

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

Meeting Minutes  
Tuesday, June 8, 2021

**Opening:**

The Finance Subcommittee webinar was called to order at 9:00 A.M. on June 8, 2021 by Subcommittee Chair Bob Felts, Jr.

**Subcommittee Members Present:**

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

**Subcommittee Absent:**

Craig Armstrong                      Etienne Rabe

**CDFA Staff and Guests:**

Carl Baum*	Victoria Hornbaker*	Mia Nunzig*
Karina Chu*	Linda Hurley*	Keith Okasaki*
Lea Cochran*	Laura Irons*	Michael Soltero*
Kiana Dao*	Anmol Joshi*	ThuyVy Troung*
Paul Figueroa*	Dylan Lamanto*	Claudia Vasquez*
Alisha Garcia*	Zach McCormack*	Karen Westerman*
David Gutierrez*	David Morgan*	Jennifer Willems*
Amelia Hicks*	Alex Muniz*	

\*Participated via webinar

**Opening Comments**

Finance Subcommittee Chairman, Bob Felts, Jr., welcomed Subcommittee members, guests and staff participating via webinar.

**Introduction of Financial Consultant**

Victoria Hornbaker reported that the financial consultant contract was awarded to Macias, Gini & O'Connell LLP (MGO) and that the Division is excited to have the contract in place and to begin working with MGO. Leah Cochran introduced herself as the MGO Director managing the contract. She noted that she has extensive experience working with all levels of government in the financial compliance arena. She introduced Linda Hurley from her team as the engagement partner for this contract. Linda has over 20 years of experience working with government entities and has experience with auditing and providing financial services. Leah discussed the approach MGO will take and the expected outcomes. The first phase has been completed; including a meeting with Bob Felts, Jr. and the Division staff engaged in expenditure tracking. Phase two will include MGO staff reviewing processes and procedures of the Division and meeting with staff to develop a work plan with tasks and subtasks. Then the execution phase will begin, this work will be done onsite and remotely. They will hold weekly status meetings and report on any preliminary findings. Finally, in the reporting phase, MGO will communicate their formalized observations and recommendations to the respective parties. They estimate the planning phase

will be completed in June, execution will be completed in June through July, and reporting at the end of July. Dave Tomlinson asked about the timeline and Leah responded that most of the work will be completed in June and July with full completion in August, but she reiterated that observations and recommendations will be shared throughout the process. James McFarlane stated that the reason for the contract is to dial into lag times and expenses so the Committee can have a better understanding the Ag Fund reserve to accurately prepare annual budgets. Bob stated that there is a level of frustration in late invoicing and asked MGO if they can help with that. Linda mentioned that it depends on the agency, but she provided an example of how they assisted one of their clients to identify challenges and determine if they were controllable by the organization. Victoria noted that when the Division enters into a contract, a budget is created by the contractor for the work they believe is necessary. The budget is not a guarantee of payment as the contractors are reimbursed for services rendered, but when the Division is preparing the annual budget, the maximum contract amount that is anticipated must be used in the budget preparation. This makes the budget appear inflated even though the Division is under spent at the end of the year. The Division must account for all contract expenses knowing that it makes the budget appear over budgeted, while it is unlikely that we will realize all of the expenditures.

#### **Review Fiscal Year 2020-2021 Budget**

Alisha Garcia presented the revised budget display with the additional column that include the total expenditures presented at the previous meeting for comparison. She noted that the salaries that were not distributed at the May meeting have been distributed to the appropriate budget lines. She also pointed out the column with the prior year expenditures that has been added, these lines show late charges or invoices that are being charged to fiscal year (FY) 2020-2021. She noted that March and April have closed in Fi\$Cal. The current expenditures for FY 2020-2021 total \$13,291,524 with a remaining balance of \$28,956,634.

#### **Review FY 2020-2021 Revenue**

Alisha stated that revenue received went up to \$2,056,892 and the total year to date is \$11,228,383. Bob noted that the revenue is approximately 70 percent of the projected revenue which corresponds with previous years.

#### **Other Items**

Bob asked if there has been any update to the Fund Condition Statement (FCS). Carl Baum responded that Financial Services has not provided an updated FCS. Carl noted that it is year-end for the State and does not anticipate anything from Financial Services until July when the prior year reconciliation process is completed. Victoria presented the funding source display that Alisha developed. Victoria noted that this is similar to a display that had been previously shown at meetings. She noted that there was an attempt to include all funding sources on the FCS was confusing, because the FCS only pertains to the Ag Funds, not other funding sources. Victoria discussed each type of federal funds and the billings that have been processed. She also noted that the General Fund billing will be completed in June and will include redirection of salaries off of the Ag Fund.

The meeting was adjourned at 9:40 A.M. The next Finance Subcommittee meeting will be held on July 6, 2021 at 9:00 A.M.