

PMC Report for 2024 WACD Annual Meeting

Fiscal Year 2023-24: Total operating revenues for the PMC for fiscal year 2023-24 were \$1,741,031. That is a little short of the budgeted amount of 1,760,800, and down from last year's revenue of \$1,816,149. Last year was a record setting year driven in part by a post-Covid bump of projects delayed by the pandemic. Most of the revenue was Plant Sales at \$1,402,699, compared to \$1,608,330 last year.

Expenses for FY 2023-24 were \$1,596,719 compared to \$1,531,555 the previous year. Some of the increases in expenses were Executive Operations, Cold Storage, Transplants and Staff Wages.

Net Income for FY 2023-24 was \$144,312 compared to \$284,593 last year, and even though Net Income decreased it still exceeded the Budgeted amount of \$90,699. In the end 1,460,619 plants were sold and 375,618 went to CD's, and 1,046,630 went to non-CD customers. The rest were plants grown under contract. The total value of sales to districts was \$433,638 and sales to non-district customers were \$1,110,192.

FY 2023-24 was a good year for the PMC. A lot of plants were produced, sold, and were incorporated into a wide variety of conservation practices while generating revenue to keep the PMC operating as well as providing funds used to benefit the whole organization. The staff and employees at the PMC deserve a big shout out for their hard work and dedication to make it happen. The plants produced and sold were 3 years and millions of steps and decisions in the making. Thanks. You guys rock!!

Fiscal Year 2023-24:

- **Financials:** Lori has completed the financial reports for October. There is not much to report on for revenue since that time of year has not yet started. Expenses are a different story. They are up by \$82,593 over last year at \$445,224. The \$24,500 expense for the audit will be posted to reserves taking it off PMC operational expenses. Most of the Repair and Maintenance Equipment budget is for the pump replacement so far, which will be posted to Capital Reserves. Some expenses increased out of necessity such as seasonal wages due to a lot of weeding needed this summer and needing more packaging supplies than last year. Going forward the PMC will control expenses as much as possible to finish the year within budget.
- **Sales:** As of October 31, 2024 the PMC has posted \$1,238,852 in sales which is 75% of the way to meeting this year's sales budget. So far sales are behind from the same time last year when they were \$1,346,420 and behind the record setting pace in 2022 when they were \$1,462,586. Jacquie and Lori have been busy booking the orders from

current customers and marketing to potential new ones. The rate at which sales come in varies from year to year and there is reason to believe that the PMC will meet the sales budget.

- **Operations:** The 2024 growing season has gone well. According to field inventories there are approximately 2,335,843 plants composed of over 70 species currently in production at the PMC. That includes seedlings, transplants, contract plants and live stakes. Current production uses almost 26 acres. Add to that the 7.5 acres of new seedbed planted this fall and an additional 9 acres for spring planting, there over 42 acres currently under cultivation.

The equipment and facilities are working okay. The main equipment issue was the west irrigation pump was not working properly and had to be replaced. The new pump is a Variable Frequency Drive pump which will save water, electricity and time while helping to produce a better product. The best part is that with the help of Skagit Conservation District 75% cost share funding was secured which resulted in the PMC paying \$9,104 for the \$36,419 project. Thanks Emmett and Nick for making that happen. The PMC's share will be posted as a capital expense once all is settled.

- **Outreach:** Over the past year it has been brought to our attention that the PMC needed to do some more outreach with CD staff to better explain what the PMC is, how it works and what can be done to source the plant materials needed. The first step was forming a Plant Materials Task Force in response to a 2023 resolution to better understand the issues and how to deal with them. That has been done, the results of which are to be presented at the Annual Meeting. Early in the process of that task force it became apparent that publishing a PMC Users Guide and hosting an Open House for CD staff and supervisors could address some of these problems. The User's Guide is a booklet that covers what the PMC is, the plants it produces, ordering information and how to handle plants once received. It is posted on the PMC's website (www.wacdpmc.org) or it is available upon request. The Open House was held in August and was attended by over 70 CD staff and Supervisors. It began with a classroom session, followed by field tours so that everyone got a better idea of what the PMC is and what it offers. There was a lot of positive feedback afterwards but more work needs to be done to help CD's fill their plant materials needs. A similar undertaking will occur next summer for non-CD customers.

Other Accomplishments:

- **Gravel Beds:** John Knox has been working on these for several years. They are raised beds filled with pea gravel. In the spring surplus bare root seedlings are planted in them where they grow during the summer, producing more fibrous roots which yields a plant

that can be pulled out in the fall and planted. It has gained in popularity and John has worked with CDs to establish their own gravel beds.

- **Conifer Tree Seed Orchard Partnership:** The PMC has partnered with DNR to manage and operate a conifer tree seed orchard on Whidbey Island. It was established and owned by Weyerhaeuser who sold it to Island Transit. Island Transit has plans to develop part of it but that is years away so in the interim an agreement has been worked out to allow us to continue operating the orchard. DNR is the senior partner and is responsible for some of the bigger tasks like pruning, thinning, harvest and processing the cones and seeds. The PMC will take on some of the maintenance and mowing and in return get a percentage of the seeds. It is one way that the PMC has worked to better secure a more reliable source of some conifer seeds since conifers do not reliably produce good seed crops every year and it seems like that trend is getting worse. So far it has been working well with 4500 bushels of cones collected this year.
- **Drone Imagery for Field Inventories:** The PMC has been working with Skagit CD Forester Nick Kunz on determining the feasibility of using drones to help with conducting field inventories on some plants. He has been working on it for a few years and has gotten some promising results with conifers. The shrubs are trickier with multiple leaders. We appreciate Nick bringing his equipment and expertise to this promising new field. Thanks Nick and Skagit CD for proving this promising new technology.

Coming Attractions: The main thing is the start bare root harvest. A seasonal crew of 24 ag workers has been lined up and are scheduled to start on December 1st. Most of them have worked here before so that makes orientation easier. Over the course of approximately 14 weeks over 1.5 million plants will be harvested, sorted, graded packaged and placed into cold storage before shipping out.

I hope this helps. Please let me know if you have any questions. Thanks. Jim

