

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

Meeting Minutes
Tuesday, December 11, 2018

Opening:

The Finance Subcommittee webinar was called to order at 10:00 a.m. on December 11, 2018 by Subcommittee Chair Bob Felts, Jr.

Subcommittee Members Present:

Bob Felts, Jr. James McFarlane Dave Tomlinson Kevin Severns

Subcommittee Members Absent:

Craig Armstrong Dr. Etienne Rabe

CDFA Staff:

Holly Deniston-Sheets* Ryan Fong* Victoria Hornbaker* Raymond Leclerc*

* Participated via webinar

Opening Comments:

Finance Subcommittee Chairman, Bob Felts, Jr., welcomed the Subcommittee, guests and staff participating in person and via webinar.

Expenditure Tracking Update

Ray Leclerc discussed the new alphanumeric coding system that will be based on the activity and region. He met Pest Detection and Emergency Projects (PDEP) staff to create new codes, which had received buy ins from PDEP and their accounting department. He noted that these new codes are simpler and should be in use by January 1, 2019. He also noted that he will create a pathway to take the old codes from the first quarter and backtrack to process them under the new coding system.

Review 2017/2018 Revenues

Ryan Fong reviewed the projected revenues for Fiscal Year (FY) 17/18 of \$16,470,000 which was based on the projected crop of 183,000,000 cartons. He noted that the actual revenues to date are \$15,066,737 which still puts us \$1,403,263 below the projected mark. Ryan reviewed the revenues for FY 18/19 of \$18,000,000 which was based on the projected crop of 200,000,000 cartons. He also noted that so far, the Citrus Pest and Disease Prevention Committee (CPDPC) has almost \$500,000 in revenues for this fiscal year.

Review 2017/2018 Budget and Expenditures

Victoria Hornbaker presented an updated budget with actual expenditures for July through September 2018. She noted the actual expenditure is \$32,713,034 and the encumbrance is

\$8,924,152. She explained that an encumbrance is an amount of funds set aside to cover what our obligations could be. Once the system closes out, the funds will be disencumbered. She mentioned that normally, the previous fiscal year is closed out in January/February, however, because of the transition to the state's new accounting system, it may take a little longer this year. James asked how a negative encumbrance was generated. Victoria noted that it was uncertain but will contact financial services and PDEP to find an explanation.

Victoria reviewed the Fund Condition Statement (FCS) which only includes agriculture funded programs, AB 281 revenues and expenditures. This report is generated once a year at the close out of the state fiscal year, not federal fiscal year. She noted that the actual revenues and actual expenditures can be added, however, it will throw off the projected fund balance for the future years on the spreadsheet. Victoria suggested that Ryan could look at the spreadsheet and try to develop a simpler version that shows the actuals and adjustments, which can be continually updated throughout the year.

Review 2018/2019 Budget and Expenditures

Victoria noted that the CPDPC will still be receiving \$12,500,000 in general funds. There is not a federal budget yet, but it may end up working off last year's totals. Victoria noted that Joel Nelsen is working hard to get more money from the feds, however, the committee will work off the baseline of \$12,100,000.

2019/2020 Dedicated Resources and Projected Budget Update

Ray Leclerc provided an update on the progress that has been made on moving forward with securing dedicated resources for the Citrus Program. He noted that the program is moving in the right direction to get together dedicated resources consistent with the current budget. If the current governor supports it, it will likely show up in his budget that comes out the beginning of January 2019. Ray mentioned the implementation date of July 1, 2019 for a dedicated the Citrus Program, providing that all the approvals are received. He also noted that he and Victoria have the ability to start working on implementation before July 1, which will be key for timely implementation. Victoria noted that it is important to have a good understanding of where the program stands in January, then strategically plan.

Closing Comments and Adjournment

The meeting was adjourned at 10:47 a.m.