

California Department of Food & Agriculture
Integrated Pest Control Branch
BEET CURLY TOP VIRUS CONTROL BOARD
FINANCIAL SUBCOMITTEE
Virtual Zoom Meeting
August 26, 2021
DRAFT MINUTES

MEMBERS PRESENT

Zach Bagley
Darryl Bettencourt
Dan Burns
Ron Dalorno
Joseph Nicoll
Kyle Perez

MEMBERS ABSENT

Mario Caimotto
Daniel Waterhouse

C DFA PERSONNEL

Kaitlyn Beames
Michelle Dennis
Samuel Krasnobrod
Lauren Murphy
Canh Nguyen
Chris Ogawa

INTRODUCTIONS

The Beet Curly Top Virus Control Board (BCTVCB) Financial Subcommittee Meeting was convened at 9:35 am by BCTVCB Financial Subcommittee Chairman, Ron Dalorno, and introductions were made.

BAGLEY-KEENE OPEN MEETING ACT

The meeting was held in compliance with the Bagley-Keene Open Meeting Act.

REVIEW OF PREVIOUS SUBCOMMITTEE MINUTES

The Subcommittee reviewed the minutes from the BCTVCB Financial Subcommittee Meeting that took place January 14, 2021.

Ron Dalorno suggested that the BCTVCB Financial Subcommittee recommend to the full BCTVCB Board that they accept and approve the minutes from the BCTVCB Financial Subcommittee meeting that took place January 14, 2021, as presented. Darryl Bettencourt made the recommendation and Zach Bagley seconded.

FINANCIAL REVIEW AND DISCUSSION

Michelle Dennis provided a quick update on an issue raised at past meetings regarding potential CTV susceptible commodity growers that were missing from and/or may not be paying into the assessment rate fees. Ms. Dennis stated that the Program submitted an inquiry to the CDFA legal department to look into this issue further and is still waiting on complete feedback from them at this time.

EXPENDITURES FISCAL YEAR (FY) 2020/2021

Canh Nguyen reviewed and discussed the expenditures for FY 2020/2021. The Board Approved Budget for FY 2020/2021 was \$2,134,100. As of July 2021, the total Program expenditures spent in FY 2020/2021 were \$1,289,420 with a remaining unused balance of \$844,680. Mr. Nguyen stated that although the FY 2020/2021 was over, he anticipated some charges to hit later, and the overall Program expenditures for that fiscal year would increase to some extent.

Mr. Nguyen reviewed the FY 2021/2022 Proposed Budget, which was put together by Program personnel based on past actual expenditures and projected needs. The total FY 2021/2022 Proposed Budget is \$2,081,800.

Discussion followed.

Mr. Nguyen reviewed the Actual Budget Expenditures from FY 2016/2017 – FY 2020/2021. He stated that over the past five years the Program has been able to consistently reduce expenses where possible in order to reduce the overall Total Program Budget. He stated that the FY 2020/2021 was even lower than anticipated due to salary savings from retirement and staff vacancies.

REVENUES FY 2020/2021

Mr. Nguyen reviewed and discussed the revenues received for FY 2020/2021. The total revenue received for FY 2020/2021 was \$1,786,888.

CURRENT FUND CONDITION STATEMENT

Mr. Nguyen reviewed the Current Fund Condition Statement, as of August 2021. He discussed the funds for the Program's Bank of the West account, CDFA account, and the overall total Program Reserve. The total Program Reserve at the end of FY 2020/2021 was \$2,710,681. Mr. Nguyen stated that the total Program Reserve was pulled on August 5, 2021 and does not capture the month of July 2021, which was not final yet. The total projected Program Reserve for the end of FY 2021/2022 was \$2,901,748.

Ms. Dennis clarified that the CDFA Fund Condition Statement transfer amount is what the Board votes on each year through the Fund Agreements. The CDFA Reserve compliance level minimum is a 6-month reserve, but the Program is now currently at a 12-month reserve. If no transfers are needed, the Program won't make them. The Program's plan is to keep a 12-month reserve in that CDFA Account. Mr. Nguyen included that the Program's current transfer rate per month is \$174,000 and will not be transferred unless the funds are needed.

Discussion followed.

The Subcommittee discussed the projected tonnage for the 2021 season for the Processing Tomato crop. Mr. Dalorno asked if the Program could use projected commodity tonnage rates to help project future revenues.

Discussion followed.

Zach Bagley stated that the FY 2019/2020 Revenue by Commodity spreadsheet was missing a significant percentage of Processing Tomato crop on the Processing Tomato tonnage reporting line. He was concerned that a significant amount of Processing Tomatoes was not being captured by the CTV Assessment fees. Mr. Bettencourt agreed that the Processing Tomato tonnage reported on the spreadsheet accounted for only 57% of the total tonnage for Processing Tomatoes during the 2019 tomato crop year.

Ms. Dennis stated that the Program would go back, look at the FY 2019/2020 revenues received, and separate them out by commodity in order to trace back if the Program was missing assessment fees for Processing Tomatoes. Mr. Dalorno suggested using the PTAB tonnage numbers for comparison. Mr. Bagley agreed and stated the PTAB also breaks the commodities down by county so the Program could get a closer look at what should have been received through assessment fees. The Subcommittee requested this information be presented at the next BCTVCB Financial Subcommittee Meeting.

AGENDA ITEMS FOR FUTURE MEETINGS

- A deeper look into past years' revenues received by Fresh Market and Processing Tomatoes and comparing those numbers with PTAB reported tonnages for those commodities in order to see if the Program has been missing assessment fee revenues.
- Revisit the Strategic Plan at the next full Board meeting.
- Discuss when the Board might be financially stable enough to reduce the assessment fee rates.
- Update on Legal's input regarding how to address and capture missing assessment fees.

Ms. Murphy stated that the next Financial Subcommittee meeting is scheduled for October 21, 2021 and the next Board Meeting is scheduled for November 10, 2021.

Mr. Dalorno adjourned the meeting at 10:35 am

Lauren Murphy
Secretary to the Board