



AGENDA

California Avocado Commission Executive Committee Meeting

Meeting Information

Date: January 9, 2024

Time: 10:00 a.m.

Location: Hybrid Meeting

Physical Meeting Location:
United Water Conservation District
1701 Lombard St
Oxnard, CA 93030

Web/Teleconference URL:

<https://californiaavocado.zoom.us/j/85987648986?pwd=ZVpOTkJOREVZdWFCZEMvb2hpZWt1QT09>

Conference Call Number: (669) 900-6833

Meeting ID: 859 8764 8986

Passcode: 669781

Meeting materials will be posted online at least 24 hours prior to the meeting at:
<https://www.californiaavocadogrowers.com/commission/meeting-agendas-minutes>

Committee Member Attendance

As of Friday, January 5, 2024, the following individuals have advised the Commission they will participate in this meeting:

Jason Cole, Chair

Maureen Cottingham, Treasurer

Rachael Laenen, Vice Chair

Daryn Miller, Secretary

Time	Item
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| 10:00 a.m. | 1. Call to Order |
| | a. Roll Call/Quorum |
| | b. Introductions |
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Time	Item
	<p>2. Opportunity for Public Comment Any person may address the Committee at this time on any subject within the jurisdiction of the California Avocado Commission.</p> <p>3. Consent Calendar</p> <p>a. Consider approval of Executive Committee meeting minutes of November 6, 2023</p> <p>4. Update on the overall administration of the Commission</p> <p>5. Revisions to employee vacation policy</p>
11:00 a.m.	6. Adjourn Meeting

Disclosures

The times listed for each agenda item are estimated and subject to change. It is possible that some of the agenda items may not be able to be discussed prior to adjournment. Consequently, those items will be rescheduled to appear on a subsequent agenda. All meetings of the California Avocado Commission are open to the public and subject to the Bagley-Keene Open Meeting Act.

All agenda items are subject to discussion and possible action. For more information, or to make a request regarding a disability-related modification or accommodation for the meeting, please contact April Aymami at 949-341-1955, California Avocado Commission, 12 Mauchly, Suite L, Irvine, CA 92618, or via email at aaymami@avocado.org. Requests for disability-related modification or accommodation for the meeting should be made at least 48 hours prior to the meeting time. For individuals with sensory disabilities, this document is available in Braille, large print, audiocassette or computer disk. This meeting schedule notice and agenda is available on the internet at <https://www.californiaavocadogrowers.com/commission/meeting-agendas-minutes> and <http://it.cdfa.ca.gov/igov/postings/detail.aspx?type=Notices>. If you have questions on the above agenda, please contact April Aymami at aaymami@avocado.org or 949-341-1955.

Summary Definition of Conflict of Interest

It is each member's and alternate's responsibility to determine whether they have a conflict of interest and whether they should excuse themselves from a particular discussion or vote during a meeting. To assist you in this evaluation, the following *Summary Definition of Conflict of Interest* may be helpful.

A Commission *member or employee* has a conflict of interest in a decision of the Commission if it is reasonably foreseeable that the decision will have a material effect, financial or otherwise, on the member or employee or a member of his or her immediate family that is distinguishable from its effect on all persons subject to the Commission's jurisdiction.

No Commission member or employee shall make, or participate in making, any decision in which he or she knows or should know he or she has a conflict of interest.

No Commission member or employee shall, in any way, use his or her position to influence any decision in which he or she knows or should know he or she has a conflict of interest.



COMMITTEE ACTION

**ITEM 3.a: CONSIDER APPROVAL OF EXECUTIVE COMMITTEE MEETING MINUTES
OF NOVEMBER 6, 2023**

SUMMARY:

The minutes of the Executive Committee meeting of November 6, 2023 are attached for the Committee's review and approval.

FISCAL ANALYSIS:

- Not applicable

BOARD OPTIONS:

- Adopt minutes as presented
- Amend minutes
- Take no action

STAFF RECOMMENDATION:

- Approve minutes as presented

EXHIBITS / ATTACHMENTS:

- Minutes of the Executive Committee meeting of November 6, 2023

**CALIFORNIA AVOCADO COMMISSION
EXECUTIVE COMMITTEE MINUTES
November 6, 2023**

A meeting of the California Avocado Commission (CAC) Executive Committee was held on November 6, 2023 at 10:00 a.m. with the following people present:

MEMBERS PRESENT

Jason Cole
Rob Grether
Jessica Hunter
Rachael Laenen

STAFF PRESENT

April Aymami
Ken Melban
Terry Splane

GUESTS PRESENT

Barbara Peirce

OFFICIALLY PRESENT

Vickie Carpenter, *USDA*
Ben Kardokus, *CDFA*
George Soares, *Kahn, Soares & Conway*

ITEM #1 CALL TO ORDER

Roll Call/Quorum – Item 1.a.

Rob Grether, CAC Executive Committee chairman, called the meeting to order 10:01 a.m. and established a quorum.

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 # 3 CONSENT CALENDAR

Consider approval of Executive Committee meeting minutes of October 10, 2023 – 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, Items 3.a as presented.

(Cole/Hunter) MSC Unanimous

MOTION 23-11-06-1

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

ITEM # 4 UPDATE ON THE OVERALL ADMINISTRATION OF THE COMMISSION

Ken Melban, CAC vice president of industry affairs and operations, reported that the Commission's move to Quickbooks Online was underway and once fully in place would be more efficient than the previous accounting system. With regard to industry affairs, Mr. Melban stated that CAC had been successful in working with USDA to have Hass avocados removed as a listed host for the oriental fruit fly. He noted that he was currently working to have Hass avocados removed as a listed host for the Queensland fruit fly as well.

Terry Splane, CAC vice president of marketing, reported that CAC's new agency, Curious Plot, was officially on board as of November 1 and they had just completed onboarding meetings which included grove and packing house tours, as well as strategic planning sessions with CAC staff. He noted that the CAC budget cuts had been good for the marketing department in helping to evaluate exactly what is working and what is not.

Rachael Laenen noted that she thought a wildfire bill had passed out of way and means, asking if CAC had an update on that. Mr. Melban indicated that he would check with his contacts and get back to Ms. Laenen.

ITEM # 5 CODE OF CONDUCT AND ETHICS

Mr. Grether reported that he had been working with management and George Soares, CAC's legal counsel, to review the existing code of conduct with the goal of providing consistency throughout CAC's policies and creating a policy specific to the Board and Committees, separate from staff and agencies. Mr. Soares noted that language in the revised policy had been taken from existing documents and more clearly defines the role of Board members, alternates and committee members. He requested that any action taken by the Committee reflect the ability for legal counsel to make non-substantive edits during their final review prior to sending to the Board.

Mr. Melban commented that the existing code of conduct was included in CAC's internal control policies, which could be amended by the president at any time, without Board approval. He stated that this new policy would be a stand-alone document that the Board would be responsible for approving.

The Executive Committee reviewed the revised code of conduct and ethics, with discussion focused on III.5.f and reinstatement of members. There was concern about members who may be recommended for reinstatement, but having to wait a long period of time for the next Board meeting. The Committee recommendation was to modify the language to be automatic reinstatement upon execution of required documents. There was also a recommendation to explicitly define the term "family" to reflect "immediate family."

MOTION:

The Executive Committee moves to approve the Code of Conduct and Ethics with recommended changes and the ability for legal counsel to make non-substantive edits.

(Laenen/Cole) MSC Unanimous

MOTION 23-11-06-2

ITEM #6 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 6.a

Mr. Grether convened a Closed Session of the CAC Executive Committee at 10:45 a.m. with members of the Executive Committee, Mr. Melban, Mr. Splane, CDFA representative Ben Kardokus and CAC's legal counsel George Soares.

ITEM #7 RETURN TO OPEN SESSION AND ANNOUNCE ACTION TAKEN IN CLOSED SESSION, IF ANY

Mr. Grether returned to open session at 12:45 p.m. and announced that the Committee to action on two items in Closed Session:

1. Adopt the performance reviews of Ken Melban and Terry Splane and submit them into their personnel files.
2. Approval of specific merit increases for CAC staff which conform with the budget that was approved by the Board in October to be dealt with by management.

ADJOURN MEETING

Mr. Grether adjourned the meeting at 12:46 p.m.

California Avocado Commission
Executive Committee Meeting Minutes
November 6, 2023

Respectfully submitted,

April Aymami, CAC Industry Affairs Director

I certify that the above is a true statement of the minutes of the November 6, 2023, CAC Executive Committee, approved by the CAC Executive Committee on January 9, 2024.

Jessica Hunter, CAC Board Secretary

EXHIBITS ATTACHED TO THE PERMANENT COPY OF THESE MINUTES

Exhibit A November 6, 2023 Executive Committee Packet

Exhibit B November 6, 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>Hybrid - In-Person (Oxnard)/Online (Zoom)</i>	Meeting Date: <i>November 6, 2023</i>
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<i>Attendees Who Voted</i>	<u>MOTION</u> <u>23-11-06-1</u>	<u>MOTION</u> <u>23-11-06-2</u>
Rob Grether	Did not vote	Did not vote
Jason Cole	Yea	Yea
Jessica Hunter	Yea	Yea
Rachael Laenen	Yea	Yea
<i>Outcome</i>	Unanimous	Unanimous



ITEM 5: REVISIONS TO EMPLOYEE VACATION POLICY

SUMMARY:

Over the past year CAC management has been engaged in the process of reviewing CAC's employee benefits, including the current employee vacation policy. Specifically, the accrual maximum and policy of payment for hours accrued more than the maximum accrual. Management has developed a recommendation to revise the existing vacation policy with the goal of reducing CAC's current vacation liability by removing the potential for vacation payouts while incentivizing staff to utilize vacation time. To ensure compliance with California law, management's recommendation has been developed with Katherine Hren, CAC's employment legal counsel.

Management believes CAC's current vacation policy and accrual rates provide value not only to employees, but to CAC as a retention and recruitment tool. It is management's recommendation that revisions to the vacation policy be focused on the allowed maximum vacation accrual limits and payout policy:

C. Maximum Accrual

Eligible employees may carry over accrued but unused vacation from one year to the next but accrual may not exceed 40 days (320 hours). We encourage employees to use their vacation time, but we recognize that due to the nature of some employees' jobs, it is difficult to schedule a vacation each year. Therefore, if an employee accrues 40 days of unused vacation time, CAC will compensate the employee for 10 days of vacation time at the employee's current rate of pay, thereby lowering their accrued total to 30 days. Any payment for 10 days of vacation upon reaching 40 accrued but unused days shall occur within 15 business days after the employee's accrual reaches 40 days.

CAC is within their legal rights to create a policy that sets a cap on vacation accrual. Under this type of policy, once an employee reaches a certain number of days, they will stop accruing vacation until their balance falls below the established maximum accrual. This will incentivize employees to utilize their vacation benefits. The Department of Labor Standards Enforcement has determined accrual maximums must be "reasonable" and that a cap of 1.5 times an employee's annual accrual rate is within legal limits. The DLSE has found that a vacation policy which requires all vacation time be taken in the year it is earned (or in a very limited period following the accrual period) is unfair and unenforceable.

CAC management has developed the following recommendation for CAC's Vacation Policy:

- No changes to Sections A, B, D, E, F, G, H, I or J of the CAC Vacation Policy
- Section C, Maximum Accrual be revised as follows:
 - *Eligible employees may carry over accrued but unused vacation from one year to the next, but accrual may not exceed 1.5 times their annual accrual rate. Once an employee reaches their maximum accrual, they will stop accruing vacation until their balance falls below the established maximum.*

If the Executive Committee approves management's recommendation to cap vacation accruals and remove the payout option, to comply with the DLSE's position that employees be provided a year or more to use accrued vacation, CAC will need to bring down employee vacation accrual balances in coordination with the new policy. This will require a one-time vacation payout to employees to provide at least one full year to utilize their future vacation accruals before reaching the maximum accrual.

For example, most CAC staff receive 160 hours of vacation per year, making their vacation accrual maximum under the new policy 240 hours (1.5 x 160 hours). These employees would be paid for all vacation currently accrued above 80 hours, allowing them one year to utilize the 160 hour annual accrual. The estimated cost of this vacation payout would be \$78,000, plus applicable payroll taxes. It should be noted, however, CAC regularly accrues the value of the vacation liability and therefore this action would not result in a negative impact to CAC's financial position and will reduce CAC's current vacation liability from \$118,500 to \$40,500.

FISCAL ANALYSIS:

- Because CAC has accrued the current vacation liability, the change in policy and subsequent payouts would not have a negative impact to CAC's financial position. Although the payouts would have an immediate impact on cash flow, with CAC's current bank balances in excess of \$6.7 million, the amount is considered immaterial.

COMMITTEE OPTIONS:

- Approve CAC management's recommended revisions to the Employee Vacation Policy, as presented
- Modify CAC management's recommendations and approve revisions to the Employee Vacation Policy
- Take no action

STAFF RECOMMENDATION:

- Approve CAC management's recommended revisions to the Employee Vacation Policy, as presented

EXHIBITS / ATTACHMENTS:

- Current CAC Employee Vacation Policy

VACATION POLICY

CAC has established a vacation plan to provide eligible employees with time away from the workplace without loss of pay or benefits.

A. Eligibility and Accrual

All non-temporary full-time employees are eligible to accrue vacation benefits based on their continuous length of service. Eligible employees begin accruing vacation on their date of hire. Vacation accrues according to the following schedule:

Years of Continuous Service	Vacation Accrual
First day of employment through end of third year of continuous employment	6.67 hours per month up to a maximum of 80 hours per year (10 days ¹ per year).
Beginning of fourth year through end of tenth year of continuous employment	10 hours per month up to a maximum of 120 hours per year (15 days per year).
Beginning of eleventh year of continuous employment and thereafter	13.33 hours per month up to a maximum of 160 hours per year (20 days per year).

B. Part-time and Temporary Employees

Part-time and temporary employees do not accrue vacation benefits.

C. Maximum Accrual

Eligible employees may carry over accrued but unused vacation from one year to the next but accrual may not exceed 40 days (320 hours). We encourage employees to use their vacation time,

¹ For purposes of this section on vacation leave and other paid days of leave, including but not limited to sick leave, bereavement leave, etc., a “day” for both accrual and use of leave is defined as 8 hours for full-time employees.

but we recognize that due to the nature of some employees' jobs, it is difficult to schedule a vacation each year. Therefore, if an employee accrues 40 days of unused vacation time, CAC will compensate the employee for 10 days of vacation time at the employee's current rate of pay, thereby lowering their accrued total to 30 days. Any payment for 10 days of vacation upon reaching 40 accrued but unused days shall occur within 15 business days after the employee's accrual reaches 40 days.

D. Vacation Accrual During Periods of Leaves of Absence

Unless required by law, no vacation accrues during an unpaid leave of absence. Vacation accruals recommence when the employee returns to work.

E. Vacation Pay on Termination

On resignation from or termination of employment, the employee is paid all accrued but unused vacation at the employee's base rate of pay at the time of his or her resignation or termination.

F. Vacation Approval

All vacations must be approved in advance by your supervisor.

G. Vacation Scheduling

Scheduling of vacations is to be done in a manner consistent with CAC's operational requirements. If practical, vacation requests should be submitted by employees to their supervisor for approval at least two weeks prior to the commencement of a vacation period. Vacation requests must be submitted in writing on an approved form. In the event that two or more employees have requested vacations covering the same period and may not be absent simultaneously, supervisors will make every effort to approve requests in a fair manner, including alternating approval of vacation requests between such employees. However, seniority will be considered in such cases.

H. Vacation Advances

An employee may not borrow or take vacation time before an employee accrues the vacation.

I. Holidays Occurring During Vacation

If an observed holiday (see guideline entitled "Holidays") occurs during an employee's scheduled vacation and the employee is eligible for holiday pay, no deduction from accrued vacation will be made for the holiday period.

J. "Working" while on vacation

There is no general expectation that employees are to work or "check in" while on vacation. Days

away from work for vacation will not be considered “time worked” just because you voluntarily check your email or voicemail or perform work that was not requested by your supervisor. Time away from work for vacation that would normally be deducted from your accrued vacation leave (or deducted from your pay if no accrued vacation leave is available) will only be considered “time worked” if the activity performed during your vacation period was specifically and expressly requested by your supervisor.