

**CALIFORNIA AVOCADO COMMISSION
EXECUTIVE COMMITTEE MINUTES
January 26, 2023**

A meeting of the California Avocado Commission (CAC) Executive Committee was held on Thursday, January 26, 2023 with the following people present:

MEMBERS PRESENT

Jason Cole (1:40 pm)
Rob Grether
Jessica Hunter
Rachael Laenen (1:47 p.m.)

STAFF PRESENT

April Aymami
Jan DeLyser
Ken Melban
Jeff Oberman

GUESTS PRESENT

None

OFFICIALLY PRESENT

Victoria Carpenter, *USDA*
Ben Kardokus, *CDFA*
Matt Parsons, *Moss Adams*
George Soares, *Kahn, Soares & Conway*
Corinne Wood, *Moss Adams*

ITEM #1 CALL TO ORDER

Roll Call/Quorum – Item 1.a.

Rob Grether, CAC Executive Committee chairman, called the meeting to order 1:37 p.m. and established a quorum at 1:40 p.m.

Introductions – Item 1.b.

April Aymami, CAC industry affairs director, announced the California Department of Food and Agriculture (CDFA) and US Department of Agriculture (USDA) representatives, CAC staff, legal counsel and known guests participating in the meeting.

ITEM # 2 OPPORTUNITY FOR PUBLIC COMMENT

There was no public comment.

ITEM #4 DISCUSSION ITEMS

Signature Analytics Update – Item 4.d.

Ken Melban, CAC vice president of industry affairs and operations, reported that CAC has engaged Signature Analytics to perform the month-end accounting duties that were previously the responsibility of the CAC vice president of finance and administration. He noted that CAC staff would be working to transition duties over the next few months, with a goal of having Signature Analytics up and running by March 1.

CAC Irvine Office Update

Mr. Melban presented images and video of the restoration project occurring at the CAC Irvine office as a result of the water line break in December. He stated that CAC had requested reduced rent from the landlord due to the office being unusable, and that he expected CAC to break near even between restoration expenses and funds received through abated rent and insurance coverage.

Moss Adams Update – Item 4.a

Letters of Engagement from Moss Adams for Financial Audit Services – Item 4.a.i

Mr. Melban reported that typically the Finance Committee and Board would review letters of engagement for annual financial audit services at their October meetings, however CAC's previous auditors, Macias Gini & O'Connell had never sent those letters. CAC management deemed it prudent to issue a request for proposals for financial audit services, which was completed in November 2022. Macias Gini & O'Connell was invited to participate, however did not submit a proposal. Mr. Melban stated that out of the RFP process, Moss Adams was selected to complete CAC's 2021-22 annual financial audit.

Matt Parsons with Moss Adams presented the audit plan, scope of work and timing to the Executive Committee. He highlighted specific changes to this year's audit that was different than years prior, including new report layout, as well as new Governmental Accounting Standards Board standards.

Mr. Grether inquired as to whether Moss Adams would be able to complete the annual audit by the February 2023 Board meeting, to which Mr. Parsons said they would do everything possible to try and make that happen. An Executive Committee meeting was tentatively set for the week of February 20 to allow for a review of the draft audit report prior to presentation to the Board.

Vickie Carpenter with the United States Department of Agriculture stated that USDA needed to complete an entrance interview with Moss Adams, to which management confirmed that would be scheduled as soon as possible.

The Moss Adams Letter of Engagement is included in the January 26, 2023 Executive Committee Packet and is attached to the permanent copy of these Minutes and identified as EXHIBIT A, Item 4.a.i.

The Moss Adams Audit Entrance Presentation is attached to the permanent copy of these Minutes and identified as EXHIBIT B.

ITEM # 3 CONSENT CALENDAR

Consider approval of Executive Committee meeting minutes of September 2, 2022 – Item 3.a

Mr. Grether introduced the consent calendar items and asked for questions or comments. With no comments on the consent calendar items, the following motion was put forward:

MOTION:

The Executive Committee approves the Consent Calendar, Item 3.a as presented.

(Cole/Laenen) MSC Unanimous

MOTION 23-1-26-1

The Consent Calendar is included in the January 26, 2023 Executive Committee Packet and is attached to the permanent copy of these Minutes and identified as EXHIBIT A, Item 3.a.

Update on overall administration of the Commission – Item 4.b.

Jeff Oberman, CAC president, provided an overview of the administration of CAC since the last Executive Committee meeting in October. He noted he had just completed his 90 days with CAC, and was working to understand CAC, as well as the industry, staff and researchers. Mr. Oberman stated that he had been conducting monthly internal CAC staff meetings and participating in department specific staff and agency meetings as well.

Mr. Oberman reported that Ken Melban had been promoted to vice president of industry affairs and operations and was currently overseeing the office restoration, annual audit process, upgrading of the accounting and IT systems. He commented that CAC staff, especially Ms. Aymami and CAC Human Resources Manager Stacia Kierulff had stepped up after the resignation of the VP of Finance and Administration in August to handle the day-to-day work associated with completing the projects.

Mr. Oberman stated that Dwight Ferguson, president of the California Agricultural Leadership Foundation, had requested a meeting with himself and Jan DeLyser to discuss CAC's potential sponsorship of the program. While the list of avocado-related recent graduates and alumni was impressive, the sponsorship request of \$275,000 (\$55,000 for five years) was beyond what CAC management could commit to, therefore he was bringing to the Executive Committee for consideration. He noted that management's recommendation that the program be supported individually by industry members and not by CAC at the requested level. The Executive Committee was in support of

managements recommendation and Jason Cole, CAC treasurer and CALP board member, stated that he would advise the CALP board that CAC would not participate in sponsorship.

Public Member Selection Process – Item 4.c.

Mr. Oberman reported that following the CAC Board's recommendation of public member candidates, the California Department of Food and Agriculture had requested that CAC develop a process to identify and review the eligibility of public member candidates, prior to submission of recommendations to CDFA. CAC management worked with George Soares, CAC legal counsel, to develop a public member selection process to address concerns raised by CDFA.

The Executive Committee reviewed the draft process, with comments focused primarily on item one of the document and the narrow scope of expertise. The Committee wished to amend the language to broaden the pool of eligible candidates and proposed amending the language to include expertise in food safety, public health, nutrition, marketing, public education, or other relevant experience.

The CAC Public Member Selection Process is included in the January 26, 2023 Executive Committee Packet and is attached to the permanent copy of these Minutes and identified as EXHIBIT A, Item 4.c.

Board Member Reports

Mr. Oberman presented an idea raised by CAC Vice Chair Rachael Laenen to allow a comment period during the CAC Board meetings to allow Board members to provide a general update on what was occurring within each district. The Committee was supportive of the idea and it was agreed that time could be allocated at end of the next CAC Board meeting to allow Board members to provide updates from their district.

Restatement of CAC 401 Profit Sharing and 457(b) Deferred Compensation plans – Item 4.e.

Ms. Aymami reported CAC had been notified that restatement of the 401 and 457(b) retirement plans was required to bring the plans up to date with current IRS requirements. Restatement of the plans is typically conducted once every six years and, due to legal fees associated with the process, CAC was bringing this to the attention of the Committee to advise if additional changes to the plan needed to be made as part of the restatement process. The Committee requested that CAC management work with counsel to prepare the restated plan documents and provide a summary of the restated plan and changes for review.

Strategic Planning Update – Item 4.f.

Mr. Oberman provided an update on the scheduling of a board strategic planning session. He noted that Ms. DeLyser, Mr. Melban and Ms. Aymami were part of the internal CAC management team who were reviewing firms that would develop and facilitate these sessions. Mr. Oberman reported that due to the current transition of the marketing vice president, the process had been put on hold until Ms. DeLyser's successor was named, but that the goal was to conduct a strategic planning session by August 2023. Mr. Grether recognized the value of conducting a strategic planning session, however stressed the importance that CAC management take the time necessary to make a productive effort.

Annual Meeting Update – Item 4.g.

CAC management reported the annual meetings would be May 8-10, starting in San Luis Obispo (5/8) and moving to Ventura (5/9) and ending in Temecula (5/10). It was noted that while all of CAC staff had attended prior annual meetings, management would have a core team present at all meetings, then rotate additional staff at individual locations as needed.

ITEM #5 CLOSED SESSION REGARDING APPOINTMENT, EMPLOYMENT, EVALUATION OF PERFORMANCE, OR DISMISSAL OF AN EMPLOYEE PURSUANT TO CALIFORNIA GOVERNMENT CODE SECTION 11126(a)

The Committee may go into closed session to discuss and make recommendations regarding appointment, employment or dismissal of an employee. – Item 5.a

Mr. Grether convened a Closed Session of the CAC executive committee members, Ms. DeLyser, legal counsel and CDFA representative at 3:20 p.m.

Return to open session and announce action taken in closed session, if any. – Item 5.b

Mr. Grether returned to open session at 3:35 p.m. and announced that the committee had taken no action in Closed Session.

ADJOURN MEETING

Mr. Grether adjourned the meeting at 3:36 p.m.

Respectfully submitted,

April Aymami, CAC Industry Affairs Director

I certify that the above is a true statement of the minutes of the January 26, 2023, CAC Executive Committee, approved by the CAC Executive Committee on March 9, 2023.

Jessica Hunter, CAC Board Secretary

EXHIBITS ATTACHED TO THE PERMANENT COPY OF THESE MINUTES

Exhibit A	January 26, 2023 Executive Committee Packet
Exhibit B	Moss Adams Audit Entrance Presentation
Exhibit C	January 26, 2023 Executive Committee Meeting AB 2720 Roll Call Vote Tally Summary

CALIFORNIA AVOCADO COMMISSION
AB 2720 Roll Call Vote Tally Summary
To be attached to the Meeting Minutes

Meeting Name: <i>Executive Committee Meeting</i>	Meeting Location: <i>Online (Zoom)</i>	Meeting Date: <i>January 26, 2023</i>
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<i>Attendees Who Voted</i>	<i><u>MOTION</u></i> <i><u>23-1-26-1</u></i>
Jessica Hunter	Yea
Rob Grether	Did Not Vote
Jason Cole	Yea
Rachael Laenen	Yea
<i>Outcome</i>	Unanimous