

PENNSYLVANIA APPLE PROGRAM BOARD MEETING
Minutes of the January 28, 2019 Board Meeting
Hershey Lodge and Convention Center
325 University Drive
Cocoa Suite No. 6
Hershey, Pennsylvania

Public notice of the January 29, 2019 Pennsylvania Apple Program Board Meeting given on January 24, 2019, as stipulated by the Sunshine Law.

CALL TO ORDER

David Peters, Chairman, called the meeting to order at 8:06 a.m. Board members in attendance included Gary Faulkner, Vice Chair; Ellie Vranich, Treasurer; Mark Boyer; Carolyn McQuiston.

Also, in attendance were Laura England, Director of Market Development; Patrick Andrews, Board Liaison to the Department of Agriculture, Char Riley, Administrative Assistant

Diane Belles, Accountant for the Program, was present for a portion of the meeting.

REVIEW FINANCIALS - BUDGET DISCUSSION/SHAP FUNDING DISCUSSION

Ms. Belles began that the missing assessment information from the November Board Meeting has been completed. The current budget is now \$220,000.00; \$106,898.86 of assessment year to date; \$36,000 is from 2016 assessments.

Ms. Belles discussed the expenses starting with the General Ledger on the Financial Statement. Since November 2018 the only expenses that went into the report are PA Media Group for \$66.91, Ms. Belles's services, and Sergeant Court reporting of \$65.00.

Ms. Vranich asked about two checks being sent on the same date to SHAP for \$1,500.00 for the booth rental at the Farm Show and \$1,795.72 for bags that Maureen Irwin indicated she didn't receive. Ms. Belles confirmed she sent it. Ms. Belles will be going to Citizen Bank by January 30, 2019 to get a copy of the December bank statement to confirm and contact Ms. Vranich and Mr. Andrews.

Ms. Belles and Mr. Andrews discussed the CPA firm who does the Agreed Upon Procedures that they still have not gotten in touch with Ms. Belles. Mr. Andrews stated that Morgan Sheffield is investigating it. Mr. Andrews sent the signed Letter of Engagement to Vincent Garcia at the beginning of December. He explained by auditing the books (Agreed Upon Procedures) because to do a full audit is expensive and this is a way of auditing to get it in compliance with what the State requires and without costing the Commodity Boards a lot of their revenue.

Mr. Boyer asked where the cost for the new insurance, DNO is on the financial report. Mr. Andrews said it hasn't been paid yet but it was \$673.

Ms. Belles and Mr. Andrews discussed the SFP being sent out. Ms. Belles's contract was done December 31, 2018 working on an extension and she wants to lower the bid from \$518/mo. to \$375/mo. The lack of the Commodity database being on hold but PA Preferred will be building its own system and Market Development hopes that system can service the Commodity Boards. Discussions amongst Board and Ms. Belles on what will stay the same and what will change. Checks that were written and those that were coming in.

RESOLUTION 2019.01 - APPROVAL OF FINANCIAL EXPENSES

Presented by: Diane Belles
Motion by: Carolyn McQuiston
Seconded by: Gary Faulkner
Passed: Unanimously

DISCUSSION OF MEETING MINUTES

No discussion, Mr. Peters motion to approve minutes from the November 8, 2018 meeting.

RESOLUTION 2019.02 - APPROVAL OF MEETING MINUTES FROM 11.08.2018

Presented by: David Peters
Seconded by: Gary Faulkner
Passed: Unanimously

AMENDMENT TO THE CURRENT BUDGET

Mr. Peters, Mr. Boyer, Mr. Andrews and Ms. Belles discussed adding \$140,000 in the budget for research for this upcoming year and Apple Assessment Income for FY17, FY18, and FY19. Mr. Andrews contact Holly Zarefoss to provide Assessment information that was missing from financial reports.

The Board, Mr. Andrews and Ms. Belles open discussion of missing data on the reports. Figuring in costs of 2 million bushel fresh at \$.05/bushel and 5 million bushel processed at \$.01/bushel = \$150,000. Expense fees were discussed. Suggested changes in the budget from \$220,000 to \$150,000; Income will show only crop income.

Changes to Budget were:
Board Expenses change from \$500-\$1000;
Insurance changed from \$600-\$675;
Research was added at \$175,000.

RESOLUTION 2019.03 - APPROVAL OF AMENDMENT CHANGES TO THE BUDGET

Presented by: David Peters
Seconded by: Gary Faulkner
Passed: Unanimously

FY20 BUDGET BEGINNING JULY 1, 2019

Mr. Peters discussed with Ms. Vranich and the Board recommending that the Budget be brought back up to \$180,000.00 of income. Major expenses stay the same except for Consumer Ed from \$4,300.00 to \$5,000.00, Charitable Contribution from \$500.00 to \$0.00, eliminated US Apple Export and reduced Research to \$75,000.00.

Diane Belles left at 9:11am

Ms. Vranich asked to speak with Ms. Belles about residual Farm Show expenses.

Ms. England commented on US Apple Export, requesting support between PDA and US Apple Export so the larger grower member have the option to be associated members, so they don't necessarily have a State membership but somehow can support PA Department of Agriculture at an associate level. Tom Manzier liaison at US Apple, is coming to Mid-Atlantic Conference to speak with US Apple Export to discuss what PDA can do at a department level. This does not affect Apple Budget.

Mr. Andrews suggest that if the industry has an interest and want to support US Apple Export in the future, an Amendment can be done at a later date.

RESOLUTION 2019.04 - APPROVAL FY20 BUDGET

Presented by: David Peters

Motion: Carolyn McQuiston to consider budget

Seconded by: Gary Faulkner

Passed: Unanimously

ASSESSMENTS AND AUDIT PROCESS

Mr. Andrews provided information that 16 growers still owe for FY16 (\$15,216.89) and 36 growers still owe for FY17 (\$16,500.00). The Board discussed money that could be available. Mr. Andrews offer to provided detail information if requested. Mr. Peters ask if would benefit the Board to know who is behind on. Asked Board is it a value for any one? Mr. Peters asked if this something we can find out in the July meeting. Mr. Faulkner bugs him that people he knows of those Apple growers do not pay. Mr. Peters asks does PDA have a check and balance to bring on new producers. Ms. England comments as a board it's hard to track who comes in new, but if the Board knows of people, the PDA should be made aware. Ms. McQuiston, Mr. Andrews and Ms. England converse on what can be done to track Apple growers. Mr. Andrews suggests spot checking orchards. Ms. McQuiston doesn't think it would be beneficial to our time.

Cell phone recording stopped mistakenly

SHAP RESEARCHING FUNDING DISCUSSION

When recorded started, Mr. Peters was informing the Board of a list of preliminary research projects that will be up for bid. Ms. England elaborated on the projects.

Ms. Vranich provided information that as of January 29, 2019, the Farm Show netted \$70,000.00, up from \$60,000.00 in 2018.

Mr. Peters provided information that of the 26 projects the total requested research expenses is \$332,405.00. Of that 11 continuing projects were \$142,938.00, 14 new projects expenses are \$189,466.00. Mr. Peters asked the board if they should fund certain projects, apple specifics.

Board conversation amongst one another about funding the projects for just apple only, verses peach and blueberry as well. Making sure Board doesn't go over budget one year and not have enough to fund projects for future years.

Board and Mr. Andrews discussed discrepancy issues on Diane Belles reports. Moving monies around under the proper line items and how much money to provide for research.

RESOLUTION 2019.05 - APPROVAL OF ASSESSMENTS AND AUDIT PROCESS

Presented by: Mark Boyer

Seconded by:

Passed: Unanimously

MISCELLANEOUS

Mr. Faulkner decided to clear out store room, loaded up truck and Maureen Irwin was good at getting things squared away and unloaded and put in a storeroom. Maureen Irwin suggest setting up a registration table, we can roll out the cart and use to table to put information on.

Quiet chatter amongst Board

RESOLUTION 2018.06 – AMENDING 2019 RESEARCH PROPOSAL FOR SHAP

Motion: Carolyn McQuiston

Presented by: Board

Seconded by: Gary Faulkner

Passed: Unanimously

To fund 2019 SHAP research proposal from \$175,000.00 to \$110,000.00 for Spring 2019.

2019 FARM SHOW

Close out Budget for consumer Ed at the Farm Show with invoices against the balance.

RESOLUTION 2019.07 – 2019 CLOSE FARM SHOW BUDGET

Motion: Carolyn McQuiston

Seconded by: Mark Boyer

Passed: Unanimously

RESOLUTION 2019.08 – 2019 MOTION TO ADJOURN

Motion: Patrick Andrews

Seconded by: Gary Faulkner

Passed: Unanimously

There being no further business, the meeting was adjourned at 10:15 a.m.

Respectfully Submitted:



Patrick Andrews
January 28, 2019