

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 27, 2015

The Board Room

Approved by: _____

Date: _____

CALL TO ORDER: 1:30 PM by President Bill Barton

DIRECTORS PRESENT: President Bill Barton, Vice President Stephanie Fontana, Director Loretta Estrada, Director Jody Belgard, Director Stuart Yamamoto, Director Tony Campos

DIRECTORS ABSENT:

DIRECTORS EXCUSED: Director Eric Hammer

GENERAL MANAGER (GM): Dave Kegebein

PUBLIC COMMENTS: There were no public comments.

DIRECTOR COMMENTS: Director Estrada congratulated General Manger Dave Kegebein for his 2016 Pajaro Valley Chamber Man of the Year award.

CONSENT CALENDAR: *Director Dietrich moved to approve the Consent Agenda; seconded by Director Yamamoto. The motion carried unanimously.*

MINUTES: *Director Dietrich moved the motion to approve the December 15, 2015 minutes; seconded by Director Belgard. The motion carried unanimously.*

FINANCIALS:

1. GM reviewed the 3 Year Cash Comparison handout. There was growth of approximately \$200,000 when compared to 2013. The balance owed to Department of Justice, as of December 31, 2015, was \$2,380 compared to \$19,805 in 2013. \$30,000 will be transferred from the LAIF account to Santa Cruz County Bank, where the line of credit is held. The total cash available for the end of 2015 is \$180,343. GM stated that there has been a steady improvement in income as the Fair continues to manage expenses while growing revenue.
2. *Director Dietrich moved to approve the December 2015 Financials. Director Dietrich withdrew his motion since the December Financials final report was not available.*

3. GM distributed a staff memorandum regarding the Financial Review and Audit Services. Director Campos stated that the Fair should hire local firms. It was explained that there was a competitive bidding process and the successful bidder was the firm of McGilloway, Ray, Brown, and Kaufman. The firm is experienced with working on fair accounting issues so less staff time is needed for familiarization. *Director Dietrich moved to approve the contract for reviews and audits; seconded by Director Fontana. The motion carried, with Director Campos voting no.*
4. The 2016 Operating Budget was reviewed. Included in the budget was a 5-year comparison. GM stated that two of the years listed in the comparison were financially disastrous, which causes the figures to be skewed as such 2011 is not included in the 5-year comparison. GM stated that he budgets conservatively given the fact that much of the fair's revenue relies on the annual fair. GM stated that the annual fair revenue was up this year, even with the hot weather we experienced. We continue to book new events which will hopefully result in a continued increase in revenue. Director Estrada asked about the 2010 Entry Fee figures compared to 2014. GM explained that many of the Departments no longer charge fair participants an entry fee; therefore there is a decrease in revenue from 2010 to 2014. A question was asked about the blank rows under Building Rentals. GM responded that in 2010 building rentals were combined under one line item. Rentals are now broken out by hall; therefore the figures are listed under the line items for each hall. In the future, the GM would like break down maintenance costs for each building to better determine the profitability of each hall. A question was asked about Building Rentals – Other. GM explained that revenue is from the childcare facilities, barns, etc. Director Campos suggested that the line items contain descriptions. *Director Estrada moved to approve the 2016 Budget; seconded by Director Belgard. The motion carried unanimously.*
5. Nic Keiderling went over the 2013-2014 audit. Director Belgard commented that the fair did not seem lacking in areas and that it appeared that the fair was meeting its requirements. Mr. Keiderling noted that the audit was a “review of the numbers” and that issues relating to procedures and practices would be examined during the actual audit. President Barton and Mr. Keiderling were thanked for their assistance with the financial review. *Director Belgard moved to accept the 2013-2014 audit; seconded by Director Estrada. The motion carried unanimously.*

MANAGER'S REPORT:

1. Heritage Alcohol License Update – GM stated that when the racetrack applied for a liquor license 16 years ago, as part of the application process the racetrack submitted an area map. The area map included several areas of the fairgrounds that were beyond the racetrack concessions. This map is a problem as it contains areas where the Foundation sells alcohol. To correct the problem, the Foundation will license the entire fairgrounds and the racetrack will be designated as a Foundation volunteer. The license should be in place by the start of the racing season. GM added that a refrigerated container must be purchased to hold any unused alcohol. Alcohol Beverage Control does not allow extra alcohol to be returned to the supplier. Also, alcohol must be purchased from a wholesaler.

2. Projects Update – GM reviewed the 2016 Foundation Funding Request. He added that the cost to replace the sewer line from Crosetti has increased due to issues involving the gas line and the need to replace the asphalt with concrete. The regional water board agreed that utilizing trusses for the sewer line would work and the Army Corp of Engineers has no issues with the project; however an EIR is needed in order to move forward.

GM also stated the Governor's current budget allocated \$4 million for fair infrastructure, down from \$7 million the previous year. GM stressed the importance of better lobbying efforts from the Western Fairs Association. Director Estrada asked about the restrooms for the outdoor market. GM stated that the intent was to work on the restrooms during the slower period; however unforeseen issues have resulted in delays. He hopes to resume construction in the spring.

GM stated that he was approached by a person who expressed interest in having a motorcycle rally at the fair. The rally would not be a large event. Camping would be allowed. Director Dietrich expressed concern with the event, given the cost of security and potential risks associated with motorcycle rallies. GM stated the rally is an idea at this point and no agreements have been made. He added that prior to reaching any agreement he would meet with law enforcement to discuss costs, risks, etc.

OLD BUSINESS:

1. Board Review and Comments and Draft Policy Manual – GM received comments from Director Fontana and President Barton. Some of the comments were clerical in nature and relating to social media. Director Fontana suggested that in the section relating to social media, add the language "included, but not limited to" also include language such as "the Santa Cruz County Fair has the right to remove content or comments that are inappropriate or in conflict with the mission of the Fair" and state the mission statement.

A question was asked regarding the process for memorials and/or naming fairground buildings. The GM said there are no specific details with respect to the process since each case could be different. However, the initial steps to naming/dedicating could involve approaching fair staff, the manager, or Board. If a company sponsor or individual would like a building renamed, the Board would be asked for approval before the renaming process were to commence. Director Dietrich stated that if a policy is needed, an ad hoc committee can be formed to create a policy on memorials.

A question was asked regarding fair time camping and supervision relating to livestock participants. GM stated that there are signed releases obtained from parents/guardians, there is a supervisor on the premise and camp hosts are present each night. A list of hosts is posted for security, the committee, and participants.

Director Dietrich moved to hold a public meeting to receive comments and adopt the policy manual; seconded by Director Fontana. The motion carried unanimously.

2. *Director Dietrich moved to adopt and approve the Delegation of Authority; seconded by Director Campos. The motion carried.*
3. Review List of recommended checking Account Signature changes – Lynne Grossi added as a signatory to the Premium and Operating Accounts, President Barton and Manager Kegebein as signatories on the LAIF Savings Account (Director Belgard to be removed); funds will be moved out of the LAIF account to a new savings account at Santa Cruz County Bank. *Director Dietrich moved to accept the recommended changes; seconded by Director Campos. The motion carried unanimously.*
4. Set 2017 Rental Rates – Tabled until further notice.
5. Set Fair Admission and Vendor Fees – There were increases in the senior ticket. Military, with military ID, free every day. Veteran's, with military ID, is \$8 on opening day. Additional parent leader wristband (more than 2) has increased to \$40. Corner booths are now \$775. *Director Estrada moved to accept the new ticket prices and booth rental rates; seconded by Director Belgard. Motion carried unanimously.*

CORRESPONDENCE: None

REPORTS:

1. Rodgers House News Update – The committee did not have a meeting; however the committee hosted a potluck dinner. The dinner was successful. Vice President Estrada is working on the removal of the Christmas decorations and has been work on landscaping maintenance. She was thankful for the maintenance help she received.
2. Heritage Foundation News Update – Jeannie Kegebein distributed the new Foundation logo. Donor Perfect software has been purchased and membership data has been inputted. The Foundation's draft bylaws are in the process of being reviewed. The Foundation is seeking new board members. The annual crab feed will be held on March 5. Tickets will be available online beginning 2/1. The Foundation is working on creating a hospitality suite to be used during the fair.
3. Agricultural History Project News Update – AHP received responses to the survey regarding the Living History Farm. The responses were positive. Many who responded said they would be willing to help out. AHP hopes to have horses, oxen, and mules for the Day on the Farm event.
4. WFA Attendees Update – Director Estrada said the annual conference was interesting; however the quality of speakers has declined. Director Estrada discussed the possibility of converting Paddy Smith Park to a family park during the fair, which would allow children to play and explore while parents watch and take a break. GM stated that a person or group must be responsible for organizing and operating the Paddy Smith area. In addition sponsors would have to be obtained.

FUTURE MEETINGS: March 22, 2016; May 24, 2016; July 26, 2016; October 4, 2016; and November 29, 2016. All meetings scheduled for 1:30 pm.

CLOSED SESSION: The Board met with the GM and discussed his performance. The Board voted to increase the GM's salary to the top step of the fair manager classification, which is a salary increase of approximately 5%.

ADJOURNMENT: The meeting adjourned at 5:20 pm.

DRAFT