

Nursery Advisory Board (NAB)
Conference Call
California Department of Food and Agriculture (CDFA)

Monday, December 12, 2016
11:00 a.m. – 12:00 p.m.

1. Roll Call

The meeting was called to order at 11:10 a.m. by Joshua Kress, Program Supervisor of the Nursery, Seed, and Cotton Program. The following members and guests attended the meeting:

Michael Babineau*	Phuong Lao	Duane Schnabel
David Cox*	Thomas Lucas*	Karen Suslow*
Don Dillon*	Steve McShane*	Daniel Waterhouse*
Jay Jensen*	Scott Nicholson*	Kristina Weber
Joshua Kress	Elizabeth Elwood Ponce*	
Janet Silva Kister*	Ernest J. Rodriguez*	

* Nursery Advisory Board Member

2. Opening Remarks and Housekeeping

Joshua Kress welcomed Board Members and guests, and reviewed housekeeping and agenda items. Kress noted that a Vacancy Notice for Board Member terms of office ending January 31, 2017 was posted earlier in the day. Kress also informed the Board that a new pest, olive bark beetle, had been found in specimen olive trees at nursery locations in Southern California.

3. Nursery Services Budget Update and 2017/18 Proposed Spending Plan

Joshua Kress provided the Board with a proposal for out-of-state travel for Fiscal Year 2017/18 (Attachment 1), and noted that the same proposal was presented at the prior meeting on September 14, 2016. Kress provided the Board with a Budget Summary (Attachment 2) and Fund Condition Statement (Attachment 3), and noted changes from the reports presented at the prior meeting.

A few expenditures/adjustments were made for Fiscal Year 2014/15, totaling an increase of less than \$300 from the prior meeting. As noted during the prior meeting, out-of-state travel charges for Fiscal Year 2015/16 were incorrectly included on the Fiscal Year 2014/15 budget, and correction of this error was still pending.

Various expenditures/adjustments were made for Fiscal Year 2015/16, including final payments for county contracts. Total expenditures for Fiscal Year 2015/16 were \$10,096 less than presented at the prior meeting.

The final approved budget for Fiscal Year 2016/17 was presented. Changes from the budget presented at the prior meeting included: a slight decrease in personal services, an increase in

facilities charges, an increase in Departmental indirect charges, and a slight increase in the authority for county contracts. Kress noted that the Program was not likely to spend the full authority for county contracts. Kress also noted that \$2,000 had been moved from in-state travel to out-of-state travel to reflect a board motion from the prior meeting.

The total approved budget for Fiscal Year 2016/17 was \$82,011 higher than the proposed spending plan approved by the Board on October 27, 2015. Kress noted that the Program's actual expenditures would likely be less than the spending authority provided by the Department, based on prior year's expenditures.

An updated proposed spending plan for Fiscal Year 2017/18 was presented. Kress noted that the budgeted temporary salary for Fiscal Year 2016/17 was lower than anticipated expenditures, and that this may be due to seasonal greenhouse staff being laid off at the time that the Budget Office completes its calculations. To account for this, the proposed budget for Fiscal Year 2017/18 was updated to include a temporary salary budget of \$150,000. Despite this increase, the total personal services budget was \$30,124 less than presented at the prior meeting.

Additional changes from the budget presented at the prior meeting included: an increase of \$10,000 for facilities/utilities based on prior years, an addition of \$5,000 in external services for online credit card payment processing fees, an increase of \$57,091 in Departmental indirect charges, and an increase of \$8,000 in nematode lab costs based on prior years. Cost recovery from the Fruit Tree, Nut Tree, and Grapevine Improvement Advisory Board (IAB) was increased \$6,894 to reflect a motion from the IAB meeting on May 10, 2016. The total proposed spending plan for Fiscal Year 2017/18 was \$43,965 higher than presented at the prior meeting.

Kress reviewed the Fund Condition Statement, and noted that additional revenue for Fiscal Year 2015/16 that was projected at the prior meeting had since been received. Total revenue for Fiscal Year 2015/16 was \$8,711 higher than presented at the prior meeting. Kress noted the continued deficit, which was discussed at prior meetings. Kress noted that the Program would work with participants in the grapevine and strawberry registration and certification programs on fee increases, as recommended at the prior meeting.

Michael Babineau moved to recommend Nursery Services allocate \$2,000 for out-of-state travel in Fiscal Year 2017/18 for attendance by program staff at the Western-Chapter of the Horticultural Inspection Society's Annual Meeting and Education Seminar. David Cox seconded. Michael Babineau, David Cox, Don Dillon, Jay Jensen, Janet Silva Kister, Elizabeth Elwood Ponce, Ernest J. Rodriguez, and Daniel Waterhouse voted in favor. Scott Nicholson voted in favor in writing via the GoToWebinar application, which was read aloud by Joshua Kress. Thomas Lucas and Steve McShane were not present for the vote. Motion carried.

David Cox requested that the Program move forward quickly to work with participants in the grapevine and strawberry registration and certification programs regarding the previously discussed fee increases.

David Cox moved to recommend to the Secretary the proposed spending plan of **\$3,189,925** for Nursery Services for Fiscal Year 2017/18, as presented. Daniel Waterhouse seconded.

The Board further discussed the calculation of fee changes in order to maintain or return to adequate reserves and the continued increase in personal services costs for the Program.

A vote was taken on the standing motion via roll call. Michael Babineau, David Cox, Don Dillon, Jay Jensen, Janet Silva Kister, Steve McShane, Elizabeth Elwood Ponce, Ernest J. Rodriguez, and Daniel Waterhouse voted in favor. Thomas Lucas and Scott Nicholson voted in favor in writing via the GoToWebinar application, which was read aloud by Joshua Kress. Motion carried.

4. Public Comments:

None

5. Next Meeting/Agenda Items

The next meeting will be held in February/March. The Board discussed two meeting locations: Sacramento and the National Ornamental Research Site at Dominican University of California in San Rafael. A Doodle poll will be sent to Board Members by Joshua Kress later in the week to determine the preferred date and location.

The Board discussed possible agenda items for the next meeting, including invasive pests and diseases recently found in California, such as olive bark beetle and boxwood blight, and a bill to add the Board to statute that was under discussion for the next legislative session.

6. Adjournment

Meeting was adjourned at 12:00 p.m.

Respectfully submitted by:

Joshua Kress
Program Supervisor
CDFA Nursery, Seed, & Cotton Program

Approved by Board Motion on March 1, 2017

2017/18 Proposed Out-of-State Travel for Nursery Services Program

Presented September 14, 2016 - Nursery Advisory Board Meeting

Class Title	Total Attending	Total Days of Trip	Cost	PCA	Purpose / Justification (include benefit to state)
Envir. Scientist or Designee	1	5	\$2,000	14040	<p>To attend the Annual Meeting and Education Seminar of the Western Chapter of the Horticultural Inspection Society (WHIS). Established by the National Plant Board, WHIS is an organization of agricultural inspectors in the member states and territories of the Western Plant Board that promotes high standards for inspections and regulatory activities, provides training and outreach on new tools and concepts, and increases uniformity among inspection and certification activities in the western states.</p> <p>The designee serves as Treasurer and Past-President of WHIS. As Treasurer, the designee participates in the arrangement and coordination of the meeting and seminar, and prepares an annual audit and performs other fiscal duties of the organization.</p> <p>The state will benefit by the promoting of uniform inspection and enforcement standards that will lead to easier regulatory communication between states and improved standards of cleanliness for all nursery stock being shipped into of within California. The training and communication with other states are critical for CDFA's ability to maintain orderly markets for the shipment of plants, prevent the introduction of pests in nursery stock, and maintain a high standard of cleanliness for nursery stock being shipped to and produced in California.</p> <p>If this trip was denied, CDFA would not receive updates on potential invasive species and inspection tools, impacting the training of the state's agricultural inspectors and increasing the pest risk of shipped plant material moving to and from California.</p> <p>Travel will not interfere with regularly assigned duties.</p>
Total = \$2,000					

Nursery Services Program Budget Summary

	PPY 2014/15 per 12/9/2016	PY 2015/16 per 12/9/2016	CY FY2016/17 per 12/9/16	Proposed FY 2017/18 per 12/9/16
Permanent Salary	902,603	947,522	1,037,718	1,054,786
Temporary Salary	119,447	147,819	89,738	150,000
Staff Benefits (includes Unemployment Ins)	540,675	603,887	568,592	575,258
TOTAL PERSONAL SERVICES	1,562,725	1,699,228	1,696,048	1,780,044
General Expenses	24,029	27,975	40,000	40,000
Printing	3,519	4,217	5,000	5,000
Communications	13,600	12,629	14,000	14,000
Postage	6,704	6,144	8,000	8,000
Insurance-Vehicles	2,026	2,761	3,000	3,000
Travel In-State	34,022	27,526	35,000	35,000
Travel Out-of-State	1,172	7	2,000	2,000
Training	3,576	373	10,000	10,000
Facilities	152,240	148,339	152,000	145,000
Utilities	7,201	6,504	3,000	10,000
Cons & Prof	1,312	1,382	2,000	2,000
Atty General Charges	0	0	5,000	5,000
External Services (includes web payment service)	5,667	4,922	0	5,000
Intradeptl Charges (includes Division Costs, Executive/Administration, IT)	442,026	412,242	475,623	475,770
Pro Rata	108,201	112,335	100,927	102,890
IT Purchases	9,919	12,326	14,000	14,000
Equipment	42,545	29,983	45,000	50,000
Field Expenses/Agri & Lab Supplies	16,531	26,213	21,772	21,000
Vehicle Operations	32,039	30,952	50,000	50,000
Other Misc. Charges	448	0	0	0
Subtotal Oper Exp/Equip	906,776	866,830	986,322	997,660
County Contracts	699,870	654,796	699,862	667,244
Nematode Lab Costs	68,520	67,120	60,000	68,000
TOTAL OPER EXP/EQUIP	1,675,166	1,588,746	1,746,184	1,732,904
Recovery from other programs	(271,911)	(258,383)	(275,000)	(281,894)
Reimbursement 224c - Admin	(42,254)	(42,327)	(43,586)	(41,129)
TOTAL COST RECOVERIES	(314,165)	(300,710)	(318,586)	(323,023)
TOTAL BUDGET w Personnel & Benefits	2,923,726	2,987,264	3,123,646	3,189,925

Nursery Services Program Fund Condition

	PPY 2014/15 EOY Actual	PY 2015/16 EOY Estimate	CY 2016/17 Projection	Projection for 2017/18 Fund Condition	Projection for 2018/19 Fund Condition
BEGINNING RESERVE BALANCE	\$1,647,118	\$1,473,745	\$1,300,424	\$938,378	\$510,053
REVENUE CATEGORIES					
Nursery License Fee	1,755,475	1,789,550	1,800,000	1,800,000	1,800,000
Acreage Fee	299,494	305,168	305,000	305,000	305,000
Delinquent (Penalty) Fee	42,600	41,625	40,000	40,000	40,000
Directory Sales	105	105	100	100	100
R&C & Nematode Certification	648,065	664,096	611,500	611,500	611,500
Interest & Miscellaneous Income	4,614	13,399	5,000	5,000	5,000
TOTAL REVENUE	\$2,750,353	\$2,813,943	\$2,761,600	\$2,761,600	\$2,761,600
EXPENDITURES					
Personnel Services	1,562,725	1,699,228	1,696,048	1,780,044	1,780,044
Operating Exp & Equipment	906,776	866,830	986,322	997,660	997,660
County Contracts	699,870	654,796	699,862	667,244	667,244
Lab Services	68,520	67,120	60,000	68,000	68,000
COST RECOVERIES					
Recovery from other programs	(271,911)	(258,383)	(275,000)	(281,894)	(281,894)
Reimbursement 224c - Admin	(42,254)	(42,327)	(43,586)	(41,129)	(41,129)
TOTAL EXPENDITURES (BUDGET)	\$2,923,726	2,987,264	\$3,123,646	\$3,189,925	\$3,189,925
ENDING RESERVE BALANCE	\$1,473,745	\$1,300,424	\$938,378	\$510,053	\$81,728
AG TRUST FUND					
Interest	318,131	318,943	320,284	321,284	322,284
	812	1,341	1,000	1,000	1,000
ENDING AG TRUST FUND	\$318,943	\$320,284	\$321,284	\$322,284	\$323,284

NOTES OF INTEREST:

Reserve Calculation: The Department recommends that this program maintain a reserve of between 1/3 and 1/2 of its annual expenditures; this calculates to between \$1M and \$1.5M.