

**REAL CHRISTMAS TREE BOARD**  
**BOARD MEETING**  
April 11, 2024

Via Video Conference

**Welcome and Roll Call:** The meeting was called to order at 11:02 a.m. Eastern time by Chairman, Derek Ahl.

**Board Members in Attendance:** Renee Beutell, Derek Ahl, Mike Jones, Jane Neubauer, Gary Westlake, Larry Downey, Mark Schmidlin, Bob Schaefer, Charles Fowler, and Chris Aldrich

**Board Members Not in Attendance:** Chuck Berry, JoLynn Stroda

**USDA Representative in Attendance:** George Webster

**Staff in Attendance:** Marsha Gray, Cyndi Knudson, and Jenny Tomaszewski

**Agenda:**

It was **MOVED** by Charles Fowler and **SECONDED** by Larry Downey to approve the agenda as presented. **MOTION APPROVED.**

**Meeting Minutes:**

It was **MOVED** by Gary Westlake and **SECONDED** by Bob Schaefer to approve the March 14, 2024, Board meeting minutes as presented. **MOTION APPROVED.**

**Chairman's Comments:** Derek Ahl Reported

- a. **Appointment of Committee Members** - Ahl reported that he has received and approved all committee member appointments. The website will be updated to reflect any changes or additions.
- b. **Nominees for Board Appointments** - Larry Downey, Mark Schmidlin, Bob Schaefer, and Gary Westlake will term out at the end of the year. There are four open seats: one Importer, one Eastern, and two Western. USDA requires two names for every open seat. Gray will notify all State Associations and has already included the announcement in a newsletter to the industry. All nominations must be submitted by June 1.
- c. **Management Evaluation** - Ahl shared that a management evaluation is conducted annually. Ahl will email the evaluation form to the Board to be completed prior to the May 16<sup>th</sup> Board meeting. Also, the Gray Management contract will be reviewed and discussed at the next Board meeting.

**Committee Reports**

**Finance Committee** - Bob Schaefer reported.

- a. **March 2024 Financial Statement** - Schaefer provided a detailed overview of the March 2024 financials.

It was **MOVED** by Renee Beutell and **SECONDED** by Charles Fowler to accept the March 2024 financials as they were presented. **MOTION APPROVED.**

- b. **FY 2024-25 Budget Recommendation** – Schaefer shared that several committee budgets have been reduced to offset the decrease in assessment collections. With the upcoming referendum, the Industry Relations Committee has been increased to help develop

- materials to bring producers up to speed with the positive things the RCTB has done.
- Professional Fees - Schaefer shared that Marsha Gray reviewed the percentages of time for programs versus operating for the Gray Management team. A slight change was made from 66% programs / 34% operating to 68% programs / 32% operating.
- Independent Evaluation - Marsha Gray shared that every five years, the Board is required by USDA to conduct an Independent Evaluation to demonstrate the impact of the Real Christmas Tree Board on the industry. The cost for the evaluation was \$30,000 when this was done previously. Gray met with USDA to request that the cost be split between two fiscal years, with \$15,000 in this fiscal year and \$15,000 in the next fiscal year because the project will start during one fiscal year and end the following fiscal year. USDA agreed that this would work.
- A question was raised about the USDA fees and how they are calculated. Gray and George Webster provided an overview of how the USDA fees are determined for all programs.

It was **MOVED** by Larry Downey and **SECONDED** by Gary Westlake to approve the proposed 2024-2025 fiscal year budget as presented. **MOTION APPROVED.**

- c. **Investment Recommendation** - Schaefer and Marsha Gray met with Brad Miller from Pinnacle Bank. Currently, the RCTB is earning 1.26% interest on the \$1.5 – 2 million in the bank. Pinnacle Bank offers CDARS (a type of CD investment), which is currently offering 4.25 and 4.45% interest on 3-and 6-month CDARS deposits. Schaefer recommends that the Board consider investing funds in three-month and six-month CDARS.

It was **MOVED** by Larry Downey and **SECONDED** by Chris Aldrich to invest 1.5 million in CDARS, placing one million dollars for six months and five hundred thousand dollars for three months. **MOTION APPROVED.**

- A question was raised regarding USDA's policy on cashing the funds out early. The only penalty would be the interest that wouldn't be gained at the end of three and six months if the funds are taken early. CDARS is invested in a number of smaller CDs, so a withdrawal of a portion of the funds would not impact the entire balance.

**Research Committee** - Mark Schmidlin and Cyndi Knudson reported.

- a. **RFP Update:** The forms and applications have been updated and will be submitted to USDA for approval. As long as USDA approves the budget, the RFP will be announced in the first week of May. The Research Committee plans to request an annual progress report before extending a no-cost extension.
- b. **Seedling Survey Update:** Wrapping up the data collection for the 2023 year. Knudson is looking to form a working group to help get a better feel for the seedling numbers received and to consider other options for surveying this data.
- c. **International Research Conference:** Knudson shared that she would like to attend the online version of the International Research Conference to stay connected with their research.
- Question was raised about the cost of the online portion of the conference. Knudson didn't have the exact price but would report back to the Board.

It was **MOVED** by Charles Fowler and **SECONDED** by Bob Schaefer to approve the online international Research Conference for up to \$1,000 from the Research reserve fund. **MOTION APPROVED.**

- d. **April Research Webinar:** The next webinar scheduled is April 23<sup>rd</sup> at 11:00 a.m. Eastern, featuring the Genome project to rapidly advance genetic improvement for Christmas trees. This

webinar will not offer pesticide credits. The June webinar on weed management will have credits available.

**Governance Committee** – Charles Fowler reported.

- a. **Order Recommendations Status** – George Webster will report on the Order under the USDA report.

**Promotion Committee** - Jane Neubauer reported.

- a. **Virtual Field Trip Sub-Committee** - Neubauer announced that she is working on identifying a small working group to investigate the Virtual Field Trip concept. A newsletter was sent to the industry inquiring about volunteers to serve on a sub-committee. Neubauer stated they have had a good response, with five individuals interested.
- b. **Promotion Expenses in FY 2023-2024** - Marsha Gray, Jane Neubauer, and Chuck Berry met with FleishmanHillard to review the final billings. The year ended under budget, approximately \$33,000.
- c. **Update on Sustainability Logo**—Gray has been working on designing a logo or icon that could be used by anyone in the industry with the sustainability message “100% recyclable, 100% biodegradable.” Gray met with the two largest Christmas tree retailers, and they are interested in using the icon either on tree tags, signage, or a website. The logo is nearly complete, and RCTB will make it available to all.

**Compliance Committee** – Marsha Gray reported for Renee Beutell.

- a. **Updated Contract with Compliance Contractor:** Gray shared that the contracts were amended and signed - the Gray Management contract decreased by \$2,000, and Jamie Hanselman’s contract increased by \$2,000.

**Industry Relations** – Gary Westlake has nothing new to report.

**Management Staff Update** - Marsha Gray reported.

- a. **Assessment Collection Update:** As of April 9, 2024, we have received 1017 payers through the lockbox for \$1,216,495.80 and an Importer Assessment received via US Customs for \$241,312.25, totaling \$1,461,808.05.
- b. **On-Line Reporting and Payment System, Database Update** - Gray shared that the FileMaker subscription has expired. All data has been retained and uploaded into the new system. Gray shared that the new online database has a drop-down menu to include which states trees were harvested in; multiple states can be selected per report for anyone harvesting in more than one state.  
Steve continues to work on the database's backend, tying in QuickBooks and the Stripe account. Several producers are waiting to try the new online payment system.

**Old Business:** No new items to report.

**New Business:** No new items to report.

**USDA** – George Webster reported.

- a. **Status of Order Changes** - The work plan, which is the first step in getting published, has been approved by Leadership, Legal Counsel, and Regulatory Analysis. USDA is finalizing the storytelling part that goes into the Federal Register and getting it approved by the Office of General Counsel.
- b. **Status of Non-Reporting Importer Turned over to USDA** - A case was assembled and sent to the

Office of General Counsel for review. It was kicked back for clarity, as there is a lot of back-and-forth correspondence. They request information clarifying who the individual is and explaining why they haven't been complying.

**For the Good of the Order/Announcements:**

- Derek Ahl reiterated to the Board, especially those in the Western region, to be searching for nominations for the RCTB open seats.

**Meeting Schedule:**

- a. **Next Meeting** - The RCTB's next meeting will be a conference call on Thursday, May 16, 2024, at 11:00 a.m. Eastern.

**Adjourn:**

It was **MOVED** by Bob Schaefer and **SECONDED** by Gary Westlake to adjourn the meeting. **MOTION APPROVED.**

Chairman Derek Ahl adjourned the meeting at 12:10 p.m. Eastern.

Respectfully Submitted,  
Mike Jones  
Secretary