



WASHINGTON BLUEBERRY COMMISSION

Serving the Blueberry Industry of Washington

WASHINGTON BLUEBERRY COMMISSION

January 20, 2017

Mt. Vernon, WA

Chair Brian Sakuma called the meeting to order at 11.04 AM

Introduction

Commissioners present: Bryan Sakuma, Rebecca Weber, Rob Dhaliwal and Adam Enfield, Todd Van Mersbergen.

Not Present: Brenton Roy and Leif Olsen

Administrative staff present: Alan Schreiber and Lori L. Anderson.

Guests: Kent Wahl, Abreal Miguel, Spencer Felger, Leighton Overson, Lisa DeVetter and Chad Kreager.

Bryan called for an introduction of board members and guests.

Approval of previous minutes

Brian asked for approval of the meeting minutes with the request from Rob for the 2015 audit report to be sent out to the Commissioners. Alan let the Commission know that we are expecting the 2017 audit report today.

Brian asked for approval of the minutes with the request from Rob that the 2015 audit report to be sent to the board.

Rob moved to approve previous minutes as edited. Todd seconded the motion. Motion to approve previous meeting minutes passed. These minutes are from the previous meeting. November 3, 2016.

Financial Report:

Alan went over the financial report from last year (2016) with the Commission. We had carryover funds from the research budget as WSU did not invoice the WBC before December 31st 2016. Brian asked Alan about the \$500 increase from Peerbolt, Rob and Bryan would like Alan to let Peerbolt know that the Commission wants an explanation of where the extra funds charged are going. Bryan would like Peerbolt to understand we budgeted for \$2000, and the Commission wants to see exactly where the extra \$500 will be spent. Alan noticed a mistake on the travel funds, the balance should be \$129. Alan pointed out that the Washington State Department of Agriculture line item, which is Teresa Norman's position, has increased due to the WBC's increased assessments. Of the \$109,504 carry over funds left, half of it is the WSU research invoices that have not been received. Alan asked if there are any questions, there are none at this time. He then went over the check register, are there any questions, no.

Alan then went over the 2016 budget as of January 13, 2017.

Rebecca asked about the budget dates, Alan told her that we have not yet approved a new 2017 budget.

Brian asked for a motion to approve the Financial Report.

Adam moved to approve the Financial Report for the 2016 & 2017 year. Rob seconded the motion. Motion passed unanimously.

Internal Audit

Alan explained that the Blueberry Commission changed accountants that did our fiscal review and we have received the bill but not the report. Bryan explains that we do this audit to make sure as a Commission things are done appropriately. As soon as Alan has received the report he will send it along with the 2015 accounting review report.

2017 Budget

Assessments

Alan explains that he is working on the budget, version 5 at this time. We have received \$480,000 in assessments for 2016. (Leighton has predicted 140 million pounds will be produced for the upcoming season.) Alan believes there are a lot of farms in Whatcom County that were down in production for the 2016 season but could be up significantly in 2017. Other farms across the state made up the decreases for the Whatcom farms. This does not pertain to the budget, except the amount of pounds and next year's numbers.

Alan went over the amount we put in the Commission reserve funds, but if there are any questions please ask, Alan would like to hear your input. Bryan and Alan have gone over this budget many times, and would like to run an idea by the Commissioners. Bryan would like to increase the Export and Development Market on the budget. Alan wants the Commissioners to understand why we are paying for market development and splitting the cost with California. Alan goes over the marketing for fresh blueberries into countries that we have previously not been granted access to. Rob was asking what will happen with Vietnam and the Philippines if the Free Trade agreement goes away.

The Budget has included \$5000 towards Washington Grown, should that continue. Rob thought the intentions of Washington Grown were for promotional export to other counties. Bryan also thought this was the reason the Commission had including it in the budget.

Bryan believes that since we are paying for it, can the Commission manage these funds. Rob would like to know why the UHBC has not been funding more projects like this. Alan thinks this will create an increase in the tariffs. Rob would like to see UHBC support more projects that have to do with market development issues instead of working on promotions. Alan would like to maintain the budget funding for Delauney's promotion of Washington Blueberries. The Commission will continue working with Bryant Christie.

South Korea is a lower priority; Bryan believes we need to do a survey to get more information before we make any definite decisions. Alan explained the percentage of assessment money that goes towards research, postage, Peerbolt, travel, administrative services, conference calls etc. on the budget.

Alan and Bryan will meet to discuss his request to increase the administrative fee. Alan says with the larger budget that it requires more work and a commensurate increase in financial support. Bryan wants to develop a more formal way to evaluate how Alan is doing. Alan and Bryan are in agreement on the need to have a more formal process. With the increase in administrative services, Bryan would like a separate motion from the budget with a performance review, and then formalize the motion. How to evaluate this decision and how to determine what type of validation the Commission requires. Rob brought up an executive meeting, Rebecca and Alan told Rob that yes that can be done.

Rebecca tells the Commission we can approve the budget with a certain amount of money but we do not have to spend it, or take it out of the contingency fund. As Alan goes over the 2017 budget, Bryan asked what our last bill was for the last state audit. There is an idea to amend the budget at a later date in regards to the administrative fee. Alan has increased the contingency amount, the general feeling of the Commission is that the industry outreach budget is too low.

Eastern Washington blueberry growers want a food safety workshop. Lisa DeVetter talked about the committee and planned the workshops. These meetings are planned to be held in Prosser, Mt. Vernon, Lynden and maybe South Eastern Washington. Blueberry Commission and Red Raspberry will be contributing to these workshops.

There is a Fungicide Resistance Working Group meeting on Feb. 22nd in Lynden at the Steak House 9.

Meeting adjourned for lunch at 12:00 pm.

Meeting called back to order at 12:19 pm.

During lunch Alan receive the financial review from the accountant. The accountant found no issue with the WBC books other than he said the WBC had too many funds in one bank and that the Commission's funds are vulnerable to being lost if a bank were to collapse. Alan will meet w with the bank to resolve this issue. Bryan asked if a motion needs to be done, Bryan would like the accountant to feel comfortable with the Commission's financial situation. Alan will get back to the Commission regarding the accountant recommendations we have with Columbia Bank. Alan would like confirmation on this issue, if we need to have a special meeting regarding moving to a financial institute with higher insurance coverage. Bryan wants to make sure we follow through with the accountant's recommendation.

Alan went over the CD amounts and asked for approval from the Commission to move the money from Bank of America to Columbia Bank.

Bryan asked for a motion to move the CD to a different financial institution.

Rob made the motion to move the CD from Bank of America to Columbia Bank. Adam seconded the motion. Motion to move the CD was approved.

Promotions

Rob would like a video made, there is one on the raspberry website, instead of money on Washington Grown, and Alan suggested that Delauney could create a video for the Commission. Rob would like to see some type of video on the Blueberry Commission website. Bryan would like to take Washington Grown/Promotional funds so they can be changed to fit the Commission's needs. Rebecca feels that there are 2 different ideas here, Bryan, Rob and Adam agree. Bryan asked Rebecca if there are grant programs for promotions of exporting Blueberries. Rebecca does not believe there is anything available at this time. Alan would like some guidelines on the subject of the promotional video. Bryan feels it should be looked into further by the Promotions Committee.

Rebecca gave the Commission a list of activities relevant to WSDA's International Marketing Program. There will be a meeting that includes Asian markets and Washington growers. This meeting will happen sometime in September, the date has not been decided yet. Rebecca would like to update her data base of blueberry contacts so that she can send out the information as she gets it.

Bryan would like to create the drive for the Department of Ag to help the Blueberry industry in the exporting of Washington blueberries. Alan and Bryan feel that ODA is doing more than Washington's Department of Ag for their respective blueberry industries. Rebecca explained that Oregon sets up their programs differently and has funding that is allocated differently than Washington (Oregon has more funds than Washington does for international marketing.)

Research Committee

Alan explained the amount of proposals the Blueberry Commission has received has increased by 25%. The penalty that the Blueberry Commission has to deal with is the research projects are being done on both sides of the state. Diversification between organic, conventional, fresh, processed, this creates six separate types of industries in one industry

Leighton Overson went over why the proposals received the ranking they did, and how a voting process was completed to create a fair and unbiased decision. Everyone gets a say, there is not domination of any one person. Alan stepped off the phone so there would not be the appearance of a conflict of interest, but he was asked questions on research for purposes of clarity prior to his departure from the call. There are a few proposals that Leighton would like to make some changes to.

2017-02 Choi asked for \$10,000 but the Raspberry Commission recommends we only give him half that he asked for, then a SCBG would be put in for the remaining amount.

2017-03 Davenport, why did her proposal increase so much, Lisa was guessing it was because of three different samples that are being taken across the state, Leighton would like more clarification on why her budget has increased so much..

2017-09 Dalphy, she has travel to a professional meeting in her proposal, the Commission does not normally fund travel expenses to professional meetings. So \$1,000 will be taken off of her proposal.

2017-04 Schreiber Harmonization of MRLs – Ranked high enough to be funded, but no real research done besides talking to the companies. Can this be lumped into expanding foreign markets, the Commission would like to fund as many projects as possible?

2017-20 Gerdeman, this is a complicated proposal, but it needs to be funded. Alan recommended getting a few people together to guide her in a better direction. Bryan asks Leighton if there are other entomology issues that are important enough for Bev to be doing that could be funded. Leighton believes there are entomology projects that need to be addressed such as researching chemicals other than the ones already being used. There are many other compounds for her to research with these funds so what does the Commission want to do with her proposal.

Alan brings up the \$6,000 in the contingency fund, the Commission could put these funds towards the proposal funding. Alan asked the board how they want to approach the funding of the 2017 proposals.

Bryan responds that for budget purposes, should we send the proposals back to the research committee for or just go ahead and fund it. Leighton tells him that this is what the board had voted on and this is why they have decided on it.

Bryan called for a motion to pass the funding of the proposals as presented by Leighton.

Rob said that \$236,000 is the total amount for proposals. Tobin Peever gets \$20,000 based on the Red Raspberry Commission matching our funding request. If not, we will take it out of Chad Finn's request which would be \$7,258. Adam seconded the motion. Four voted for, one voted against. Motion passed.

NW Small Fruit Research Center

They have not been getting their research funding so not much going with the Center. We already talked about the outreach efforts. More workshops are coming to the industry in the future.

Rob asked to amend his motion. Brain asked for a motion to pass the amended proposal funding.

Rob made a motion to amend his previous motion to fund Tobin Peever at \$20,000 assuming the WRRC funds Tobin's project at the same level. If WRRC does not fund then take \$7,258 out of Chad Finn's project to make up the difference. Adam seconded the amended motion. Everyone voted again and the motion was passed.

WSU

Chad Kreager came in to discuss the budget cuts that are being made to programs to Washington State University. Chad goes over the accounting system that needs to be updated, the new medical school and other updates they need to keep the University running. So the budget cuts that are being made are affecting the College of Agriculture. The financial situation at WSU is dire. It will be three to four years before the University may be out of debt to the extent they are right now. For every three faculty positions that come open, WSU will fill one position. WSU no longer is committing to refill the Tanigoshi/Gerdeman entomology position.

Executive Session

Bryan also wanted to validate that we could give Alan a raise, so contract will be reinstated as is, until a new contract is voted on.

Rob made the motion to adapt the budget as presented. Todd seconded the motion. Motion to approve the budget passed.

Meeting Dates for 2017:

NABC is in Arizona on March 1-3rd.

March 13th Lynden Steak House 9.

June 13th Teleconference.

November 2nd Yakima.

Other Business and WSDA Reports

Update from Rebecca's office, her boss is moving to another position so they are reviewing his position and should have a new person named by February. Rebecca also let the Commission know that there will be an opening at the WSDA Yakima Office.

Adam made the motion to approve the financials as presented. Todd seconded the motion. Motion to approve treasurer's report passed

Brian asked for a motion to adjourn the meeting.

Rob made the motion to approve the adjournment of the meeting. Leif seconded the motion. Motion to adjourn passed.

Motion to adjourn at 2:27