

CALIFORNIA CITRUS NURSERY BOARD

MINUTES OF MEETING

December 3, 2009

Exeter, California

Chairman Bob Zuckerman called a meeting of the California Citrus Nursery Board to order at 9:05 a.m. on Thursday, December 3, 2009 at the Lindcove Research Station in Exeter, California. Roll was taken, showing a quorum was present with the following in attendance:

Members

Robert LoBue
Don Dillon
Gary Moles
Tom Mulholland
Larry Rose
Bob Zuckerman
Lane Miller

Guests

Aaron Dillon, Four Winds
Tia Russell, Duarte Nursery
Karen Suslow, Hines Nursery
Tom Delfino, Citrus Nursery Society
Bill Callison, CConsultations
Georgios Vidalakis, UCR/CCCP
Tim Williams, UCR
Ricki Kupper, UCR

CDFA

Sean Dayyani
Mike Colvin
Joe Monson

Staff

Jim Melban, MMS
JD Allen, MMS

Alternates

Leonard Massey*

** Alternate acting in lieu of member*

Minutes of Previous Meeting

On a motion by Moles and a second by Rose, the minutes of the meeting of June 10, 2009 were approved as mailed.

Committee Reports

Prior to the Committee reports, Melban said that he had surveyed the industry and determined that the assessment income for 2009 would be \$300,000 instead of the \$260,000 budgeted. This gave the committees an idea of what would be available for projects during 2010.

Research Committee – Research Committee Chairman Dillon called everyone’s attention to the “Research Summary” (Exhibit “A”) and after explaining the categories and accounts for each of the recommendations, told the Board that the Committee had met in October and heard all the proposal and then realized that the Board could not fund everything and pared the proposals down to the recommendations listed below.

Research Projects – Acct #510		
Optimization of Imidacloprid App	Byrne/Morse	36,700
Leafminer Management	Grafton-Cardwell	28,249
Breeding New Citrus Scion Varieties	Roose	20,000
Citrus Rootstock Breeding and Evaluation	Roose	25,000
Development and Detection of Phytoplasmas	Lee	25,000
Good Bud—Bad Bud	Krueger	6,811
Annual citrus Tristeza Virus Index	Grafton-Cardwell	12,116
Future of Coop. Reg. Program	Vidalakis	57,164
Account 510 Total		\$211,040

Testing Projects – Acct #511		
Cooperative Registration Testing	Vidalakis	72,875
Account 511 Total		\$72,875

It was pointed out that the Board would no longer subsidize the Registration Testing Program to the extent it had in the past.

Board Action #10-01 – Rose moved, seconded by Mulholland, that the Board accept the above listed Research projects.

MOTION CARRIED UNANIMOUSLY

Education Committee – Education Committee Chairman Moles reported the Committee had met and discussed a proposal from Tracy Kahn entitled “Digitization of W. F. the Bitters Rootstock Manuscript” for \$36,700. He said the Committee had questions about the value of the proposal to the industry and the price tag. He said the Committee talked about recommending \$10,000 as support funds to get the project started with the hope that some other sources of funding would be available. Several of the Board members commented about the project but, like the Committee, did not feel it could provide much funding. The Board suggested the Committee reconvene and come back to the Board with a recommendation. *(Subsequent to the meeting, after hearing of the Board’s action Kahn felt that the project was dead)*

Moles also reported the Committee was recommending a \$600 item for Web Management. This will allow for the updating of the site during the year. It was suggested that it be put in the budget.

Industry Committee–Board Chairman Zuckerman announced that Robert LoBue had agreed to be the chair of the Industry Committee. LoBue said his committee was in the process of being formed and he is looking for participants. He said he is wanting to have representatives from all segments of the industry as the Committee looks at any areas that need to be addressed during next year. Who, what and how should the industry be assessed would be some of the topics discussed when the Committee meets. This led to a discussion about the Continuation Hearing that will have to held in 2010. After several comments, it was decided to have the hearing the week of January 25, 2010 and specifically on January 27, 2010, if possible, at the Tulare County Farm Advisors’ Office.

Registration & Certification Protocol Committee– As Chairman of this Committee, Bob Zuckerman reported that the Committee would be meeting after the Board meeting. The primary focus of the Committee was to investigate how SB 140 would affect the industry and how the industry might help with the implementation of the legislation. A section of the Bill asked for industry participation and that is what the Committee will be doing.

Financial Report and Revision of Budget

Melban led the Board through the financial report (Attached as Exhibit “B”), stating the Board came into the current year with a \$436,014 carryover from the previous year. He said he conducted a survey of the industry to determine that the 2009 assessment income would be close to \$300,000 during the current year. Melban also noted that the current year’s assessment income will be collected in January of 2010. He further said that all was going well but in view of some of the actions of the Board he asked that the Board consider revising the budget. He said that when the 2009 budget was created, there was \$12,000 put in Acct. 510 that should have been in Acct. 511. That amount has been there all year but it was not until most of the funds were expended that the error was noticed. He also noted that the actions by the Board in June needed to be included in a revision of the budget.

Board Action #09-03 – Moles moved, seconded by Dillon, that the Board accept the proposed revised budget as presented by Melban, encompassing the additional income funds from assessment as noted in (Exhibit C). In addition, total income and carryover; total expenditures and reserve were adjusted accordingly.

MOTION CARRIED UNANIMOUSLY

Management Proposal

Melban called the Board's attention to the Monfort Proposal for 2010 and suggested that he and Allen would leave the room for the Board to discuss the matter. They did and when they returned the chair announced the action taken during the Executive Session:

Board Action #10-2 – Moles moved, seconded by Rose, to approve Resolution C as follows:

RESOLUTION C

Retaining Monfort Management Services, Inc. to Supply Management Services for the 2010 Fiscal Year

WHEREAS, Monfort Management Services, Inc. has provided the necessary office facilities and staff services, and the Board Manager has performed in a satisfactory manner, and

WHEREAS, Monfort Management staff members are also involved in the management of other advisory boards or commissions, which allows MMS, Inc. to minimize the expenses of the involved board by the sharing of such expense items as multi-purpose trips, memberships, subscriptions, or certain purchases.

THEREFORE BE IT RESOLVED that the Board approve the retention of Monfort Management Services, Inc. for the 2010 Marketing Season for a total amount of \$31,500, with the Board to be billed in twelve equal monthly installments of \$2,625, which shall cover the following:

1. The services of Jim Melban as Board Manager and JD Allen as Assistant Manager,
2. The services of MMS's secretarial, bookkeeping and clerical staff on an as-needed basis, and
3. The furnishing of Office space, utilities, special phone equipment, postage meter, mailing system, micro-computers and printers and other miscellaneous equipment, and

BE IT FURTHER RESOLVED that when appropriate opportunities arise for cost-sharing with the other boards managed by Monfort Management Services, Inc., an officer of MMS, Inc. be authorized to pro-rate such shared costs based on a suitable formula calculated to distribute the costs according to the benefit derived by each board involved. This distribution may be on an equal basis, a percentage of usage basis, or according to the direct benefit obtained by each board, based on such things as the time spent on a trip.

BE IT FURTHER RESOLVED that the Board recommend that the Department approve establishing a contractual relationship between the Board and Monfort Management covering the provision of the aforementioned services and facilities, and that the Board Chairman be authorized to sign said contract, and approve the appropriate invoices involved on behalf of the Board.

MOTION CARRIED

2010 Budget

During the discussion of the 2010 budget income it was noted that it would be necessary to have a survey of the assessment payers in September of 2010 to determine the potential income for the year. That being said, it was moved by Massey and seconded by Miller that the industry be required to provide an estimate of the assessment income in September, 2010. The motion carried.

After concluding the deliberations on the 2010 budget:

Board Action #10-3 – Massey moved, seconded by Miller, to approve Resolutions A and B as follows:

RESOLUTION A

Crop Estimate and Rate of Assessment

WHEREAS, the California Citrus Nursery Board provides that the Board recommend a rate of assessment for each marketing season, and

WHEREAS, the Board has estimated a crop value of \$25,000,000 to be produced in the 2010 season, and

WHEREAS, the Board has considered the estimated expenditures in its preliminary 2010 budget,

BE IT RESOLVED that the Board recommend to the Secretary that the assessment rate for the period January 1, 2010 thru December 31, 2010 be one percent (1.0 percent) of the first sale of propagated citrus.

RESOLUTION B

2010 Preliminary Budget

WHEREAS, it is estimated that there will be a carry-over of \$360,000 from the Board's 2009 budget, and

WHEREAS, the attached preliminary budget (Exhibit "D") reflects estimated income and expenditures for the 2010 marketing season,

BE IT RESOLVED that the Board recommend the approval by the Department of Agriculture of the attached preliminary budget and authorization of the transfer of the estimated carry-over to the 2010 budget.

Compliance Audit

Zuckerman referred to a Compliance Audit (Attached as Exhibit "E") that had been conducted by CDFA during 2009. There were two recommendations in the audit that were discussed. Having the University be more accountable about how the Board funding is spent and how Monfort allocates to each Board the percentages of expenses when there are activities involving more than one of their Boards. Joe Monson, the State representative addressed the first item by saying the State is working with the auditor to try to satisfy them with the issue. The State feels the issue that has been lodged against all the boards that have been audited is not valid since the University works under a lump sum

contract.

Allen addressed the other issue by saying that Monfort does use percentages when more than one Board is involved but the auditors are looking for a specific formulas for all of the possible incarnations of all 11 Board's housed in the Monfort office. Monfort will continue to address the matter with the auditors.

Committee Appointments

Zuckerman said that he would make the appointments at a later time.

Adjournment

There being no further business, the meeting was adjourned at 11:55 am.

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Certification of Minutes

I, Jim Melban, Manager of the California Citrus Nursery Board, do hereby certify that to the best of my knowledge, the foregoing is a true and correct copy of the minutes of a meeting of the California Citrus Nursery Board held in Exeter, California on December 3, 2009.

Jim Melban, Manager

			2009 FUNDING	2010 PROPOSAL		ACCT.
Optimization of Imidacloprid App	Byrne/Morse	510	42,950	36,700	36,700	510
Leafminer Management	Grafton-Cardwell	510	28,249	28,249	28,249	
Application of real time PCR for detection of <i>Spiroplasma Citri</i>	Yokomi		18,000	-0-	-0-	
Comparison and Validation of DTBIA for detection of CTV	Yokomi		10,296	-0-	-0-	
Investigation of budunion disorders	Yokomi		-0-	37,000	-0-	
Development /Detection of Phytoplasmas	Lee	510	25,000	25,000	25,000	510
Registration Testing for CTV	CDFA		24,000	24,000	-0-	
Cirtus Rootstock Breeding & Evaluation	Roose	510	20,000	43,905	25,000	510
Breeding New Citrus Scion Varieties	Roose	510	-0-	30,911	20,000	510
Determine if buds from mother branches make better trees	Krueger	510	6,811	6,811	6,811	510
Future of Cooperative Reg. Program New staff person	Vidalakis	510	-0-	77,164	57,164	510
Annual Citrus Tristeza Virus Index	Grafton-Cardwell	510	13,225	12,116	12,116	510
Cooperative Registration Testing	Vidalakis	511	106,616	97,953	72,875	511
Rubidoux Repairs	Vidalakis	574	-0-	50,000	25,000	574
	TOTALS		295,147	469,809	308,915	

Exhibit C

California Citrus Nursery Board

Revised Budget -- 2009 Marketing Year

INCOME

Carryover	\$ 435,000
Current year interest	15,000
Assessments: (estimated value of 2009 citrus nursery stock \$30,000,000) Current Rate: one percent	<u>300,000</u>
TOTAL INCOME & CARRYOVER	\$ 750,000

EXPENDITURES

Acct #	<i>Operating Expenses</i>	
305	Management Services	\$ 30,000
315	Audits	2,500
320	Office Supplies	1,000
330	Telephone	1,300
335	Postage	1,000
345	Dues & Sub.	200
355	Travel & Mileage	7,500
360	Meetings	2,000
365	Annual Report	700
370	Insurance & Bonds	500
390	Miscellaneous	5,000
403	Education	40,000
510	Research	151,306
511	Disease Testing Subsidy	143,841
513	Research Reserve	<u>10,000</u>
	Total Operating Expenses	\$ 396,847
	<i>Departmental Charges</i>	
710	Marketing Branch	<u>12,000</u>

TOTAL EXPENDITURES	\$ 408,847
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Unallocated Reserve	\$ 341,153
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TOTAL EXPENDITURES AND RESERVE	\$ 750,000
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Approved Dec. 03, 2009

Exhibit "D"

California Citrus Nursery Board

Preliminary Budget -- 2010 Marketing Year

INCOME

Carryover	\$ 360,000
Current year interest	10,000
Assessments: (estimated value of 2010 citrus nursery stock \$25,000,000) Current Rate: one percent	<u>250,000</u>
TOTAL INCOME & CARRYOVER	\$ 620,000

EXPENDITURES

Acct #	Operating Expenses	
305	Management Services	\$ 31,500
315	Audits	2,500
320	Office Supplies	1,000
330	Telephone	1,300
335	Postage	1,000
345	Dues & Sub.	200
355	Travel & Mileage	5,000
360	Meetings	2,000
365	Annual Report	700
370	Insurance & Bonds	500
390	Miscellaneous	5,000
392	Website	1,000
403	Education	20,000
510	Research	211,040
511	Disease Testing Subsidy	72,875
574	UCR Facility Repair	25,000
513	Research Reserve	<u>20,000</u>
	Total Operating Expenses	\$ 400,615
	<i>Departmental Charges</i>	
710	Marketing Branch	<u>12,000</u>

TOTAL EXPENDITURES	\$ 412,615
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Unallocated Reserve	\$ 207,385
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TOTAL EXPENDITURES AND RESERVE	\$ 620,000
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