

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

Meeting Minutes  
Tuesday, July 7, 2020

**Opening:**

The Finance Subcommittee webinar was called to order at 10:00 AM on July 7, 2020 by Subcommittee Chair Bob Felts, Jr.

**Subcommittee Members Present:**

Bob Felts, Jr.\*                                  James McFarlane\*                                  Dave Tomlinson\*

**Subcommittee Members Absent:**

Craig Armstrong                                  Dr. Etienne Rabe

**CDFA Staff and Guests:**

Carl Baum*	Anmol Joshi*	Aurel Quintana*
Ryan Fong	Zachary McCormack*	Lydia Rodriguez*
Alisha Garcia*	Alex Muniz*	Kelly Salinas*
David Gutierrez*	Keith Okasaki*	Jennifer Willems*
Amelia Hicks*	David Phong*	
Victoria Hornbaker*	Preetika Pratap*	

\*Participated via webinar

**Opening Comments**

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

**Review 2019-2020 Budget**

Ryan Fong presented the expenditure report for Fiscal Year (FY) 2019-2020. The total expenditures for FY 2019-2020 are \$14,267,193 to date with a remaining balance of \$26,219,952. Ryan added a variance line on the report showing the difference between expenditures tracked manually and expenditures tracked by the Financial Information System for California (FI\$Cal). FI\$Cal has closed through April 2020. The subcommittee suggested adding the total expenditures from FY 2018-2019 below the variance line to compare with FY 2019-2020 total expenditures. Ryan presented the expenditure projections for the remainder of the FY 2019-2020 to the subcommittee. Expenditure projections were established by using the manual tracking of total expenditures to estimate division expenses and the remaining balance using the straight-line budget method. The straight-line method averages the amount spent per month to calculate a projected total to be expended for the remaining months.

Ryan then presented a balance sheet for the state fiscal year from July 1, 2019 to June 30, 2020. The balance sheet is based on the manual tracking budget display, not FI\$Cal reports. On the balance sheet for the month of May 2020 there was a fund shift of \$5,000,000 from the General Fund to the Assembly Bill (AB) 281 fund, fully expending the General Fund. The information

from the balance sheet is used to produce the Fund Condition Statement (FCS). The FCS operates on the state FY from July 1, 2018 to June 30, 2019. According to the FCS, the Citrus Pest and Disease Prevention Division (CPDPD) has fully expended the General Fund and has a remaining balance of \$9,005,744 in Citrus Health Response Program and \$39,064,903 in the AB 281 fund. FY 2019-2020 ended on June 30, 2020, starting the new FY 2020-2021 on July 1, 2020. The subcommittee asked if the Division could lower the assessment rate due to FY 2019-2020 projected reserve balance of \$39,064,903. Victoria Hornbaker explained there is a potential for CPDPD to lose the General Fund due to the state deficit and will discuss assessment rates with the subcommittee in September.

### **Review 2019-2020 Revenue and Assessment Processing**

Alisha Garcia presented a PowerPoint to explain the processing of remittance assessments from packing houses. Packing houses send monthly remittance forms and checks for payment to the California Department of Agriculture (CDFA) cashier. The cashier processes the checks and sends a packet called a Report of Collections to CPDPD containing a report date, report code, the number of checks received, a check stub, a remittance form and the total amount paid by each packing house. The remittance form is used to calculate the total weight received by each packing house which is divided by forty pounds to calculate the number of cartons, which is then multiplied by nine cents per carton to create the total amount of remittance to be paid to CPDPD. Alisha checks the calculations on the remittance form submitted by the packing house, reconciles the amount paid on the check stub and checks the postage to determine if the payment was paid on time. Packing houses have forty days from the end of a reporting month to pay their remittance fee. For example, a June 2020 remittance must be received or postmarked by August 10, 2020, if received after August 10<sup>th</sup> the remittance is reported as late and a letter with late fee charges is issued to the packing house. The letter calculates a 10 percent late fee charge and an additional 1.5 percent late fee charge for every month the remittance goes unpaid. In processing and tracking remittance assessments a revenue report is created and presented at the monthly Finance Subcommittee meeting.

Alisha presented the FY 2019-2020 revenue financial report. A total of \$1,985,060.87 was received for June revenue, bringing the current yearly total to \$15,049,467.41. The subcommittee asked CPDPD to work with the Citrus Research Board to reconcile remittance submittals from packing houses. Victoria explained that CPDPD can work with CRB and can have CPDPD staff call packing houses to do a desk side audit. A desk side audit is a process which randomly selects packing houses to audit ledger reports to compare with remittance received by CPDPD. After reviewing the revenue report, the subcommittee conceded that the revenue totals match with previous yearly reports to CPDPD, assuring the accuracy reported by packing houses.

### **Review 2020-2021 Budget**

CPDPD is drafting a FY 2020-2021 budget by gathering salary and benefit information, expenditures, revenue, and contract totals to generate an accurate budget for the division. Administrative staff are working with regional managers on projected budgets for each district based on previous budget displays, expenditures and the needs of each district. The budget projections will be presented at the next Finance Subcommittee meeting on August 4, 2020.

The meeting was adjourned at 10:43 A.M. The next Finance Subcommittee meeting will be held on August 4, 2020 at 10:00 A.M.