

14th District Agricultural Association



SANTA CRUZ COUNTY FAIR

Established 1885

BOARD MEETING MINUTES

Joint Meeting of the Board of Directors'
And the

Santa Cruz County Fairgrounds Foundation

2601 East Lake Avenue, Watsonville, CA

Tuesday, July 26, 2016

Ag History Project

Approved by: _____

Date: _____

CALL TO ORDER: 6:30 PM by President Barton

FAIR DIRECTORS PRESENT, Bill Barton, President; Stephanie Fontana, Vice President; Loretta Estrada, Director; Stuart Yamamoto, Director; Don Dietrich, Director; Eric Hammer, Director; Tony Campos, Director.

FAIR DIRECTORS EXCUSED: Director Belgard

FOUNDATION DIRECTORS PRESENT: Jeannie Kegebein, President; Steve Tedesco, Vice President; Kevin Larkin, Secretary; Julie Oliver, Treasurer; Sue King, Director; Jeff Nielsen, Director; Kirk Schmidt, Director; Rita Scurich, Director; Richard Travis, Director

FOUNDATION DIRECTORS ABSENT: Director Michelle Bassi, Director Katie Bassman, Director Ivan Diaz

GENERAL MANAGER (GM): Dave Kegebein

ADMINISTRATION/OPS. – Lynne Grossi

President Barton asked the Fair Board and Foundation Board to do introductions.

PUBLIC COMMENTS: none.

DIRECTOR COMMENTS: none

CONSENT CALENDAR: *Director Campos moved, Director Dietrich seconded approval of the Consent Calendar. Director Hammer abstained, the remaining directors voted in favor, motion carried.*

FINANCIAL REPORTS: GM provided an overview of the financial reports. Cash balance is \$123,000, with \$30,000 put back into reserves. Cash on hand is running about \$60,000 ahead of where we were last year at this time. A lot of work is getting completed because Director Dietrich and many other volunteers spend a lot of hours at the facility. GM pointed out that the Statement of Operations (STOP) report shows continued growth. We have received \$38,000 in operating subsidies from the state, up from \$30,000 last

year. We maintain a \$30,000 line of credit for the livestock auction, and \$150,000 for the Fair, while maintaining \$250,000 insurance for lost revenue in case of an unanticipated crisis at fair time. *Director Dietrich moved, Director Fontana seconded approval of the Financial Reports for April and May. Motion carried.*

REPORTS (planning discussion moved to end of agenda by consensus)

1. Rodgers House News Update – Director Estrada included the report in the packet.
2. Santa Cruz County Fair Heritage Foundation. Jeannie Kegebein reported that they have seated two new board members. Julie Oliver reviewed the Foundation Financials. The June balance was \$220,105, with \$188,210 of that restricted leaving \$32,551 unrestricted. Kirk Schmidt prepared a budget comparison and Julie Oliver summarized the revenues and expenditures including over \$100,000 in improvements funded by the Foundation. President Barton complimented the SCCFF on improved financials. Jeannie noted that Jeff Nielsen is membership chair and is doing a fantastic job. Kevin reviewed the Heritage Hog Program and noted the outstanding scholarship recipient, Yuritza Arciga who is raising the Heritage Hog this year. He encouraged everyone to show support of this program with a donation.
3. Ag History – John Kegebein reflected back to 1992 when there was an awareness that State funding would be curtailed and Fairs would have to figure out how to self-fund or perish. He cited ours as an example of how hard work, good leadership and terrific volunteers help keep our Fair successful.

He noted that the Second Saturdays are successful and that 16 to 18 folks have been regularly attending the Living History Farm planning meetings. John also noted that one of the responsibilities of Ag History is protecting the donated artifacts. The rule of thumb is that 80% storage space is needed versus 20% exhibit space for a facility of this kind. We are at 50/50% right now. AHP is planning to build a carriage space at the bleachers area which has become a liability. He is encouraged that we are getting more young folks involved and active at the AHP.

NEW BUSINESS:

GM summarized how critical the Foundation is to the Fair, and how important it is that both boards get to know each other and keep in close communication. GM provided an overview of the projects and improvements listed in the memo. Jeff Nielsen described the Youth Leadership Program. Rita Scurich summarized the social media efforts she is involved with promoting the facility and its events. Kirk Schmidt recommended that highly visible changes could be made that would be relatively inexpensive, such as coming up with a new color scheme for the buildings. John Kegebein commended the Freedom Rotary for its donation and planting of a large number of trees providing shade in many areas of the grounds.

President Barton commented on the success from three sources: 1) the General Manager, Dave Kegebein, 2) the Santa Cruz County Fair Foundation; and 3) the Ag History Project. He said we need now to look to the future and plan the resources needed to keep it going. Jeannie introduced Steve Tedesco, the Foundations fundraising chair who will be key in keeping funding robust.

John Kegebein announced that the Ag History Project is setting a goal of raising a \$3 million endowment to keep things going should additional funding be needed for staff, etc. They are working with the Community

Foundation who oversees a number of endowments in the County. Director Hammer cautioned that the old guard will start to leave and need to be replaced – how will the legacy be carried on? President Barton said there is need to do succession planning. Rita Scurich noted that in grant writing, it is important to demonstrate that directors/board members contribute to the organization. Director Campos noted that we need to prioritize and pull together.

GM reminded participants that it is very difficult to sustain the facilities under the current state regime denying funding for the facility. He is the only full time employee running the entire operations, with a few part-time employees and a cadre of committed volunteers. GM noted that two areas needed study – the race track and the Little League area. The auto race track occupies 40% of the useable land and generates only 10% of the revenues. GM asked for other ideas and input from the group.

Director Estrada noted the need for landscape improvements. John Kegebein wondered if a restaurant onsite would be feasible, maybe just on weekends. Kirk recommended marketing the facility during Fair time and reach out to folks who aren't from South County. Stephanie Fontana noted that at the Mid-State Fair they'd used some vacant space in Floriculture to do an elegant wedding display as a way to market the facility the rest of the year.

Director Hammer noted that the cannabis industry is developing in Santa Cruz County and will be a multi-billion dollar enterprise which poses a “highly” desirable educational opportunity.

President Barton summarized the concepts for prioritizing long-term business opportunities and the need to set criteria. GM proposed that for next steps, the conversation be broadened by holding a Fall/Winter time stakeholder meeting to get input on a 10-year plan. He identified the need to look at servicing local versus regional options.

MANAGER'S REPORT:

1. Water System Update. Due to the presence of the Day Care Center, the water system classification has changed according to the State, and is subject to more stringent guidelines. A licensed water system operator has been retained for three months to help fix deficiencies. GM will report back at the next Board Meeting.

MOMENT OF SILENCE

Director Dietrich asked the room to observe a moment of silence for humanities sake.

Next Meetings

Next Regular Board Meeting Schedule is October 4, 2016 at 1:30 in the Board Room

ADJOURNMENT: The meeting adjourned at 9:20 pm.