

# **CITRUS RESEARCH AND DEVELOPMENT FOUNDATION, INC.**

## **Minutes of the**

### **Finance and Audit Committee Meeting**

**May 21, 2019**

A meeting of the Finance and Audit Committee of the Citrus Research and Development Foundation, Inc. was held on Tuesday, May 21, 2019 at the UF/IFAS Citrus Research and Education Center, Ben Hill Griffin Hall, Room 103 in Lake Alfred, Florida. The meeting was properly noticed and recorded. The meeting was called to order at 9:12 am by Chairman Ned Hancock. Roll was called and a quorum was present. Committee members participating were Rob Atchley, Larry Black, Ned Hancock, and Jeanna Mastrodicasa. Member not present was Charlie Lykes. Others participating were Brandy Brown, Rick Dantzler, Winsor Eveland, Sharon Garrett (telephone), David Howard, Sean McCoy, Audrey Nowicki, Michael Rogers (telephone), and John Updike, Jr.

Mr. Atchley moved to approve the minutes of the April 23, 2019 meeting. The motion was seconded by Dr. Mastrodicasa, and with no discussion passed unanimously.

Mr. Hancock reviewed the April 2019 financial summary report and accompanying statements. He reported that the expense variance is not inconsistent with our historical budget, which are slightly below projections.

There was discussion on funding for FY 2019-20 for the new contracts being funded from the 2019 RFP. Mr. Dantzler reported on the upcoming 2019-20 financial and budget position of CRDF. CRDF received an \$8 million appropriation from the legislature. Of that \$8 million, \$2 million is encumbered with proviso language, which requires CRDF to spend on large-scale field trials for new plantings. Mr. Dantzler reported that we will have an approximate funding total for FY 2019-20 in the amount of \$12.1 million. The breakdown of this funding includes:

- \$6 million in legislative appropriation
- \$2.1 million in box tax
- \$4 million is cash carried forward

Revenue obligated for FY 2019-20 is \$10.7 million:

- \$8 million in 49 existing contracts
- \$950,000 in office and field administration
- \$1,750,000 in desired balance carried forward

Revenue available for new contracts is \$1,288,490. Mr. Dantzler explained the breakdown of the costs for the 30 pre-proposals if funded as:

- The first-year cost of the 30 pre-proposals was \$3,131,000. The range was \$37,500 - \$200,000, for an average of \$105,000
- Number of proposals that could be funded based on an average first-year price of \$105,000 would be 12 proposals

There was discussion about how much carry forward we have and if we should be using some of that money to fund more projects; there was also discussion on the FDACS Box Tax budget. Mr. Hancock discussed his concerns about spending the reserves down to \$0.

There was discussion on how the \$2 million for large-scale field trials was to be handled. It was discussed that there would be an RFP related to the CRAFT program for the \$2 million that CRDF must spend on large-scale field trials.

Mr. Hancock reported that he would like CRDF to acknowledge Coke and Pepsi for their years of funding during the June board meeting in Bonita Springs.

Mr. Hancock discussed the consideration of Dr. Steve Futch as a contract scientist for CRDF. Since CRDF does not have a Chief Science Officer, we have been presented with the opportunity to hire Dr. Futch on for a short term to assist Drs. Graham and Syvertsen. Mr. Dantzler reported that Dr. Futch has offered to assist CRDF and, depending on how many new contracts we fund this fiscal year, Dr. Futch would help with those projects. He would also work on special projects, like with the work of the Select Committee on Plant Improvement. He would be contracted through Kelly Services and CRDF would pay Kelly Services his contracted hourly rate. Mr. Hancock asked if the contract for Dr. Futch would be included in the FY 2019-20 budget, and Mr. Dantzler confirmed that it would be.

Mr. Hancock reviewed the request for an additional \$10,000 from Florida Citrus Mutual for the 2019 Citrus Industry Annual Conference in Bonita Springs. The request is in addition to our \$10,000 Sponsorship that we pay each year and does not include the additional billing for incidentals in the amount of approximately \$3000. There was committee discussion on whether the additional \$10,000 would be asked for each year, or if it is considered a one time ask. Mr. Black made a motion to pay only the \$10,000 sponsorship already agreed upon, as well as incidentals as in previous years. The motion was seconded by Mr. Atchley and it passed unanimously.

Mr. Hancock gave an update on the Frankel Media website redesign. The launch of the website went live on Monday, May 20, 2019. He reported that there will be a demonstration of the new website and new features at the Board meeting.

With no further business, the meeting adjourned at 9:57 am.

Minutes submitted by Brandy Brown