of the programs authority.

Other Items

At the last meeting, the Acting Committee Chair gave the Finance Subcommittee the task of considering other ways to assess industry (other than the carton assessment). The group had brought up the point that going forward it might be difficult to rely on that method, which is why they wanted the Subcommittee to look into other funding mechanisms. The Subcommittee discussed a possible hybrid of 2 or all 3 forms (production, nursery, acreage), feeling that it would be completely unfair to rely completely on nursery sales or to rely completely on acreage. There was discussion on the accuracy of the current commercial acreage maps; James will contact CRB to discuss this issue. The Subcommittee will continue to research and develop an alternate funding plan for the program.

The meeting was adjourned at 11:30 a.m.