

CITRUS RESEARCH AND DEVELOPMENT FOUNDATION, INC.

Minutes of the Board of Directors Meeting

Tuesday, August 27, 2019

A meeting of the Board of Directors of the Citrus Research and Development Foundation, Inc. was held on Tuesday, August 27, 2019 at the UF-IFAS SWFREC in Immokalee, Florida. The meeting was properly noticed and recorded. Board President Larry Black called the meeting to order at 10:01 am. Roll was called, and a quorum was present. Board members present were Rob Atchley, Bobby Barben, Larry Black, Ned Hancock, Greg Hodges (telephone), David Howard, Charlie Lykes, Jeanna Mastrodicasa, Bob Newsome, Tom Obreza and John Updike, Jr. Also participating were Mike Aerts, Brandy Brown, Rick Dantzler, Steve Futch, Jim Graham, Mike Irey, Matt Joyner, Kelly Morgan, Audrey Nowicki, Chris Oswalt and Alex Wheeler (telephone).

Also, in attendance were Amy Couch, Fred Gmitter (telephone), J.R. Gough, Alec Hayes (telephone), Ed Leotti, Sean McCoy, Steve Melchert, Ernie Neff, Richard Pinsky (telephone), Bill Poulton, Bernadette Rashford, Joby Sherrod, Austin Siegle, Wayne Simmons, Steve Smith, Jim Snively and Callie Walker.

Mr. Black presented the board minutes from the July 16, 2019 meeting. Mr. Hancock moved to accept the minutes of the July 16, 2019 Board of Directors meeting. The motion was seconded by Mr. Updike, and with no discussion it passed unanimously.

Executive Committee: Chairman Larry Black reported that the Executive Committee had not met. Mr. Black asked Dr. Mastrodicasa to give an update on the search for the new Senior Vice-President for UF.

Dr. Mastrodicasa reported that Dr. Jack Payne will be retiring on June 30, 2020, and an active search to find his replacement is in place. The Search Committee has been announced, which consists of 25 members, and Dean Michael Perri from the UF College of Health and Health Professions will be the chair of this committee. The plan is to have the position posted by September and it will be a national search. The goal is to review applications in November, with interviews taking place in early 2020, and have the position filled by or before June 1, 2020. Dr. Mastrodicasa reported that the title for the position has been changed from Senior VP to VP; the person will still report to the UF President, currently Dr. Fuchs.

Finance and Audit Committee: Chairman Ned Hancock reviewed the financial summary as of July 31, 2019, which reflects current FDACS billings which accrued in FY 2018-19. The FDACS Legislative and Box Tax contracts for FY 2019-2020 are in Tallahassee for final review. The final invoice from Bayer project has been received and processed for payment, and PepsiCo has been invoiced for their final payment on the co-funding agreement. Mr. Updike made a motion to approve the July 31, 2019 financial summary as presented. The motion was seconded by Mr. Atchley, and with no further discussion it passed unanimously.

Mr. Hancock asked Mr. Alex Wheeler to review the CRDF FY 2018-19 Draft Financial Audit Statement. Mr. Wheeler reported that there was a slight change to this year's statements, due to UF requesting that all DSOs prepare their financial statements using the Government Auditing Standards. This incorporates changes to the reporting language, the statement titles and some of the notes; the biggest change is the addition of the Management Discussion and Analysis. This Analysis includes data for the last three years, and also shows 95% of the full report details. Mr. Wheeler reviewed each section of the audit for FY 2018-19 and noted there were no findings. Mr. Updike made a motion to approve the FY 2018-19 draft financial audit statement as presented. The motion was seconded by Mr. Barben, and with no further discussion it passed unanimously.

Mr. Hancock asked Mr. Dantzler to report on discussions regarding international travel related to the Bayer project. Mr. Dantzler reported that the \$12 million contract with Bayer Crop Science for the initial scope of work will end on June 30, 2020, which means there will need to be a decision made on whether the Foundation enters into a new contract for Phase II or terminate the relationship. Due to the specific nature of the project, the collaboration meetings between Bayer and the Joint Steering Committee that have taken place are held in a confidential setting. The CRDF/Bayer Joint Steering Committee meets twice a year, in different locations, to receive updates. The meetings have sometimes occurred in the different Bayer labs where the research is being conducted, in West Sacramento, Lyon, France and West Germany. Under consideration is whether traveling to Lyon, France for the next Steering Committee meeting would be cost efficient and beneficial to CRDF. Mr. Dantzler spoke with Dr. Denise Manker about the concerns brought up from the F&A meeting, and Bayer has agreed to convene the next meeting in Lake Alfred. Mr. Dantzler reported that discussions on an international travel policy could be tabled at this time. Mr. Black stated that an international trip to visit the Bayer lab still needs to be done before the contract ends in June 2020.

Mr. Dantzler gave a report on the FY 2020-2021 legislative budget request. He reported that he and Mike Sparks have been in discussions about the legislative budget request since the session is starting earlier this year. At the last Finance & Audit Committee meeting, the Foundation's ongoing expenses for FY 2020-21 were discussed. Mr. Dantzler reported that with the projections of our currently funded projects, anticipated new projects, the \$2 million allocated for large-scale field trials and administrative expenses, the CRDF legislative budget request will be \$8.4 million.

Governance Committee: Chairman John Updike, Jr. reported that the Governance Committee met prior to the Board meeting to discuss the Memorandum of Understanding between UF and CRDF on our DSO status. A copy of the MOU was provided in materials. Mr. Updike made a motion to approve the MOU as presented. The motion was seconded by Mr. Atchley. Mr. Dantzler discussed details the MOU, outlining agreement to the following:

1. CRDF shall be allowed to continue awarding research money to parties other than the UF.
2. CRDF shall submit its research contracts to the UF Office of Vice President of Research for University review and approval. Said review shall be for the purpose of insuring that said contracts comply with University accounting and governance standards but shall not be for the purpose of substituting UF judgment of scientific merit in place of CRDF's.

3. CRDF will accept a change to its by-laws that states it is in compliance with the Standards.
4. Should CRDF be decertified as a DSO, UF shall provide CRDF with a reasonable wind-down period to accommodate an orderly separation.
5. The current F&A rate charged by UF to CRDF funds shall remain at 12% for through the FY2024 funding cycle.
6. In the event of decertification, all current and future liabilities shall first be paid, and any remaining money shall be used for the benefit of the Florida citrus industry as the parties agree, consistent with state law.
7. If one of these points of agreement is found to be invalid or not obeyed, it shall not affect the remaining points, which shall remain in full force and effect.

Mr. Black asked for additional comments, and with no further discussions the motion passed unanimously.

Research Management Committee: Chairman David Howard reported that the RMC met on August 23 to discuss the 2019 full proposals. He asked Mr. Dantzler to give a report on the 2019 RFP process. Mr. Dantzler reported that during the 2019 RFP there were 91 pre-proposals submitted, and of those 91, RMC invited 27 to submit full proposals. The RMC met last week to review those 27 full proposals and the committee decided to recommend funding for eight of the full proposals. Additionally, there were three proposals the committee felt could be blended into one proposal and Mr. Dantzler has reached out to those PIs to collaborate and resubmit a new proposal.

Mr. Dantzler discussed the policies for the proposal budgets regarding salaries, tuition and travel expenses. He reported that this year the committee was provided staff analyses to review with the proposals, which gave a summary of the proposals as well as their costs. Mr. Dantzler discussed the large costs related to travel, tuition and, in some proposals, salaries. After speaking with some of the researchers, he believes that travel expenses could be negotiated to lower the total amount of the proposals, if said proposals are recommended for funding. However, the cost of tuition has gone up, and tuition would not be negotiable. Regarding salaries, some researchers are entirely grant funded, and for those situations, it would be appropriate to allow salary for those researchers, but for the salaried researchers, we would not be paying additional salary funds for those researchers.

Mr. Dantzler suggested that the BoD defer any action on the funding of the full proposals until the next board meeting. This is due to the review of the large-scale field trial proposals coming due at the end of August. By deferring action today, the BoD would have a full scope of work being presented for funding, which would allow it to weigh the decision whether to fund more large-scale field trials and fewer projects, or vice versa.

Mr. Howard reported that the 2019 RMC recommendation for funding of the eight full proposals were included in materials, with an estimated cost for year 1 funding at \$645,811. However, it was decided to defer any action at this time.

Mr. Howard reported that the SAB was to review the progress reports submitted from the current portfolio of projects, and upon review found that there was not enough data to give any feedback at this time. Mr. Dantzler added that funding projects is based on what we receive from legislative appropriations. In our contracts, it is stated that if we do not get adequate appropriations, then we could terminate projects. Mr. Dantzler reported that using the SAB to review the status of the projects and having their assistance to advise us on which projects are meeting objectives and which projects are not would be beneficial when it comes to making decisions on continuing or terminating a project. Mr. Dantzler reported that we are currently inviting PIs to the BoD meetings to give a presentation on the final report of their projects. By doing this, it would allow us to help the researchers be more successful in their projects, as well as give the board an idea if they are getting the best value from what they are funding.

Mr. Howard reported that there were discussions on projects vs. programs. Mr. Hancock opened discussions, reporting that CRDF's history shows that we have been funding more programs than we have projects. CRDF needs to focus more on funding projects and UF should be funding programs. Mr. Dantzler reported that the philosophical issues is whether programmatic costs should be handled by UF and CRDF. Plant Improvement is the area where the issue has centered. One of the things that has been discussed is for CRDF to give an annual lump sum of a negotiated amount to UF for "programmatic expenses." There was discussion on how the board would be able to know what we were getting for our dollar when we are funding programs and not projects. There was a comment that when the CRDF Board is asked to review and approve funding for proposals, it is our job to decide at that time if they should be funded or not. Dr. Obreza reported on how USDA publishes their findings, and suggested that CRDF should add an outreach component as part of the RFPs, which would require that the PI distribute their findings once the project was completed.

Select Committee on Plant Improvement: Mr. Bobby Barben reported that the Select Committee had not met; however, a meeting is being scheduled for next month to meet in Lake Alfred with the UF Researchers.

Mr. Dantzler gave a brief update from previous meetings from the Select Committee on Plant Improvement. He reported that the Select Committee will be discussing the sugarcane model of breeding, and whether there were elements that could be adopted by the citrus breeding model.

Mike Irey shared more details about how the sugarcane model operates. He reported that Florida, Louisiana and Texas are the only areas in the U.S. where sugarcane is grown commercially. In Florida, the industry provides funding to each researcher in the sugarcane breeding program. Also provided are vehicles and land to use for the research. With the sugarcane model, the industry has full control on the direction of the program. The researcher will present their data, and the industry will decide on what they want to move forward with in the program.

Researcher Presentation: Mike Irey gave a presentation from the Southern Gardens Diagnostic Lab on Understanding PCR, followed by a brief question and answer session. Mr. Dantzler reported that the presentation given by Mr. Irey is an example of how we will be inviting PIs to present their final report at CRDF BoD meetings.

Commercial Product and Delivery Committee: Mr. Dantzler reported that the only thing to report for CPDC is that the June 30, 2019 Project Managers Quarterly Report was provided in materials.

COO Report: Mr. Dantzler commented that what he was to report had already been discussed.

Partnership Updates: Matt Joyner gave a partnership update from Florida Citrus Mutual. He reported on the CRaFT, regarding large-scale field trials. The proposals will be submitted in September; the projects will be awarded in December, followed by the trees going into the ground in January 2020. There was a discussion about the grower survey and Mr. Joyner reported that there was a lot of grower interest in the large-scale field trials.

Mr. Joyner gave a brief update on the water quality related matters with the Legislature. He also thanked CRDF for the legislative session budget request letter that Mr. Dantzler submitted last week.

Mr. Black introduced Dr. Kelly Morgan and thanked him and his staff for hosting the CRDF meeting at the UF/IFAS SWFREC. Dr. Morgan thanked the CRDF BoD for traveling to Immokalee. He gave a brief update on the things happening in the SWFREC area and thanked CRDF for their continued support in funding the researchers in Immokalee.

Mr. Chris Oswalt gave an update from the UF Extension Agents. He reported that fruit size is good, due to the rainfall, mostly in Hamlins; however, the effect on yield is yet to be determined. He has noticed new plantings in the different regions, indicating that growers are having a better understanding of how to handle HLB. Lastly, he reported that there will be citrus nutrition boxes coming available soon.

Mr. Mike Aerts gave a report on the Section 18 related to bactericide products. Both Oxytet products, which are the Mycoshield® and FireWall®, have received a Section 3 registration. Mr. Aerts reported that they are working on the application for Section 18 recertification of streptomycin; the current registration expires December 31, 2019, since no federal registration has been made as of today.

New Business: Dr. Obreza gave an update on the search for a DeSoto County citrus extension agent, due to Dr. Futch's retirement. UF expects to post this position soon.

Future CRDF Meetings: The next board meeting will be held on Tuesday, September 24, 2019 at 10:00am, at UF/IFAS CREC in Lake Alfred, FL.

With no further business, the meeting was adjourned at 11:45 am.

Minutes submitted by Rob Atchley, Secretary.