

**CALIFORNIA AVOCADO COMMISSION
FINANCE COMMITTEE MINUTES
May 15, 2024**

A meeting of the Finance Committee of the California Avocado Commission (CAC) was held on Wednesday, May 15, 2024 at 9:00 a.m. with the following people present:

Members Present

Maureen Cottingham, Chair
Will Carleton
Andrew Precht
Jamie Shafer
Jason Cole, *Ex-officio*

Members Absent

None

Staff Present

April Aymami
Ken Melban
Terry Splane

Guests Present

John Berns
Vickie Carpenter, *USDA*
Rachael Laenen
Owen McCollum, *Signature Analytics*

Item #1 Call to Order

Roll Call/Quorum – Item 1.a.

Maureen Cottingham, Finance Committee chair, called the meeting to order at 9:02 a.m. with a quorum present.

Introductions – Item 1.b.

April Aymami, CAC director of industry affairs and operations, announced the US Department of Agriculture (USDA) representative, CAC staff, presenting agencies 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 Finance Committee meeting minutes of October 4, 2023 – Item 3.a.

The Committee reviewed the minutes from the October 4, 2023 meeting and the following motion was offered:

Motion:

The Finance Committee approves the October 4, 2023 Finance Committee Meeting Minutes as presented.

(Carleton/Precht) MSC Unanimous

MOTION 24-5-15-1

The October 4, 2023 Meeting Minutes are included in the May 2024 Finance Committee Packet and are attached to the permanent copy of these Minutes and identified as EXHIBIT A, Item 3.a.

Item #4 Discussion and Possible Action Items

2023-24 Financial Updates – Item 4.a.

Ms. Cottingham provided an update on CAC's current financial position, noting that spending was tracking against budget as expected.

The 2023-24 Financial Updates – November 2023 through February 2024 are included in the May 2024 Finance Committee Packet and is attached to the permanent copy of these Minutes and identified as EXHIBIT A, Item 4.a.

Finance Committee Meeting Minutes

May 15, 2024

Page 2

Cash Disbursements Audit – Item 4.b.

The Committee reviewed the cash disbursement listings for the months of September 2023 through February 2024. There were no questions or comments from the Committee.

The Cash Disbursement Audit, September 2023 through February 2024 is included in the May 2024 Finance Committee Packet and identified as EXHIBIT A, Item 4.b.

Review of Corporate Insurance – Item 4.c.

The Committee reviewed the schedule of corporate liability insurance policies as included in the Finance Committee Packet. CAC management provided an overview of the annual process for insurance renewal, which includes CAC's broker vetting the policies and going to bid to ensure CAC's coverage and premiums are competitive with current market trends.

The Schedule of Corporate Insurance is included in the May 2024 Finance Committee Packet and identified as EXHIBIT A, Item 4.c.

Consider Approval of Budget Amendment #1 – Item 4.d.

Ms. Cottingham reviewed the details of the proposed budget amendment, which increases CAC's beginning net position by \$765,313 and increases expenses by \$32,500, resulting in an estimated ending reserve balance of approximately \$6,145,000. It was noted that this budget amendment only included additional expenditures approved by the Board at their February meeting, and to update the beginning reserves balance to match the final 2022-23 audit report.

MOTION:

The Finance Committee approves Budget Amendment #1 as presented.

(Carleton/Precht) MSC Unanimous

MOTION 24-5-15-2

The 2023-24 CAC Budget Amendment #1 is included in the May 2024 Finance Committee Packet and identified as EXHIBIT A, Item 4.d.

Consider Approval of Revised Internal Control Policies and Procedures – Item 4.e.

Ken Melban, CAC vice president of industry affairs and operations, reported that due to CAC restructuring and modernization of systems that had occurred over the past two years, CAC's Internal Control Policies and Procedures (ICPPs) needed to be updated to align with current structure, processes and procedures. In addition to these administrative updates, specific revisions had been made as a result of direction from the Board and management, which included an updated code of conduct and addition of a formalized USDA approval process.

Mr. Melban noted that CAC management is informing the Finance Committee, as the Board's designee, that these changes have been made and will go into effect immediately.

The Revised Internal Control Policies and Procedures are included in the May 2024 Finance Committee Packet and identified as EXHIBIT A, Item 4.e.

Crop Discussion.

Commission management provided an update on the current crop situation, which was estimated to be larger than initially anticipated and at higher values than budgeted, resulting in greater assessment revenue than projected. It was noted that CAC leadership was formulating a plan to ensure marketing support for the additional crop volume, which would be presented at the June Board meeting.

Finance Committee Meeting Minutes

May 15, 2024

Page 3

2023-24 Financial Updates – Item 4.a. (Continued)

The Committee discussed the format of the monthly financial reports included in the packet and requested minor modifications to more easily identify the month being reported. In addition, the Committee discussed the current process of reviewing monthly financials and there was consensus that quarterly reporting of the financials to the Committee would be sufficient.

MOTION:

The Finance Committee moves that CAC management continues to send monthly financial reports to the CAC Treasurer and provides quarterly financial reports to the Finance Committee.

(Carleton/Precht) MSC Unanimous

MOTION 24-5-15-3

ADJOURN

Ms. Cottingham adjourned the meeting at 9:33 a.m.

Respectfully submitted,

DocuSigned by:

April Aymami

April Aymami, Director of Industry Affairs and Operations

EXHIBITS ATTACHED TO THE PERMANENT COPY OF THESE MINUTES

Exhibit A May 2024 Finance Committee Packet

Exhibit B May 15, 2024 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 (Oxnard) Online (Zoom)</i>	Meeting Date: <i>May 15, 2024</i>
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<i>Attendees Who Voted</i>	<i><u>MOTION</u> 24-5-15-1</i>	<i><u>MOTION</u> 24-5-15-2</i>	<i><u>MOTION</u> 24-5-15-3</i>
Maureen Cottingham	Did Not Vote	Did Not Vote	Did Not Vote
Will Carleton	Yea	Yea	Yea
Andrew Prechtl	Yea	Yea	Yea
Jamie Shafer	Yea	Yea	Yea
<i>Outcome</i>	Unanimous	Unanimous	Unanimous