

**CALIFORNIA AVOCADO COMMISSION
EXECUTIVE COMMITTEE MINUTES
October 4, 2022**

A meeting of the California Avocado Commission (CAC) Executive Committee was held on Tuesday, October 4, 2022 with the following people present:

MEMBERS PRESENT

Jason Cole
Rob Grether
Jessica Hunter
Rachael Laenen

STAFF PRESENT

April Aymami
Ken Melban

GUESTS PRESENT

OFFICIALLY PRESENT

Victoria Carpenter, *USDA*
Scott Jones, *Moss Adams*
Ben Kardokus, *CDFA*
Trevor Lattin, *Signature Analytics*
George Soares, *Kahn, Soares & Conway*
Joan Taylor, *Moss Adams*

ITEM #1 CALL TO ORDER

Roll Call/Quorum – Item 1.a.

Rob Grether, CAC Executive Committee chairman, called the meeting to order 1:31 p.m. with a quorum present.

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. She asked for all other guests to announce themselves and recorded all participants in attendance.

ITEM # 2 OPPORTUNITY FOR PUBLIC COMMENT

There was no public comment.

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.

(Hunter/Laenen) MSC Unanimous

MOTION 22-10-4-1

The Consent Calendar is included in the October 4, 2022 Executive Committee Packet and is attached to the permanent copy of these Minutes and identified as EXHIBIT A, Item 3.a.

ITEM #4 DISCUSSION ITEMS

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

Ken Melban, CAC interim president, provided a top line overview of Commission operations since the September 2022 Committee meeting. He noted that check signers had been updated with Bank of the West and that CAC staff had worked to get everything ready (computer, email, etc.) for new CAC President Jeff Oberman's first day on Monday, October 10, 2022.

Mr. Grether expressed his gratitude to CAC Treasurer Jason Cole, Mr. Melban and CAC staff for getting things prepared and insuring CAC was in compliance with internal controls. He commented that he was excited to have Mr. Oberman join the team and that he would hit the ground running with travel every week or every other week.

Moss Adams proposal "2022 Internal Control Design Assessment" – Item 4.b.

Mr. Grether reported that at the last meeting the Executive Committee gave direction to Mr. Melban to obtain a proposal for a one-time assessment of CAC's existing internal control policies and procedures. He stated that Moss Adams had submitted a proposal with a cost of \$17,000-\$21,000 and with a delivery timeline of five to six weeks upon execution of the contract. Mr. Grether noted that the Executive Committee had the authority to approve unbudgeted expenditures up to \$25,000.

Mr. Melban introduced Scott Jones and Joan Taylor with Moss Adams who provided an overview of their organization and the details of the internal control design assessment. It was explained that the assessment would review CAC's current internal controls and process for cash disbursements and securing of goods, as well as segregation of duties. At the conclusion of the review of current processes an assessment would be provided that identifies any deficiencies against industry standards and how CAC could address those moving forward.

MOTION:

***Approve the Moss Adams Internal Control Design Assessment as presented.
(Cole/Laenen) MSC Unanimous***

MOTION 22-10-4-2

The *Moss Adams Internal Control Design Assessment Proposal* is attached to the permanent copy of these Minutes and identified as EXHIBIT B.

Signature Analytics Proposal "Outsourced Accounting" – Item 4.c.

Mr. Melban provided an update on the former vice president of finance and administration position, stating that while interviews had been conducted with finance manager candidates through employment agencies, the idea of outsourced accounting had been suggested by Moss Adams. He commented that an outsourced accounting solution would allow CAC access to all levels of accounting support, while only paying for the services you need without carrying the overhead of all those positions on staff. Mr. Melban had conducted preliminary discussions with Signature Analytics, a firm providing outsourced accounting services, and the range for the finance manager level services was proposed at \$6,000-\$10,000 per month.

Trevor Lattin with Signature Analytics provided an overview of their proposal, focusing on CAC's current priorities and needs, as well as the team and structure in place at Signature Analytics to serve as resources with all levels of expertise within the accounting field. Mr. Lattin responded to inquiries from the Committee, commenting that most work on CAC's business would be at the Controller level (with the ability to scale up or down as necessary), that Signature Analytics employees were W-2 employees with long tenure providing a stable environment for clients, that Signature Analytics was located in Orange County and available to work onsite at CAC's office or remotely. With regard to a question regarding the length of the agreement, Mr. Lattin noted that typically service agreements were for a 12-month term, but included a 90-day termination clause to allow for transition of duties back to the client.

Mr. Grether wrapped up the discussion noting this was not an action item, but a preview of an option management was exploring to address the financial workload. Committee members commented that it seemed like a good solution, and that management should explore further, along with other options, and present their recommendation as part of the 2022-23 budget for Board approval at the October meeting.

The Signature Analytics Outsourced Accounting Proposal is attached to the permanent copy of these Minutes and identified as EXHIBIT C.

Board Member Per Diem – Item 4.d.

Mr. Grether reported that CAC's current law allows for volunteers serving on CAC Board or committees to be compensated up to \$100 per day for participation in Commission meeting. There had recently been discussion about whether members would feel a greater responsibility to their duties if they were being compensated for participation in CAC meetings.

The Committee discussed the pros and cons, as well as difficulties with implementation, especially considering some on the Board or committees may already be receiving compensation from their employers and with meetings being conducted both in-person and virtually. CDFA commented that only one Board currently compensated their members and USDA noted that members of federal boards are not able to be compensated. CAC's legal counsel remarked that while the law allows for it, the Board should consider if it is appropriate to receive payment for this service and that because it includes payment for all Commission meetings, could get expensive. A Board member in attendance remarked that this topic had been brought up a number of times over the years at CAC and it seems very few are not already being compensated for their service by their employers, and it would be best to leave it alone.

At the conclusion of discussion, the Committee stated that it would be good for the Board to review budget implications of implementing the per diem clause, as well as a proposed set of criteria for per diem eligibility.

Board Member Code of Conduct/Conflict of Interest – Item 4.d.

Mr. Melban stated that on multiple occasions there had been inquiries regarding CAC's Board Member Code of Conduct and Conflict of Interest and consequences of non-compliance. He noted that upon review, current policies do not have enforcement language and there are no consequences for violations.

The Committee discussed the need to incorporate enforcement language into the Code of Conduct and Conflict of interest policies and directed management work with legal counsel to recommended language for Board consideration.

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, Mr. Melban, legal counsel and CDFA representative at 3:11 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 4:05 p.m. and announced that the committee had taken action to authorize the Interim President to revise specific employee compensation in accordance with specified parameters.

ADJOURN MEETING

Mr. Grether adjourned the meeting at 4:06 p.m.

California Avocado Commission
Executive Committee Meeting Minutes
October 4, 2022

Respectfully submitted,

April Aymami, CAC Industry Affairs Director

I certify that the above is a true statement of the minutes of the October 4, 2022, CAC Executive Committee, approved by the CAC Executive Committee on January 26, 2023.

Jessica Hunter, CAC Board Secretary

EXHIBITS ATTACHED TO THE PERMANENT COPY OF THESE MINUTES

Exhibit A October 4, 2022 Executive Committee Packet
Exhibit B Moss Adams Internal Control Design Assessment Proposal
Exhibit C Signature Analytics Outsourced Accounting Proposal
Exhibit D October 4, 2022 Executive Committee Meeting AB 2720 Roll Call Vote Tally Summary

Exhibit D

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>October 4, 2022</i>
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<i>Attendees Who Voted</i>	<u>MOTION</u> <u>22-10-4-1</u>	<u>MOTION</u> <u>22-10-4-2</u>
Jessica Hunter	Yea	Yea
Rob Grether	Did Not Vote	Did Not Vote
Jason Cole	Not Present	Yea
Rachael Laenen	Yea	Yea
<i>Outcome</i>	Unanimous	Unanimous