

14th District Agricultural Association

SANTA CRUZ COUNTY FAIR

Established 1885



BOARD MEETING MINUTES

Board of Directors' Meeting
2601 East Lake Avenue, Watsonville, CA
Tuesday, December 13, 2011
The Board Room

Approved by: _____

Date: _____

CALL TO ORDER: 1:32 PM

DIRECTORS PRESENT: Robert Marani, President; Bruce Oneto, Director; Loretta Estrada, Director; Patrice Edwards, Director; Jody Belgard-Akimoto, Director; Christopher Smith, Director; Bob Thomas, Director.

DIRECTORS ABSENT/EXCUSED: Stuart Yamamoto, excused.

OTHERS PRESENT: Emily Grunewald, Staff; John Kegebein, AHP; Jeannie Kegebein, AHP; Chuck Allen, Heritage Foundation; Ron Haedicke, Heritage Foundation; Don Allen, Heritage Foundation; Blanca Boyd, Horseshow and Office Staff; Lynne Grossi, AHP; Dawn White, Livestock; Doris Wilson, Floriculture

Dave Kegebein; Barbara Anders, neighbor; Max Kelley, neighbor and Community Alliance for Fairgrounds Accountability (CAFA) member; Bob Costere, Stars of Justice, Eric Zamost, Stop the Rodeo & CAFA; Jeanette Crosetti, neighbor.

PLEDGE OF ALLEGIANCE

AGENDA APPROVAL: Director Oneto asked that the elections be moved to the top of the Agenda after the Financials. *There being no objections, President Marani approved the Agenda as amended.*

PUBLIC COMMENT:

Dave Kegebein: Mr. Kegebein noted that he was essentially raised on the Fairgrounds with his father and at one time was a Fair Board Director. He proposed that while the Fair Board is reorganizing that the Fairgrounds could be run by a team of dedicated, talented volunteers who have a passion for the Fair. An organizational chart to this end was shared with the Board, centered on a strong strategic plan with a five-year business plan, so that the Fairgrounds can move forward in a consistent manner. His hope is that this be put on the agenda soon given the fact that a budget is due in Sacramento in January and much needs to be done imminently.

Barbara Anders: Ms. Anders noted that she loves the Fairgrounds and expressed concern and sadness about the fracture at last month's meeting. She is hopeful that the Board can work together in order to serve the community.

FINANCIALS: Director Edwards reported that the Finance Committee met from 11 AM to 1 PM today, and Lewis Ridgeway's summary as of November 30, 2011 was distributed to the Board. She noted that this summary is a good foundation for where we should go from here and was discussed at length in Committee. She reported that the Committee discussed breaking into sub-committees to address the 2012 budget, rentals, current financial practices and processes, sponsorships, maintenance, and marketing with at least one Board member seated on each committee. She noted that we have been granted an extension until January 15, 2012 to submit the 2012 budget. Director Smith expressed concern about running afoul of the Bagley-Keene Act unless these proposed committees are ad hoc committees; he also expressed concern about waiting any longer given the current dire financial situation we are in, considering there are people present who are willing to help, and suggested that approving this group of volunteer leaders could be packaged with the proposed sub-committees now. President Marani noted that this is likely not the appropriate way to approve the volunteer leadership and that scheduling a separate agenda meeting would be the best course of action. Director Oneto encouraged the Board to schedule this meeting as soon as possible and that not having a Fair Manager would likely qualify as an emergency, and a meeting could then be potentially scheduled with less than the normal 10 days' notice. Director Smith quoted our By-Laws about what qualifies for an emergency meeting and noted that there is no stipulation for a Special Meeting in our By-Laws. Director Edwards noted that F&E has to approve the meeting time, and Director Oneto further noted that they can be a bit particular about calling emergency meetings. Various dates were discussed, and it was decided that a properly publically noticed Board meeting would be held on January 3, 2012. President Marani also directed the formation of an ad hoc committee to prepare for that January 3rd meeting, and Director Oneto suggested that the new President and Vice President sit on that committee as an Executive Committee.

Director Edwards moved and Director Belgard-Akimoto seconded the motion to notice a public Board meeting on January 3, 2012 at 1:30 PM. The motion was carried.

Director Belgard-Akimoto moved and Director Oneto seconded the motion to develop an ad hoc committee comprised of the newly elected President and Vice President to prepare for the January 3, 2012 Board meeting. The motion was carried.

Director Estrada moved and Director Smith seconded the motion to approve the November Financials as presented. Director Oneto inquired about all of the debit charges, and Director Edwards inquired in particular about the \$5,920 credit charge to A Tool Shed in November, with a number of debit charges happening even after the Board's direction in October to cease using the card. Ms. Boyd noted that Mr. Bethke was typically the one using the card and that charges to A Tool Shed were likely for rental equipment from that named business and not for a tool shed. Director Oneto noted that the previous scissor lift rental through that company could probably have been avoided by using either the lift we have on the property or arrangements made with Davey Tree who have offered in-kind use of their bucket lift.

David Kegebein: Mr. Kegebein noted that given the number of inconsistencies in the present financial packet and the number of additions since, the Board may wish to defer approval of these Financials until all of these details are straightened out.

To that end, Director Estrada withdrew her motion.

Director Smith moved and Director Oneto seconded the motion that approval of the November Financials be deferred until the details can be straightened out. The motion was carried. President Marani noted that next month's Board meeting would be the appropriate venue for asking any further questions about these Financials.

Dawn White: Ms. White commended Directors Edwards, Estrada and Belgard-Akimoto who have spent dozens of hours poring over the Financials and trying to straighten things out that have been in disarray for months. She further noted that if members of the public would like copies of Board materials, including the Financials, that, in order to save on the spiraling cost of printing them, the materials need to either be requested for free via email, or interested parties need to be prepared to pay to have them printed.

John Kegebein: Mr. Kegebein noted that Admit One is listed twice, with the same invoice number and same date, and Director Edwards promised to research this.

Director Edwards asked that a motion be entertained to unrestrict the Master Plan funds in order to address our current financial liabilities, either as completely unrestricted or with the caveat that they be repaid within a specified period of time. Director Edwards reported that F&E has already given their stamp of approval to this strategy. Director Smith expressed concern about the oversight of the expenditure of these funds, and Director Edwards noted that each dollar will be spent very carefully. Director Oneto suggested that these funds be spent only by Board approval and not by management, and that the Board vote today only on lifting the self-imposed restriction on these funds.

Max Kelley: Mr. Kelley suggested that in light of the financial concerns expressed by the Board today that an interim audit might be in order which would also aid in the transparency issue with the Board and the community.

Director Smith noted that it might be a better first order of business to get our structure in order with the new President, Vice President and potential cadre of volunteer management before unrestricting these funds. He further suggested that it might be possible to approach our creditors, stall them, and/or offer to pay a portion of those bills at the present time.

Director Edwards noted that if these Master Plan funds are not unrestricted today, then the Board will need to entertain a motion to release the CD funds in order to meet our current liabilities. She also noted that PG&E will likely not accept partial payment.

Bob Costere: Mr. Costere, a retired sheriff, supported Mr. Kelley's notion of doing an audit and investigation in order to uncover any other potential problems, particularly with how contracts were handled. This would also start the new team off with "clean hands."

David Kegebein: Mr. Kegebein supported Director Smith's notion of stalling our creditors and keeping the funds restricted in order to give the new team time to sort things out. Also, he noted that if payroll needs to be met, releasing the CDs would likely be a better approach.

Director Belgard-Akimoto voiced support for releasing the CDs to meet payroll and pay the basic utilities.

Director Edwards noted that the Finance Committee did discuss breaking down the invoices, contacting the vendors, and developing a 30/60/90-day or even longer plan to pay them. Essential utilities and payroll would be paid.

Director Smith moved and Director Oneto seconded the motion to release the CD funds for the purpose of meeting payroll and paying essential utilities. Director Edwards clarified that currently we owe \$111,588 in accounts payable.

Chuck Allen: Mr. Allen noted that PG&E has contributed quite a bit to the Fairgrounds over the years and that this might actually be one of those times to approach them about providing assistance.

John Kegebein: Mr. Kegebein reminded the Board that two years ago the Board was facing a \$350,000 loss and that that was turned around to a profit in a rather short period of time. He further noted that with expenses in check, this Fairgrounds can generate money and survive if people are working together.

President Marani concurred with Mr. Kegebein and noted that as a result of the recent CFSA budget meeting, he saw first-hand how all fairgrounds statewide are suffering with the recent budget cuts and that all of their boards are looking at ways to creatively raise revenue. The two recurring tactics discussed were establishing a parking fee and aggressively pursuing sponsorships in the community.

David Kegebein: Mr. Kegebein noted that while going through a recent business shutdown with a colleague he found that most creditors are happy to hear from you and are generally willing to work on a payment plan or reduce the amount owed. He strongly suggested that an effort be made to simply contact the vendors and see what arrangements can be made.

Unnamed female: This woman concurred and noted that since it is the end of the year, some businesses may be even more willing to write off bad debt or offer those funds as a sponsorship.

The motion was carried.

OLD BUSINESS ITEM #4, Election for 2012 Board of Directors' Officers (Moved forward)

Director Edwards conceded her nomination as President to Director Belgard-Akimoto and noted that with her as Vice President and Director Belgard-Akimoto as President that much can be accomplished this next year.

Director Thomas also conceded his nomination as Vice President to Director Edwards.

By acclamation, Director Belgard-Akimoto was elected Board President and Director Edwards Vice President.

MINUTES: Since the meeting was moved up by two weeks and the transcriptionist was out of town over the Thanksgiving holiday, there would have been an extra charge to put a rush on the Minutes.

Therefore, in the interest of cost savings, the November Minutes will be available for review at the January meeting.

CONSENT AGENDA: Director Oneto noted that since two major agreements were approved at last month's meeting without discussion or daylighting (the USDA agreement and the change in security companies), he asked for clarification on whether there are any major changes in the interim agreement schedule for this month that the Board needs to be apprised of. Ms. Grunewald noted that the Davey Tree agreement is 5% higher than last year and that their agreement does stipulate that they help the Fairgrounds with equipment if needed but with adequate advance notice. Director Smith noted that in the interest of transparency these agreements should be made available for the Board and the public to review. Ms. Grunewald clarified that the Tony Valencia event will be an indoor event and will end at 10 PM on a Sunday.

Max Kelley: Mr. Kelley noted that there is some concern about Tony Valencia as a promoter in particular given problems in the past but that CAFA will not be challenging the contract in the interest of revenue to the Fairgrounds but that the community will be keeping an eye on what happens during his next event. Mr. Kelley also noted that the contract does not stipulate who will be monitoring the noise levels and the time cut-off and that the contract is not specific to a certain date. He noted that the event that was carefully monitored last weekend was not bothersome to the neighbors.

Ms. Grunewald clarified that Mr. Valencia has scheduled two dances in February, one a Valentine's Day event on Sunday, February 12, 2012 and another on February 19, 2012. The contract he will be signing does stipulate a noise level not to exceed 85 dB at 100 feet and that Staff will be monitoring this. If the levels are exceeded, the sound will be cut off. She further clarified that the two Heritage Foundation agreements are for the 2012 Crab Feed and the 2012 Craft Faire.

Eric Zamost: Mr. Zamost noted that a rule without a penalty is not really a rule at all and that the contract needs to stipulate a penalty if sound levels are exceeded.

Ms. Grunewald noted that with a past event where noise levels were exceeded for a short time, she approached the DJ, security had to be called, and in no uncertain terms she explained to the DJ that the sound and lights would be turned off if the sound did not come down and that there would be even worse repercussions between him and the renter since they will want their money back from him and that this would also create bad publicity for him. She noted that the noise level was immediately brought down. She also noted that if the back door is kept closed, the noise remains contained and does not bother the neighbors; therefore security guards will routinely be posted at that door to make sure it stays closed.

Director Estrada also expressed dismay over the USDA "trailer" that is now parked next to the Harvest Building, one of our biggest revenue generating facilities. She noted that the previous LBAM trailer was located at some distance and did not interfere with daily operations. Director Edwards noted that Staff was misled about the size of the trailer and that it is really more like a modular home.

Ms. Grunewald clarified that the Cycling Club will be using the Harvest and the Arts Buildings and that there are no other events scheduled for that weekend where there might be interference. Their contract also stipulates that if there are other events in the buildings during the same time frame that they are not to use the parking lot.

Ms. Grunewald also clarified that the LBAM trailer was delivered in two parts but that they do not match; therefore, the wiring needs do not match the schematics as presented to Staff. The USDA will be hiring RCM Electric to complete the wiring for this facility. It has also been arranged with them that when events occur near their trailer that their workers will park at a distance and not interfere with the parking needs of other renters. She has not noticed them washing their cars on site, although Director Belgard-Akimoto noted that this was a regular occurrence when they were here last time. Their contract is up on May 31, 2012, although they had lobbied for a year contract. Director Oneto noted that we need to be prepared with a plan and negotiating tactic when their inevitable request for renewal is presented.

President Marani noted that a lot of the above questions are covered by the rules and regulations in the way we write contracts and that previously we had somebody on Staff who dealt with these on a full-time basis; however, this has now been consolidated into the functions of our current Staff. He noted that long-term contracts need to come before the Board, and he is uncertain how the LBAM contract got by the Board's review.

Dave Kegebein: Mr. Kegebein noted that given the number of questions that have arisen about these consent agenda items that perhaps only the ones upcoming this month should be voted on and the others tabled for further review and discussion.

John Kegebein: Mr. Kegebein clarified that the original Community Bridges contract stipulated that they only rent the land from the Fairgrounds and that they built and own the building. Therefore, it is their building to maintain.

Ms. Grunewald noted that she will research the current contract with Community Bridges because we have footed the bill for a new hot water heater for them as well as the plumbing bill for a broken pipe at their facility.

Director Smith moved and Director Thomas seconded the motion to approve the Consent Agenda items upcoming in the next 30 days and that the others are tabled for further review and discussion. The motion was carried.

Unnamed female: This woman applauded Ms. Grunewald for tending to all of the details in these contracts when, in fact, this is not part of her job description.

Barbara Anders: Ms. Anders also applauded Ms. Grunewald for her chutzpah in dealing with the noise issues head-on but questioned why there is reticence to include a penalty clause in the contracts.

Ms. Grunewald noted that she would be happy to revise the contract to include a penalty clause which would stipulate that the event would be shut down if the noise policy is not abided by.

Dawn White: Ms. White noted that the issues raised regarding the consent agenda items have been thoroughly answered and that prolonging the vote on them would serve no useful purpose. She also encouraged the Board members to be proactive about researching the contracts that

appear on the consent agenda ahead of time so that they can be intelligently discussed at the Board meeting where they will be voted upon.

Unnamed female: This woman inquired whether it is within the Board's purview to decide what an appropriate penalty would be for breaking the noise policy.

President Marani noted that he and Director Belgard-Akimoto are currently working on such a policy with CAFA. A proposed noise policy based on this collaboration will be brought before the Board in the next few months. The current intent is that this policy be in effect for a short period of time, be reevaluated and then possibly revised based on how effective it is.

John Prentice: Mr. Prentice suggested that it might behoove the Board to begin collecting sound data at 50 feet since that measurement is currently on the table for discussion.

Chuck Allen: Mr. Allen inquired whether there is a policy in place about what and what does not go on the website since perhaps these contracts could then be posed on the website for all to review in advance.

President Marani noted that he is not aware of such a policy but that it might be a prudent thing to discuss.

Jeannie Kegebein: Ms. Kegebein noted that taking the time to post the contracts online might not be the best use of Ms. Grunewald's time. She further noted that more details could be provided about each contract on the list, and if Board members have any deeper questions about them they can come into the office and research them.

Ron Haedicke: Mr. Haedicke noted that in past years, the consent agenda listed the name of the renter, the nature of the event, the date, and the cost of the contract.

Director Smith noted that he would prefer to just see the contract in its entirety posted on the website, from both a legal standpoint and in order to save someone the time in writing a summary.

Ms. Grunewald noted that she would be happy to provide the Board with the Consent Agenda in the old format with as many details as they desire. She clarified that we do not have a web designer since everyone has been laid off. She also advised against deferring a vote on consent agenda items since they represent income and also because some renters need a number of months to pay down their contract.

Director Edwards recommended that we defer the long-term contracts including the ones with Community Bridges and Davey Tree.

Director Smith amended his motion to approve the Consent Agenda, with the vote on the long-term contracts with Community Bridges and Davey Tree deferred; this motion was seconded by Director Estrada. The motion was carried.

FAIR MANAGER'S REPORT: None.

COMMITTEE REPORTS:

1. **Buildings and Grounds – Loretta Estrada.** A walk-around was held this month, and the issue with the LBAM trailer has been discussed. She is hopeful that things will be back on track in the spring.
2. **Rodgers House – Loretta Estrada.** Director Estrada reported that a working meeting was held this last month to decorate the house for Christmas, but she is uncertain of the location of the Minutes of that meeting. She noted that this week's meeting will be brief and will conclude with a Christmas party. Director Estrada clarified that there is a rental rate sheet that stipulates the rates for the use of various aspects of the Rodgers House, and potential renters need to fill out a contract with the office staff.
3. **Ocean Speedway – John Prentice.** No report.
4. **Education Committee – No report.**
5. **Heritage Foundation – Chuck Allen.** Mr. Allen reported that the 33rd Annual Craft Faire (6th year with the Heritage Foundation at the helm) was very successful with all three buildings filled with vendors. Attendance was 1250 on Friday and 1370 on Saturday. The production was a real team effort, and projected net profit is approximately \$20,000+. He clarified that their organization is generally charged with raising funds for capital improvement projects. Don Allen reported that the concrete floor has been installed in the Heritage Hall and that the doors have been ordered. A couple of contractors have offered their labor to install the interior siding, and the organization is hopeful that by the end of January the building will be closed up. Director Oneto complimented the Heritage Foundation on the fabulous job they did with the Craft Faire and that the overall spirit was very cheerful, even down to the PA announcements. Mr. Haedicke noted that a number of vendors had record-breaking years this year, and they have approximately 85% of their vendors returning.
6. **Junior Fair Board – No report.**
7. **Agricultural History Project – Lynne Grossi.** Mr. Kegebein noted that they have been invited, along with the Pleasanton and Orange County Fairs, to the WFA Convention in order to make a presentation there on Ag History, education, and how their organizations have benefited their Fairs. Ms. Grossi noted that their Membership Pulluck was quite successful, and they are in the process of wrapping up year-end paperwork. Clean-up and indoor restoration projects are being planned for the upcoming winter months.
8. **Fair Committee – No report.**
9. **Horse Show Committee – Blanca Boyd.** Ms. Boyd reported that the horse shows are completed for the year, and they are preparing their entry guide. Committee meetings are being planned for the next few months, and a number of shows are already booked for July 2012. President Marani inquired whether the Committee will be presenting a projection report outlining their plans for the year, since the horse shows are such a big piece of our revenue generation, and Ms. Boyd noted that she could prepare such a document. Ms. Boyd also clarified that the lift rental was not only to install the sound system but was also used to replace lights throughout the Fairgrounds. She also noted that attempts to contact Davey Tree to use their lift were not fruitful. She further reported that some major electrical problems developed during Fair time, and these will need to be addressed before the season begins; otherwise, horse shows cannot be conducted and vital revenue will not be coming in. Director Oneto noted that as part of the Davey Tree contract they owe us equipment assistance on the Fairgrounds and that this should have been better leveraged. Ms. Boyd countered that historically help from Davey

Tree has been at their convenience and not ours, which can sometimes take months to accomplish, and that their contract should be looked at carefully in this regard before it is approved.

10. **Livestock Committee – Dawn White.** Ms. White noted that regular monthly meetings will begin in January and will be held on the fourth Wednesday of the month at 7 PM. The meetings are open to everybody, and all are welcome to attend.

Ad Hoc Community Relations Committee – Jody Belgard-Akimoto. Director Belgard-Akimoto noted that the Committee has had a number of meetings and will be meeting again tomorrow at 4 PM here on the Fairgrounds. They are working on fine-tuning a noise policy. President Marani added that the group is also working on reaching an agreement on a stay which would then eliminate the legal costs on both sides.

11. **Ad Hoc Alcohol Policy Committee – Jody Belgard-Akimoto.** Director Belgard-Akimoto reported that the old copy rather than the corrected copy was circulated, so the corrected copy will be brought to the Committee so that the first reading can appear on the January 3, 2012 agenda.

OLD BUSINESS:

1. **Review Watsonville Certified Farmers Market Revised Initial Study/Negative Declaration.** The memorandum with the recommendations Manager Bethke prepared and dated December 7, 2011 was attached to the Board packet. President Marani recommended that a vote on this be pushed out and not adopt it today since it is a moot issue given the ongoing RFP process and that the winner of the RFP will have to do an EIR and face this issue at some point anyway.

Max Kelley: Mr. Kelly noted that his previous proposal was for a simultaneous action, as he did not want to hold up the Fairgrounds' chance to proceed with the RFP. He also noted that the stay CAFA is currently considering would include a stipulation providing for members to retain their rights to challenge the Farmers Market on certain issues. CAFA also has concerns with language in the draft negative declaration that will be discussed at the ad hoc meeting tomorrow.

Director Belgard-Akimoto noted that if further discussion can be held with CAFA tomorrow with a recommendation brought to the January 3rd meeting and that be in time for the January 6th deadline with the judge that she would recommend holding out another 30 days as well.

Director Edwards moved and Director Smith seconded the motion to defer action on this item until the January 3, 2012 meeting.

Dawn White: Ms. White inquired how much revenue was generated when the Farmer's Market was ongoing.

President Marani noted that the figures are not currently available and that this would vary on a monthly basis but that it was a significant source of revenue.

Director Oneto recommended speaking with Randy in Sacramento prior to the meeting tomorrow, and President Marani clarified that both he and Director Belgard-Akimoto have been in contact with him.

The motion was carried with two opposed.

2. **Information and suggestions for the Revised Master Plan.** Director Smith moved and Director Edwards seconded the motion that this item be tabled until the January 3, 2012 meeting. Director Oneto noted that he would like to speak with Mr. Johnson and get the name of the woman on their team who was going to do community outreach since his vision is to get buy-in from 80% of the residents and would also like to see how she would proceed with this process. President Marani noted that he believes he has her contact information.

Jeanette Crosetti: Ms. Crosetti noted that she would like to continue to work on fundraising plans to re-roof the Crosetti Building. She noted that Mr. Bethke was supposed to be contacting an engineer about this project, but she has not heard back from him in this regard.

The motion was carried.

3. **Department Fundraising Ideas. Doris Wilson.** Ms. Wilson noted that her Dahlia Club has a dahlia root sale each year, and she is proposing that since the sale will be early this year and that there will be a number of extra roots, that these be sold with the proceeds going toward upgrading the electrical system in the Floriculture Building. She noted that for their one-day sale each year they typically make \$4-5,000 for their club. She is also proposing selling dahlia blooms at a dollar a piece, with a projected income of approximately \$3,000. She noted that with the right kind of advertising that quite a bit of money could be generated for the Floriculture Building. Director Edwards offered to donate advertising. Ms. Wilson also suggested that since Monterey County Fair sells vegetables during their Fair with Dole donating walk-in refrigeration that we might want to sell apples and raise money that way as well.
4. **Elections for 2012 Board of Directors' Officers.** (See p. 4, moved forward)
5. **Approval of 2012 Proposed Budget.** An extension has been approved until January 15, 2012.

NEW BUSINESS

1. **2012 Fair Admission/Pre-Sale Cost – Emily Grunewald.** Ms. Grunewald shared the 2011 price list with the Board and noted that approval of the fees as status quo or with revisions needs to be voted on today so that the entry guide can begin to be developed. President Marani noted that a lot of Fairs around the state are raising their admission rates and parking fees to boost revenue streams, even though such a tactic is not exactly popular. Ms. Grunewald noted that very few pre-sale tickets were sold online last year (2100 out of a total of 64,000 in attendance) and that we might want to revisit the idea of using one of the local markets or pharmacies again as a conduit for ticket sales.

Unnamed female: This woman suggested that participants in the Teen Challenge program be used to man the ticket booths as a way to save overhead costs and also since they are the only program to boast a 90% success rate. A donation to the Teen Challenge program is then optional.

Ms. Grunewald noted that a volunteer workforce at the gate has been suggested in the past but that reliability and liability issues become an issue as well as the fact that they are responsible for handling tens of thousands of dollars.

Director Smith suggested that we do our own ticket sales online and not use a third party. He offered his own code to be used by the Fair and noted that this process is an easy one to set up, and if marketed well, could generate more ticket sales and save on printing costs. He noted that he believes a scanner costs about \$150 and could be used to thwart people from copying and reselling their printed tickets. It was suggested that Director Smith investigate this process and return to the Board with more information.

Ms. Grunewald noted that if this process were pursued that scanners would need to be placed at all three points of entry and that our wireless internet connection would need to be updated as well in order to thwart people from copying tickets and entering from different gates. This investment would also be substantial, as would leasing the equipment.

Director Edwards suggested that several local Fairs could go in together to purchase the equipment and then rotate it as the Fairs take place.

John Prentice: Mr. Prentice noted that there are ticket companies that will provide you with scanners if you go through them for ticket sales. This also ensures that current equipment is available each year and does not become obsolete as soon as you buy it.

Dave Kegebein: Mr. Kegebein suggested that research be done on the comprehensive cost of the various ticket packages so that an intelligent decision can be made about ticket prices.

Director Edwards moved and Director Smith seconded the motion to raise the ticket prices to \$10 and \$5 for both online and at the gate prices, if the software can be placed on our website to eliminate the processing fee.

Director Smith noted that we have too many ticket categories, and Director Estrada concurred.

Ms. Grunewald clarified that quite a few doctors' offices and senior centers do indeed buy at the 100+ ticket package bulk rate.

Dave Kegebein: Mr. Kegebein noted that postponing this decision to the February meeting should give ample time to do some research and still allow time to prepare the entry guide.

Director Oneto inquired about whether there would be a market for a season ticket so that people could come on multiple days at a discounted rate.

Director Edwards inquired whether a weekly pass would be feasible, and Ms. Grunewald noted that this was tried one year as a punch card but only about three were sold.

Director Edwards withdrew her motion. This decision will be discussed at the February meeting.

- 2. 2012 Concession Rates – Emily Grunewald.** The Administration Policy Manual states that the Board needs to approve these rates on a yearly basis. They are currently at 22% for food and 25% for alcohol with a paid guarantee and a service fee of \$200. When last researched, these rates were within a few percentage points, up or down, from other local Fairs.

John Kegebein: Mr. Kegebein suggested that current research be done by calling some other fairs.

Ms. Grunewald offered to do this research and return in January with the data so that the contracts can be put in motion.

Director Thomas noted that at the Siskiyou Fair up close to the Oregon border they had approximately 70 food booths with sometimes six or seven of the same kind of food, and this seemed to encourage people to buy food. They also let high school kids in for free between 10 PM and closing at 11 PM, and they came in mostly to buy food. He noted that creative strategies like these that bring in more people to buy food could justify raising the concession rates.

3. 2012 Commercial Exhibitor Rates (Including non-profit rates) - Emily Grunewald. See above.

CORRESPONDENCE: None.

CLOSED SESSION:

1. Personnel: Personnel Exception under Government Code Section 11126(a). The Board will meet in closed session to discuss the performance and evaluation of the Fair Manager/CEO.
2. Real Estate: Government Code Section 11126(c)(7) - **[NONE]**
3. Pending Litigation: Government Code Section 11126(e): *Community Alliance for Fairgrounds Accountability v. State of California, ex rel., 14th District Agricultural Association and DOES 1-15*, Sacramento County Superior Court, Case Number 34-2011-80000901. The Board met in Closed Session to consult with legal counsel. Government Code Section 11126(e).
4. Pending Litigation: *Citizens for Environmental Responsibility, an unincorporated association, Stop the Rodeo, an unincorporated association, and Eric Zamost, an individual v. State of California, ex rel., 14th District Agricultural Association, a California State Institution; Board of Directors of the 14th District Agricultural Association; California Department of Food and Agriculture; California Department of General Services; and DOES 1-15*. Sacramento County Superior Court, Case Number 34-2011-80000902. The Board met in Closed Session to consult with legal counsel. Government Code Section 11126(e).

ADJOURNMENT: The meeting was adjourned at ____ PM.

Next Finance Committee Meeting: Tuesday, January 3, 2012 @ 12:45 PM in Board Room.

Next Board Meeting: Tuesday, January 3, 2012 @ 1:30 PM in Board Room.