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# 14th District Agricultural Association

SANTA CRUZ COUNTY FAIR

Established 1885

## Board of Directors' Meeting

2601 East Lake Avenue, Watsonville, CA

Tuesday, July 28, 2020, 1:30 pm by Zoom Conference Call

Topic: SCCF Board Meeting

Time: Jul 28, 2020 01:20 PM Pacific Time (US and Canada)

Join Zoom Meeting

<https://zoom.us/j/94222418199?pwd=U2dlQ2V1eGUxeDVCeHh1Y0J6QnA3UT09>

Meeting ID: 942 2241 8199

Password: 767243

Dial by your location

+1 669 900 6833 US (San Jose)

**Directors:** Don Dietrich – President, Tony Campos - Vice President, Bill Barton, Jody Belgard, Loretta Estrada, Lupe Flores, Stephanie Fontana, Maria Elena de la Garza, Michael Pruger.

**CEO:** David Kegebein

**Recording Secretary:** Mary Bannister

### Mission Statement

The mission of the Santa Cruz County Fairgrounds is to provide a safe place for community events, educational opportunities and the annual Fair that showcases the talents and diversity of our community.

**Note:** Please be informed that any member of the public has a right and is invited to participate during this public meeting and may address the Board either during the "Public Comment" portion and/or during the discussion of any particular item listed on the agenda.<sup>1</sup>

### CALL TO ORDER –President Don Dietrich

Items listed on this agenda may be considered in any order at the discretion of the Chair. All items so listed may be considered for action. Any item not listed on the agenda will not be discussed or considered by the Board.

### ROLL CALL & PLEDGE OF ALLEGIANCE

### PUBLIC COMMENT

Public comment is a right granted to the public. It is reserved for items that are not listed on the agenda, but under the Board's jurisdiction. Please be informed that public participation under Public Comment will be limited to **three (3) minutes per speaker** and in accordance with state law, the Board will not comment or otherwise consider such Public Comment item for business until and unless such item has been properly agendaized at a future meeting.

### DIRECTORS COMMENTS

### CONSENT CALENDER

1. Minutes of June 23, 2020 Board Meeting

Persons with disabilities who may require accommodations to attend the meeting are requested to contact the Manager's office at 831-724-5671. Persons requesting a Spanish translation service are to contact the Manager's office five (5) business days prior to the scheduled meeting date. Agendas for the 14th District Agricultural Association can be accessed on the web at: [www.santacruzcountyfair.com](http://www.santacruzcountyfair.com). Questions regarding agenda items should be directed to the Managers office at 831-724-5671.



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2. Contracts on Consent Agenda

## FINANCIAL

1. Cash Balance / Cash Flow Projections / Credit Line / Bank Accounts
2. Review & Accept May 2020 Financials
3. Review & Accept June 2020 Financials

## OLD BUSINESS

Modified 2020 Fair – Virtual Fair Possibilities & Drive thru Fair Possibilities

## NEW BUSINESS

Auto Racing Lease – Covid 19 Adjustment

## CORRESPONDENCE

## CEO REPORT

Insurance Update – Property – Liability – Comp  
 Foundation Project Report – RV Park, Office Trailers, Heritage Hall Expansion Annex  
 Purple Restroom Remodel  
 Delegation of Authority  
 Expected Revenue Protection Claim = \$106,822.82. Premium was \$10,000

## REPORTS

Strategic Planning –  
 SCC Fairgrounds Foundation Update  
 Rodgers House Update  
 Agricultural History Project Update  
 Junior Fair Board

## CALENDAR

2020 Board Meeting Schedule  
 Aug 25, Oct 27, Dec 8<sup>th</sup>

## ADJOURNMENT

Date of Notice – July 17, 2020

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# 14<sup>th</sup> District Agricultural Association



## SANTA CRUZ COUNTY FAIR Established 1885

### BOARD MEETING MINUTES

Board of Directors' Meeting  
2601 East Lake Avenue, Watsonville, CA  
Tuesday, June 23, 2020  
The Board Room

Approved by: _____
Date: _____

**CALL TO ORDER:** 1:31 p.m. by President Don Dietrich

**DIRECTORS PRESENT IN PERSON:** None

*Due to the Covid 19 Pandemic special arrangements were made to participate remotely*

**DIRECTORS PARTICIPATING REMOTELY:** Don Dietrich - President; Tony Campos - Vice President; Bill Barton, Jody Belgard, Loretta Estrada, Lupe Flores, Stephanie Fontaña, Maria Elena de la Garza.

**JR FAIRBOARD MEMBER:**

**DIRECTORS ABSENT:** none

**DIRECTORS EXCUSED:** Michael Pruger

**GENERAL MANAGER (GM):** Dave Kegebein

**RECORDING SECRETARY:** Mary Bannister

**PUBLIC COMMENTS:** Kathy Marino was in the Pits at the Auto Races last Friday. She had concerns about the condition of the Port-a-Potties.

Jessica Ayala- expressed concern about the contracts with tenants at the RV park related to tenancy rights under California law.

**DIRECTOR COMMENTS:** Director Estrada attended the Auto Races on Friday and the Flea Market at Sunday and was delighted to see lots of attendees and all wearing facemasks. Director Dietrich reiterated that we are a public agency and must adhere to the Bagley-Keene Act relating to open meetings. He is also concerned with the COVID-19 issues and sees remote meetings being necessary into the future. He asked for a moment of silence for former Santa Cruz County Sheriff Sergeant Damon Gutzwiller.

**CONSENT CALENDAR.** Eric Zamost commented that the May minutes should be corrected to state that he stated that Fair Committees are not subject to the Bagley-Keene Act. Jessica Ayala said that she had not requested a Policy Manual, as stated in the minutes, but rather had made a PRA request and at that

point had not received the requested documents. Phillip Carranco noted that prior minutes do not reflect the Board being notified of the Swine Barn dismantling. *Director Flores moved, Director Barton seconded approval of the Consent Calendar which included Minutes of the May 26, 2020 meeting, as corrected. Motion carried 8 - 0. Ayes - Directors Dietrich, Campos, Belgard, Estrada, Fontana, Barton, Flores, and de la Garza.*

No contracts were presented on the consent agenda

**FINANCIALS.** GM provided update on current financials and the impact of the shut down due to the corona virus pandemic. Cash-on-hand is about \$300,000, including \$180,000 in operations and \$120,000 in reserves. Monthly payroll is about \$18,000. We are expecting \$172,000 from the State in AB1499 funds. Some activities are returning, including the flea market, car races (pit area audience only) and the Hot Tub Sale coming this weekend. Also, RV Park traffic is picking up.

Director Campos and Chairman Dietrich asked for clarification on a couple of details of the Financials. Jessica Ayala asked if the contacts for the Hot Tub Sale and a recent graduation had been presented to the Board. Phillip Carranco asked about accounts receivable that were related to two Jr. Livestock animals that were bought but not paid for. Jessica cited policy that governs auction purchases. Phillip had a question regarding reserves. Director Fontana suggested looking into collections for accounts that default.

*Director Estrada moved, Director Barton seconded receipt of April Financials. Motion carried 8 - 0. Ayes - Directors Dietrich, Campos, Belgard, Estrada, Fontana, Barton, Flores, and de la Garza.*

#### **OLD BUSINESS – Modified 2020 Fair – Virtual Fair Possibilities & Drive-thru Fair Possibilities**

GM has been analyzing options and financial scenarios for a Drive-thru Fair, and distributed a spreadsheet with cash flow scenarios. The difficulty in the analysis is determining “through-put.” About 200 cars can be accommodated at a time on the grounds, however, it is difficult to know how long a car will stay on the grounds – and how quickly they will leave. The GM asked for a poll of the board & public to gather opinions if a drive thru fair would be feasible.

#### **Director Comments:**

President Dietrich is concerned about safety with numerous cars on the facility. He also is concerned about COVID-19 transmission from an event on the grounds. He does not think the risks justify having an event. Director Campos suggested there are other ways to make profitable events happen. Director Estrada noted it will be a lot of work and may not result in a successful event. Director Belgard agreed that it would be a lot of work for what may not be much financial gain. Director Fontana also supports a virtual fair but not a drive-thru fair due to the unpredictable nature of the world now related to the COVID-19 situation. Director Barton thinks it is important to keep the connectivity of the community and doesn't think it is a good idea to risk spending funds that will be needed in the next two years.

Director de la Garza asked what the neighboring fairs are doing – GM replied that most are cancelled or planning to cancel at appropriate times. Monterey is still hoping to have an onsite livestock show. Director de la Garza thinks that we are still in a high-risk time county-wide for exposure to COVID-19. She suggested looking at which parts of the programs could be done virtually, for instance a demonstration of flower arrangements using Zoom. Director Flores echoed the sentiments of the other directors.

Public Comments:

Phillip Carranco suggested reaching out to the community for donations for the Heritage Hog and livestock auction. John Kegebein noted that Ag History will do as recommended by the Board. Jessica Ayala recommended asking for sponsorships from the community. She recommended personal contact rather than letters. Christina Horvat from Santa Cruz County Public Works Department thanked the GM and Board for researching and considering options and recommended that the County Health Officer be involved.

GM concurred with the general consensus of the Board that the economics and security concerns are such that we will not continue to persue trying to do a Drive-thru Fair, and appreciated everyone's feedback / comments.

**NEW BUSINESSES**

**PPP Loan Application**

GM explained that the Payroll Protection Program funding is still available and some other DAA's have received loans. Our fairgrounds may be eligible for a loan of \$125,000 to \$150,000. PPP loans can be converted to grants if conditions are met. It's possible the fairgrounds would have to pay back all or a portion the loan. One percent interest and principal due within five years. Director Barton provided some explanation and supported making the application. Director Estrada was supportive of the loan and appreciated the financial expertise of Director Barton. Director Fontana considers this a very safe loan to move forward with, as did Director Flores. Director Belgard feels it would be a prudent move. Jeannie Kegebein reported that the SCC Fair Foundation has already received a PPP grant, and that all the guidelines have changed since the time they applied.

*Director Campos moved, Director Barton seconded approval of Resolution approving an application for a PPP Loan in an amount up to \$150,000. Motion carried 8 - 0. Ayes - Directors Dietrich, Campos, Belgard, Estrada, Fontana, Barton, Flores, and de la Garza.*

**Delegation of Authority**

Jessica Ayala stated that the Delegation of Authority should only be authorized through the end of the year. GM will research and modify resolution if necessary, prior to Chairman Dietrich signing.

*Director Fontana moved, Director Campos seconded approval of Delegation of Authority Resolution. Motion carried 8 - 0. Ayes - Directors Dietrich, Campos, Belgard, Estrada, Fontana, Barton, Flores, and de la Garza.*

**Jessica Ayala – Presentation about Nepotism, Policies, Financial Agreements & Handling of Funds**

Ms. Ayala stated that the information she has requested under Public Records Act (PRA) has not been provided. The only other resolution is a lawsuit. She does not have full documentation so parts of the discussion will have gaps. She described her time in Livestock Department over the past couple of years. She feels that the Board should be more involved in the Livestock Department. She described a very difficult experience with the Livestock Department, exacerbated by the fact that the Co-chair and his daughter's relationship.

GM responded to several of the points made by Ms. Ayala, summarizing that in the volunteer fair community family participation is highly encouraged – nepotism regulations pertain to paid employees. He was aware that there were communications challenges in the Livestock Department this past year. GM explained the stipend that Department Heads receive. President Dietrich presented research he'd done related to the nepotism restrictions as well as Bagley Keene requirements as they relate to committees. The assumption the Board is operating under is that the Fair Committees do not operate under Bagley Keene Act restrictions. He has asked for clarification from CDFA Legal and will provide that when available. He also expressed sadness that Ms. Ayala had a negative experience with the Livestock Department as our volunteers are very important to the Board.

Ms. Ayala asked that PRA issue be addressed by next meeting.

Jody Kolbach asked about funds being collected by family members on the Livestock Committee. GM explained that the livestock award donations and award purchases are processed through the SCC Fair Foundation, which is audited.

**CORRESPONDENCE** – GM explained the three letters in packet that comprised correspondence between the Fair and the Livestock participants describing the challenges with holding the livestock auction – there will be a virtual auction.

**CEO REPORT**

GM summarized developments related to the liability and comp insurance pools and the property insurance program as was discussed at the last meeting. He also discussed financial challenges and that although business is slowly building back, there are a lot of challenges.

Jessica Ayala commented that there is language in the auto racing contract regarding cleanup of the facilities.

Agenda items requested for next month by President Dietrich include itemized cost accounting for recent projects.

**REPORTS –**

**Strategic Planning** – none

**Santa Cruz County Fair Foundation** – Jeannie Kegebein reported that a Holiday Lights Committee has been formed to look into a drive through lights event during the Holiday season.

**Rodgers House Update**- Report in packet.

**Agricultural History Project** – John Kegebein said AHP meeting minutes will be forwarded in the future.

**Junior Fair Board** - none

**NEXT MEETING**

July 28, 2020

**ADJOURNMENT:** The meeting adjourned at 4:13 p.m.

CONSEJO AGENDA

REVENUE CONTRACTS				
A: INTERIM RENTALS:				
2020	NUMBER	CONTRACTOR	AGREEMENT TERM	AMOUNT
	87	PG&E	June 1- August 31, 2020	\$4,500.00
	88	Juana Campos	August 1, 2020	\$2,100.00
	89	Ocean Breeze	July 31, 2020 - August 2, 2020	INVOICED
	90	Fox N Horn	August 15-16, 2020	INVOICED
	91	Outback Cutting	August 19-23, 2021	INVOICED
B: INTERIM RENTALS:				
2021	NUMBER	CONTRACTOR	AGREEMENT TERM	AMOUNT
	1	Our Lady of the Assumption	April 10-11, 2021	\$8,000.00
	2	Jennifer & Marco Ortiz	February 6, 2021	\$2,100.00
	3	Jose Mendoza & Amalia Torres	June 26, 2021	\$2,100.00
	4	Santa Cruz Burners LLC	April 29, 2021- May 2, 2021	15% gross sales
	5	Charismatic Renewal of the Diocese of Mont.	May 22-23, 2021	\$8,000.00
	6	PV Quilt Association	February 27-28, 2021	\$8,000.00
	7	PV Chamber B. Expo	April 29, 2021	\$4,800.00
	8	Alberto Zavala & Rosa Fernandez	May 8, 2021	\$3,900.00
	9	Cristina Lopez	February 13, 2021	\$3,900.00
	10	Hernan Ramirez & Juana Zavala	April 17, 2021	\$3,900.00
	11	Norma Youngs	June 26, 2021	\$1,900.00
B: COMMERCIAL EXHIBITORS				
C: CONCESSIONAIRES:				
E: STANDARD AGREEMENT				
F: SPONSORS				
F: JUDGING AGREEMENTS:				
	NUMBER	CONTRACTOR	AGREEMENT TERM	AMOUNT
				Mileage
				Hotel