

**CALIFORNIA CITRUS PEST AND DISEASE PREVENTION DIVISION
FINANCE SUBCOMMITTEE MEETING**

Meeting Minutes
Tuesday, June 2, 2020

Opening:

The Finance Subcommittee webinar was called to order at 10:00 A.M. on June 2, 2020 by Subcommittee Chair Bob Felts, Jr.

Subcommittee Members Present:

Bob Felts, Jr.*	Dr. Etienne Rabe*	Dave Tomlinson*
James McFarlane*		

Subcommittee Members Absent:

Craig Armstrong

CDFA Staff and Guests:

Carl Baum*	Anmol Joshi*	Kelly Salinas*
Ryan Fong	Alex Muniz*	Michael Soltero*
Alisha Garcia*	Keith Okasaki*	Claudia Vasquez*
David Gutierrez*	David Phong*	Jennifer Willems*
Amelia Hicks*	Preetika Pratap*	
Victoria Hornbaker*	Lydia Rodriguez*	

*Participated via webinar

Opening Comments

Finance Subcommittee Chairman, Bob Felts, Jr., welcomed the Subcommittee, guests and staff participating in person and via webinar.

Review 2018/2019 Budget and Funding Sources

Ryan Fong presented the Citrus Pest and Disease Prevention Division (CPDPD) budget for Fiscal Year (FY) 2018-2019. He stated that September the last month for the FY has closed in the Financial Information System for California (FI\$Cal), finalizing the expenditure report for FY 2018-2019. The total expenditures for FY 2018-2019 are \$29,864,223 with a remaining balance of \$10,192,378.

Review 2019/2020 Budget and Revenue Projections

Ryan presented the expenditure report for FY 2019-2020. He stated a decrease in expenditures due to errors on salary reports received from Financial Services (FS). In monitoring manual tracking the team discovered the salary reports were cumulative, accounting for prior month(s) expenditures instead of an individual monthly report. After notifying FS the problem has been corrected and expenditures have dispersed to the correct buckets. Victoria Hornbaker clarified the monthly salary reports should represent salaries for only one month, not multiple. Ryan Fong and Alisha Garcia manage manual tracking, reconciling invoices and other tangible receipts which is how they discovered the problem and were able to correct it. The total for FY 2019-

2020 expenditures is \$12,047,695 with a remaining balance of \$28,439,451. FI\$Cal has closed through February but anticipate expenditures for the months of April and May due to the FI\$Cal system being behind three months. The subcommittee requested a forecasting of expenditures, revenue and the remaining budget for the remainder of the FY. Ryan Fong presented a Fund Condition Statement (FCS) based on information from a balance sheet. The FCS and the monthly balance sheet operates on the State FY from July 1, 2018 to June 30, 2019. The beginning balance for State FY 2018-2019 was \$34,459,944. Revenue and transfers on the report total \$974,884, which is added to the beginning balance to create a new total. The new total is \$35,434,829 then deducts \$4,380,329 of expenditures, creating a remaining balance of \$31,054,500. The remaining balance then becomes the beginning balance for the next FY 2019-2020.

Alisha Garcia presented the FY 2019-2020 revenue. She stated the May 2020 revenue total is \$1,688,172.63, bringing the current year total is \$11,866,841.86. The subcommittee asked why the monthly total reported lower compared to previous year reports. Victoria mentioned remittances have been received late due to packing houses being affected by COVID-19. According to the Food and Agriculture Code, section 5920, assessment remittance and payment is required within 40 days after the month's end for a reporting month. For example, a remittance assessment payment for February must be received or postmarked by April 10th. After April 10th that payment accrues a late fee, a letter is then sent to the packing house stating the late fee and due date. If not paid by that due date, the packing house will incur a 1.5 percent interest rate to the original late fee amount. The subcommittee suggested clarification on the processing of remittance assessments from packing houses. Victoria explained that packing houses send a remittance form with a check, the check is then processed by the CDFA cashier. The cashier prepares and sends a packet noting the date and amounts from the checks received to Alisha Garcia in the Citrus Division. Alisha reconciles the remittance calculations and the check to determine if the remittance was late or underpaid. This information is then entered into a manual revenue tracking system.

Citrus Division Progress

Carl Baum presented the Citrus Division progress. The Citrus Division will create an expenditure and advertisement for a Financial Analyst position, to analyze manual tracking and FI\$Cal, requested by the subcommittee. Departmental Services is working with CPDPD to evaluate space for staff and will investigate resources for the new office location.

The meeting was adjourned at 10:54 A.M. The next Finance Subcommittee meeting will be held on July 7, 2020 at 10:00 A.M.