

14th District Agricultural Association

SANTA CRUZ COUNTY FAIR

Established 1885



BOARD MEETING MINUTES

Board of Directors' Meeting
2601 East Lake Avenue, Watsonville, CA
Tuesday, October 23, 2012
The Board Room

Approved by: _____
Date: _____

CALL TO ORDER: 1:30 PM

DIRECTORS PRESENT: Jody Belgard Akimoto, President; Bruce Oneto, Director; Loretta Estrada, Director; Stuart Yamamoto, Director, Don Dietrich, Director; Stephanie Fontana, Director.

DIRECTORS ABSENT: none

DIRECTORS EXCUSED: none

GENERAL MANAGER: Dave Kegebein – General Manager (IGM)

AGENDA APPROVAL:

DIRECTOR COMMENTS: Director Dietrich noted that he came to the Fair to observe how the Fair was enjoyed by the participants. He spent time with the volunteers and enjoyed the camaraderie. He thanked the Management Team for doing a great job. He also thanked the staff for their hard work and professionalism. He especially noted how terrific the grounds looked and expressed sincere appreciation to the volunteers. He urged the other directors to do what they can to support the great volunteers.

Director Yamamoto agreed with Director Dietrich and noted how beautiful the grounds looked. Director Yamamoto also expressed appreciation to all of the volunteers and the Fair Management Team for their hard work.

Director Estrada stated that the Fair this year was just great! She thanked Director Fontana for her support of the Diaper Derby and Senior contests. She noted that the Rodgers House tours were very well attended and appreciated.

Director Oneto was ill during the Fair but had assisted with Home Arts before the Fair started. He also heard that the kids were very well behaved on Education Days and expressed appreciation to all involved.

Director Fontana said that she made sure to visit every department during the Fair. She was amazed how our Fair has a little bit of everything for every interest from model trains to poultry to sea lions! She truly appreciated the diversity of our Fair and its participants and especially thanked the Department Heads for their hard work.

ACTION ITEM X2. (moved up on the agenda to accommodate presenter schedule). Contractor Ryan Barrett with Bay Quality Construction summarized work proposed to fix leaking roof in JJ Crosetti Building, which will be paid for by the Heritage Foundation. The cost is estimated at \$50,000. *Director Dietrich moved, Director Estrada seconded approval of the Heritage Foundation repair and coating on the JJ Crosetti Building. Motion carried.*

PUBLIC COMMENTS: Eric Zamost provided comments on the previous board meeting.

Allen Harryman encourages collaboration between the Fair management and the neighbors and recommends that the Fairgrounds mission statement be revised to include that collaboration.

Dawn White, Livestock Department Head, thanked Gloria Van Dierendonck and Lynne Grossi for their 100% support during the Fair. She noted that the staff and volunteers were dedicated and supported the Department completely.

MINUTES OF AUGUST 28, 2012 BOARD MEETING: *Director Dietrich moved, Director Estrada seconded approval of the minutes. Motion carried.*

CONSENT AGENDA:

Director Estrada moved, Director Fontana seconded approval of the consent agenda. Motion carried.

FINANCIALS: IGM Kegebein went over financial reports and noted that the Fair bills were paid and there is a cash balance of about \$270,000. About \$178,000 are restricted funds so that the Fairgrounds have available cash of about \$92,000, which is a huge relief after some dire earlier cash flow projections. A \$150,000 line of credit is still available if needed. The current projection is that about \$188,000 cash will be on-hand at the end of the year.

IGM displayed a spreadsheet that detailed the change needed to stabilize the finances at the Fairgrounds. In addition to the current \$1.2 million budget, there is a need for an additional \$500,000 per year in order to maintain the financial stability of the facility and to maintain the basic level of infrastructure improvement and operations. IGM anticipates a potential \$280,000 in increased revenues from the Farmers Market, sponsorships, increased rentals, etc., leaving a very significant deficit of \$200,000 per year. He noted that very difficult but very immediate measures will be required to overcome that deficit.

The Board just received the September financials so they will not be considered for approval until November. *Director Dietrich moved, Director Yamamoto seconded approval of the August financials. Motion carried.*

MANAGEMENT TEAM REPORT: IGM Kegebein referred to the document in the board packet summarizing the accomplishments achieved this year by the Management, Staff and Management Team. There was discussion during which the Board expressed consensus that they were very impressed with the accomplishments and the hard work and dedication of the Team. The IGM then summarized the areas that needed more work (summary included in packet) and emphasized the need to develop a strategic plan to

develop a stable platform for the management of the fairgrounds moving into the future. The IGM asked if the Board had other areas needing attention – Director Dietrich recommended that an overall marketing plan be included.

The IGM referred to the list of Proposed Projects for 2013 included in the packet, totaling \$100,000. He noted that equipment needs alone totaled \$60,000 for 5 pieces of badly needed equipment. He also noted that the infrastructure repairs are urgent and need attention immediately. Director Estrada expressed amazement at the work the IGM has done and his breadth of knowledge. Director Dietrich emphasized to the Board how urgent and expensive the needed infrastructure repairs are and that looking forward; the Board has an obligation to keep the facilities maintained in order to achieve financial independence.

INFORMATIONAL ITEMS:

- X1. Fairtime Admissions Report: with the new ticketing system, the attendance numbers were more accurate than in the past. The attendance was about the same as last year – approximately 60,000.
- X2. Fairtime Concessions Report: concessions were up about \$2,000 over last year, and equal about 10% of the overall budget
- X3. Fairtime Sponsors Report: of a total of \$62,000 in sponsorships, nearly \$22,000 was in cash, and \$40,000 in in-kind sponsorships.
- X4. Entries Report: Lynne noted that entries were up slightly overall.
- X5. (Farmers Market item is under Action Items)
- X6. Strategic Planning Update: IGM noted that the State is still undecided in how fairs are to be dealt with. John Kegebein suggested that the Strategic Planning effort be done by the entire board. Director Oneto would like to see a Strategic Planning Committee is formed. IGM reminded the Chair that a committee had been already created with Directors Dietrich and Estrada appointed. Director Oneto congratulated IGM on the outstanding job he's done all year in pulling the Fairgrounds out of a downward spiral.

ACTION ITEMS:

- X.I.1. Review and Approve Refund Requests. *Director Yamamoto moved, Director Estrada seconded approval of refund requests. Motion carried.*
- X.I.2. Heritage Foundation repair and coating on J.J. Crosetti Building roof (already discussed as earlier report)
- X.I.3. Review and Approve contract with Strelow Consulting to update Initial Study and Negative Declaration for Farmers Market. *Director Dietrich moved, Director Estrada seconded approval of contract with Strelow Consultants. Motion carried.*
- X.I.4. Approve Reducing Fair to 5 Days. IGM noted that as shown in earlier financial forecasts, significant cuts in expenses must be realized in order for the finances to stabilize. Cutting the Fair by one day would be a step towards that goal, and although a big change, would not result in significant reduction in attendance and revenues. Comments were made by various attendees relating to the need to get the horse show, livestock and floral exhibits underway Monday of Fair week, and the various ways that Senior Day and Kids Day could shift to accommodate the shorter schedule. Randy Repass noted that this year's Fair was great and since the Management Team had saved the Fair this year, the IGM's recommendation for a shorter Fair should be considered. The IGM noted that he had discussed the concept with the Heritage Foundation and the Volunteer Fair Team and had their support. He emphasized the need to

make significant change in order to bring the financials to a sustainable place. *Director Yamamoto moved, Director Estrada seconded reduction of Fair to 5 Days. Motion failed with Directors Dietrich and Fontana voting against reduction in Fair to 5 Days.*

X.I.5. Future Board Meeting Schedule. IGM said that Director Oneto had asked for consideration of evening meetings. Director Fontana had likewise heard from her constituents that an occasional (every quarter or 6 months) evening meeting would allow greater participation. Director Dietrich was open to either schedule but stressed the desire to accommodate the public. Director Oneto noted that it may give the younger people more opportunities to participate and that he'd like to reach out to the high schools. Director Estrada noted that the public had very rarely attended the meetings in the past, regardless of timing. Director Yamamoto was open to either option. Sharon Hayashi noted that participation would require marketing to the target audience. *Director Fontana moved, Director Dietrich seconded making January and July board meetings evening meetings. After discussion, Director Fontana amended the motion to making May and October meeting evening meetings to begin at 6:30 p.m. Motion carried.*

X.I.6. Review and Approve Sponsorship Policy Changes. IGM summarized proposed sponsorship changes as presented in the agenda packet. Randy Repass spoke in support of the IGM request and noted that the sponsorship funding is needed desperately. *Director Estrada moved, Director Dietrich seconded approval of the consent agenda. Motion carried, with a no vote by Director Oneto*

X.I.7. Review and Approve Agricultural History Project Community Garden Partnership. *Informational only – will be brought back for consideration at an upcoming meeting.*

REPORTS

Rogers House News Update. Director Estrada noted that the Fair visits to the Rodgers House had been great and that there will be a meeting tomorrow.

HERITAGE FOUNDATION

Sue King reported that the Heritage Foundation Volunteer Dinner made money- \$850! Over 300 people showed up and it was a wonderful success. The Christmas Craft Fair is scheduled for November 30 and December 1 and 2. The Crab Feed is scheduled for March 2, 2013. IGM offered special recognition to Sue King for putting the Volunteer Dinner together.

JUNIOR FAIR BOARD – no report

AG HISTORY PROJECT – John Kegebein reported that the Borina Tractor Barn wall covering is being done and that the Harvest Dinner will be held on November 10, 2012.

CORRESPONDENCE: A thank you letter was received from the Walnut Avenue Center, and an email was received from Director Oneto which was responded to in various discussion/action items above.

FINAL COMMENTS: Director Estrada expressed concern that the current Management Team is needed to continue the good work they've done this year. IGM agreed to report on plans for the future at the next meeting. The Management Team needs to see forward progress in order to extend their commitment.

Director Dietrich noted that he polled the department heads during the Fair and asked them what the two or three things were that they would like to see happen in order to help them put on a better fair. He would like this to be discussed at a future Department Head meeting.

Director Oneto noted that the Friends of the Fair movement brought in \$20,000.

CLOSED SESSION: none

ADJOURNMENT: The open session meeting was adjourned at 5:07 PM.

Next Board Meeting: November 27, 2012 @ 1:30 PM in Board Room

DRAFT