

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 10, 2019

The Board Room

Approved by: _____

Date: _____

CALL TO ORDER: 1:30 p.m. by President Don Dietrich

DIRECTORS PRESENT: Don Dietrich - President; Loretta Estrada, Jody Belgard, Stephanie Fontana, Lupe Flores, MariaElena de la Garza, Michael Pruger

JR FAIRBOARD MEMBER: absent

DIRECTORS ABSENT: none

DIRECTORS EXCUSED: Tony Campos – Vice President, Bill Barton

GENERAL MANAGER (GM): Dave Kegebein

RECORDING SECRETARY: Bonita Monarque

PUBLIC COMMENTS: Mary Ann LoBalbo with the County of Santa Cruz Public Works Department (Recycling and Solid Waste Services) discussed mandatory recycling for Santa Cruz county. All "to-go" food containers, cutlery, and straws must be recyclable or compostable. Effective July 1, 2020 business must provide customers with access to organic waste containers (AB 827). In addition, effective July 1, 2020, business must charge an additional 25 cents to customer when using a single-use disposable cup, hot or cold, even if the cup compostable.

DIRECTOR COMMENTS: none

CONSENT CALENDAR. *Director Fontana moved, Director Flores seconded, approval of the Consent Calendar. Motion carried 7 - 0. Ayes - Directors Dietrich, Belgard, Estrada, Fontana, Flores, de la Garza and Pruger.*

FINANCIALS. GM provided update on current financials – today's operating cash balance is approximately \$270,000. The \$150,000 line of credit for operations has been paid off. The \$75,000 line of credit for the Junior Livestock Auction was not used. *Director Estrada moved, Director Belgard seconded approval of September Financials, Motion carried 7 - 0. Ayes - Directors Dietrich, Pruger, Belgard, Estrada, Fontana, Flores, and de la Garza.*

Director Flores moved, Director Barton seconded approval of October Financials, Motion carried 7 - 0. Ayes - Directors Dietrich, Belgard, Estrada, Fontana, Pruger, Flores, and de la Garza.

GM discussed SB 84, which allowed for the borrowing of \$6 billion to provide a supplemental payment to the Public Employees' Retirement Fund. The Santa Cruz Fairgrounds' loan obligation under SB 84 is \$71,796, to be paid over five fiscal years (FY 20/21 through FY 20/24, \$13,075 per year and final payment of \$19,496 for FY 24/25). The interest rate is unknown.

GM stated \$20,000 has been added to the reserve account at Santa Cruz County Bank. To satisfy the annual goal of adding \$40,000 to the reserves an additional \$20,000 will need to be added to the reserves before year end.

The Fairgrounds Foundation will be assisting with the RV expansion. The expansion should result in an increase in revenue of approximately \$100,000 to \$150,000 per year.

Interim rental revenue has increased from approximately \$330,000 in 2012 to over \$900,000 by the end of 2019. GM answered a question from Director Estrada stating revenue from non-fair horse shows will be approximately \$100,000. The last cannabis event was not as successful as planned. There was discussion regarding hosting cannabis events at the fairgrounds and the "non-family" atmosphere the events create.

GM submitted the 2020 Budget for review and approval. *Director Belgard moved, Director Estrada seconded adoption of the 2020 Budget. Motion carried 7 - 0. Ayes - Directors Dietrich, Belgard, Estrada, Fontana, Pruger, Flores, and de la Garza.*

OLD BUSINESS - none

NEW BUSINESSES

2021 Facility Rental Rates

GM provided recommended 2021 facility rental rate information that included proposed rent for the four halls will increase by \$50 each. The increase will not cover the increased security nor utility costs. President Dietrich spoke out against the increase, stating the rental rates should be kept affordable for families/individuals who are renting the halls for non-revenue generating events. Director Fontana stated, based on her professional experience, even with the increase in rent the halls are very affordable when compared to other venues. A suggestion was made to charge more for revenue-generating events instead of the non-revenue generating events. GM stated the fees charged for revenue-generating events are usually based on a percentage of revenue earned by the renter/lessee. *Director Pruger moved, Director Fontana seconded approval of 2021 Facility Rental Rate Increase. Motion carried 6 - 1. Ayes – Directors Belgard, Estrada, Fontana, Pruger, Flores, and de la Garza. Nays – Director Dietrich.*

2020 Fair Time Fees: Concessions, Vendors, Camping

GM recommended all fees remain at the same as the 2019 rates, with the exception of RV camping, which will increase from \$240 for 2019 to \$250 for 2020. *Director Pruger moved, Director Belgard seconded adoption of the 2020 Fair Time Fees. Motion carried 7 - 0. Ayes - Directors Dietrich, Belgard, Estrada, Fontana, Pruger, Flores, and de la Garza.*

2020 Fair Time Admission Prices

GM recommended the 2020 Fair Time Admission Prices remain at the 2019 rates. *Director Belgard moved, Director Fontana seconded adoption of the 2020 Fair Time Admission Prices. Motion carried 7 - 0. Ayes - Directors Dietrich, Belgard, Estrada, Fontana, Pruger, Flores, and de la Garza.*

CORRESPONDENCE - none

CEO REPORT

Projects Update

GM reported the 2019 series of paving & concrete projects have been completed. Repairs and improvements continue to be made. GM reviewed the 2020 funding request made to the foundation. The foundation purchased a forklift for the fair, last year a mower was purchased. The Foundation also provided \$90,000 for miscellaneous concrete and asphalt projects. Repairs were made to the grandstand and handwashing facilities in the livestock area have been improved to accommodate children. The Harvest Building's roof needs to be replaced. A question was asked regarding the Heritage Hall annex. GM stated obtaining the necessary permits has been more difficult than he thought. He is working with engineers to complete the permit process and hopes to have the project started in spring. President Dietrich asked about the possibility of providing cooling stations during the fair. GM stated an appropriate site for the stations must be determined. GM is also working on repairing the drinking fountains & installing water bottle filling stations at those locations. President Dietrich requested the Board be given information on projects before requests for funding are submitted to the Foundation so the Board may provide input on the projects and the prioritization.

Cannabis Shows Update

The Halloweed event was not as successful as planned. GM is currently in talks with a different cannabis promoter regarding bringing a potential high revenue-generating event to the fairgrounds.

SB 5 – Bond Funding Underground Project Assessment

GM stated it is likely funding will be received for the power distribution project. GM will be working with the Department of General Services to determine if the fair can pay for the project in phases. The bond requires up-front payments for the project (the fair will be reimbursed).

CDFA Guide to The Bagley-Keene Open Meeting Act

CDFA provided an updated guide to the Bagley-Keene Open Meeting Act. It is available on their website or by request from the CEO.

REPORTS

1. Strategic Planning Report – none
2. Santa Cruz County Fairgrounds Foundation Update – Jeannie provided the Fair with a report of their revenue and expenses during 2013 and 2018. They will have a larger office. They currently have one vacancy on their board and five individuals who are interested in becoming board members.
3. Rodgers House – Director Estrada requested their minutes be included in the Fair Board's packets. The Rodgers House kitchen floor must be repaired.

4. Ag History Project (AHP) - John Kegebein reported that the Harvest Dinner was a success. They have a new volunteers at the shop. There will be a model railroad exhibit in the museum in March and April. AHP will have cultural exhibits representing the Croatian, Japanese and Italian communities.
5. Junior Fair Board – The Junior Fair Board has completed a painting project and will be working on another project next year.

CALENDAR

The Christmas Party is at 6:00 PM on December 18th in Heritage Hall. The WFA Convention is in Reno, NV from January 19 – 22, 2020.

NEXT MEETING

Next Regular Board Meeting is February 25, 2020. The new Officers will be elected during the February meeting.

ADJOURNMENT: The meeting adjourned at 3:35 p.m.