

CALIFORNIA AVOCADO COMMISSION
FINANCE COMMITTEE MINUTES
August 10, 2026

A meeting of the Finance Committee of the California Avocado Commission (CAC) was held on August 10, 2026 at 2:00 p.m. with the following people present:

Members Present

Maureen Cottingham, Chair
John Berns
John Haskett
Jamie Shafer
Al Stehly
Rachael Laenen, *ExOfficio*

Staff Present

April Aymami
Zac Benedict
Ken Melban

Guests Present

Kirk Holmes
Danny Klittich

Members Absent

None

Officially Present

Vickie Carpenter, *USDA*

Item #1 Call to Order

Roll Call/Quorum – Item 1.a.

Maureen Cottingham, Finance Committee chair, called the meeting to order at 2:11 p.m. with a quorum present.

Introductions – Item 1.b.

April Aymami, CAC director of industry affairs and operations, introduced the US Department of Agriculture (USDA) representative and CAC staff 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 Consider approval of Finance Committee meeting minutes of September 30, 2025

Ms. Cottingham asked for a motion to approve the June 1, 2026 meeting minutes.

Motion:

The Finance Committee approves the June 1, 2026 meeting minutes as presented.

(Stehly/Haskett) MSC Unanimous

MOTION 26-8-10-1

The June 1, 2026 Meeting Minutes are included in the August 2026 Finance Committee Packet and attached to the permanent copy of these Minutes and identified as EXHIBIT A, Item 3.

Item #4 2025-26 Financial Updates

Ms. Cottingham reviewed the financials provided in the Committee packet, which covered May through June 2026. The Committee discussed variances year-to-date receivables versus prior year, as well as the Fraud Loss line item. Ken Melban, CAC president, explained that CAC had experienced a financial loss as a result of phishing emails and ACH fraud. He noted that CAC had submitted insurance claims and the loss should be limited to \$5,000 once the insurance claim process had been finalized.

The 2025-26 Financial Updates are included in the August 2026 Finance Committee Packet and attached to the permanent copy of these Minutes and identified as EXHIBIT A, Item 4.

Item #5 CAC Internal Control Policies and Procedures Update

Mr. Melban reported that following the ACH fraud incident management had immediately updated processes to mitigate risk moving forward, however because it has been more than 15 years since the current Internal Control Policies and Procedures had been written, CAC was soliciting bids to perform a complete update of the ICPPs. He noted that the first bid CAC received was around \$40,000, therefore CAC was attempting to collect three bids before making the final selection.

Committee members did not think that \$40,000 was an exorbitant amount for the scope of work and recommended that CAC reach out to their auditors and legal counsel for recommendations of firms that could also provide bids.

Item #6 Review of Contracts over \$25,000

The Committee reviewed the listing of CAC contracts over \$25,000, with management providing details for contracts the Committee had questions regarding.

The Listing of CAC Contracts over \$25,000 is included in the August 2026 Finance Committee Packet and identified as EXHIBIT A, Item 6.

Item #7 Cash Disbursement Audit

The Committee reviewed the cash disbursement listings for the months of May through June 2026. Management responded to Committee inquiries regarding specific payment listings.

The Cash Disbursement Audit, May through June 2026 is included in the August 2026 Finance Committee Packet and attached to the permanent copy of these Minutes and identified as EXHIBIT A, Item 7.

Item # 8 Corporate Policies

As a follow-up to the June 2026 meeting, the Committee was provided with details of the EQSL and E & O policies, as well as the schedule of values as part of the meeting materials. The Committee discussed the details of those policies, as well as the role of CAC's insurance broker in ensuring that CAC's coverage adequately meets the needs of the organization. There was additional discussion regarding Pine Tree Ranch and recommendation that CAC staff should inquire about crop insurance.

The CAC Insurance Policies write-up is included in the August 2026 Finance Committee Packet and attached to the permanent copy of these Minutes and identified as EXHIBIT A, Item 8.

Item #9 2026-27 CAC Assessment Rate, Budget & Business Plan

Mr. Melban presented the 2026-27 CAC Business Plan draft indicating that the Board had approved moving in a more streamlined direction for both the business plan and budget. He also presented a two-year look at the budget and what assessment rate may be required for 2027-28 to maintain CAC's current level of spend.

The Committee focused discussion on the 2026-27 preliminary budget, which was based on a 400-million-pound crop at a 1.5 cent per pound CAC assessment rate. Comments were wide ranging, with some noting that the proposed \$5.5 million ending reserve balance was too low, while others

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felt that CAC should not be accumulating any more money than the reserves required them to have. The Committee also discussed the proposed marketing budget and the process management used to determine how much should be allocated for marketing activities and the idea of limiting the marketing spend to the revenue received from HAB. Mr. Melban and Ms. Cottingham explained that based on Board direction to continue CAC's commitment to retail activities, the proposed marketing budget utilized the same spend per pound on retail activities for 2026-27, but that the overall marketing spend per pound for 2026-27 was slightly less than the current year. There was additional discussion about crop size, plans for the 2028 Olympics, marketing ROI and price differential, and the possibility of increasing the assessment to 1.75 cents for 2026-27 and 2027-28, instead of 1.5 for 2026-27 and possibly 2 cents in 2027-28.

At the conclusion of discussion, the following motion was offered:

Motion:

The Finance Committee recommends the Board approve the preliminary as presented, which is based on a 400-million-pound crop and 1.5 cent per pound assessment.

(Haskett/Stehly) MSC 3 Yea/1 Nay

MOTION 26-8-10-2

The Draft 2026-27 CAC Business Plan and Budget are included in the August 2026 Finance Committee Packet and attached to the permanent copy of these Minutes and identified as EXHIBIT A, Item 9.

ADJOURN

Ms. Cottingham adjourned the meeting at 3:50 p.m.

Respectfully submitted,

April Aymami, Director of Industry Affairs and Operations

EXHIBITS ATTACHED TO THE PERMANENT COPY OF THESE MINUTES

Exhibit A August 2026 Finance Committee Packet

Exhibit B August 10, 2026 Finance Committee Meeting AB 2720 Roll Call Vote Tally Summary



EXHIBIT B

CALIFORNIA AVOCADO COMMISSION

AB 2720 Roll Call Vote Tally Summary

To be attached to the Meeting Minutes

Meeting Name: <i>Finance Committee Meeting</i>	Meeting Location: <i>Hybrid Meeting In-person (Irvine) Online (Zoom)</i>	Meeting Date: <i>August 10, 2026</i>
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<i>Attendees Who Voted</i>	<i><u>MOTION</u> 26-8-10-1</i>	<i><u>MOTION</u> 26-8-10-2</i>
Maureen Cottingham	Did Not Vote	Did Not Vote
John Berns	Yea	Nay
John Haskett	Yea	Yea
Jamie Shafer	Yea	Yea
Al Stehly	Yea	Yea
<i>Outcome</i>	<i>Unanimous</i>	<i>3 Yea/1 Nay</i>