

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

Meeting Minutes
Monday, February 11, 2019

Opening:

The Finance Subcommittee webinar was called to order at 2:00 P.M. on February 11, 2019 by Subcommittee Chair Bob Felts, Jr.

Subcommittee Members Present:

Craig Armstrong*
Bob Felts, Jr.*

James McFarlane*
Dr. Etienne Rabe*

Dave Tomlinson*

CDFA Staff and Guests:

Ryan Fong*

Rayne Thompson*

* 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

Ryan Fong stated that Ray Leclerc is making good progress with the coding system. Ray has started to roll out the codes to the California Department of Food and Agriculture (CDFA) field staff and they have been able to make sense of what the codes mean and how to use them. The next step is to integrate this coding system with FI\$Cal to get CDFA the detailed reports that is needed. Once CDFA has this integration, time lags can be determined.

Review Final 2017/2018 Revenues

Ryan stated that in FY 17-18, the total amount received in assessment collections was \$15,137,149.20. The Citrus Pest & Disease Prevention Program's (CPDPP) total projected amount, based off 183,000,000 cartons at \$0.09/carton, was \$16,470,000. The estimated outstanding amount is \$1,332,520.80. Bob asked if the program would expect any further increase to the total revenue for FY 17-18. Ryan explained that there are packers who have not yet paid either their monthly assessment fee or late fee, however, those amounts going forward will be carried over to the FY 18-19 Revenues spreadsheet. It was asked if the committee had previously cut the income projections due to this shortfall. Bob stated that the committee had determined there would be a shortfall beforehand.

Review Final 2017/2018 Budget and Expenditures

Ryan explained that the budget office has not yet been able to close out FY 17-18. All months in FY 17-18 have been closed out except for August 2018 and September 2018. The approved budget for FY 17-18 was \$41,326,098. The actual expenditures through September 2018, so far, are \$32,757,877. This is a \$48,535 increase from the amount that was reported at the last

subcommittee meeting in January 2019. It was asked why there was a drop in the 4th quarter encumbrances. Ryan explained that one of the reasons could be that some of the funds have been disencumbered and moved to expenditures.

Review 2018/2019 Revenues

Ryan stated that the total amount received for FY 18-19 was \$2,978,183.78, so far. In January 2019, the program received a total of \$1,564,878.76 from assessment collections. Comparing this amount to the amount received in January 2018, similar amounts were received for both years. Bob stated that there may be a potential shortfall with the size structure of the crops this year, causing a fair amount of fruit to not be counted. It was suggested to further discuss a reduction in potential revenues for this season at the full committee meeting. It was explained that a fair amount of fruit will not be counted due to bins not reaching the packing house. The subcommittee was asked to discuss reducing the number of projected cartons. It was suggested that the subcommittee should not yet change anything, but instead see what the revenue is next month.

Review 2018/2019 Budget and Funding Sources

Ryan stated that the approved budget for FY 18-19 is \$40,056,601. The total expenditures to date are \$3,992,679. In January 2019, expenditures were \$416,088. The remaining balance for FY 18-19 is \$36,063,922. Bob asked why the expenditures in January were low. Ryan explained that this could be due to the lag time of when the expenditures show up in the account. It was asked what the causes of the lag time were and stated that there is no benefit to stretching out the program's cash flow because there is no interest gained. It was stated that it would be difficult to determine if the program has enough funds for future expenditures if the expenditures show up delayed in the program's account. Ryan explained that the encumbrances are a set amount of funds put aside to be potentially spent in the future, which helps determine the remaining balance that can be spent throughout the year.

The meeting was adjourned at 2:32 P.M.