

# 14th District Agricultural Association

SANTA CRUZ COUNTY FAIR

Established 1885

## Board of Directors' Meeting Notice Tuesday, December 7, 2021 at 1:30 PM Pacific Time (US and Canada)

In Person Location – Harvest Building

Join Zoom Meeting

<https://us06web.zoom.us/j/85887881277?pwd=NGEvZ3ZoMTd1bHZGbXQ4QVd2Zk9Rdz09>

Meeting ID: 858 8788 1277

Passcode: 934503

One tap mobile

+16699006833,,85887881277#,,,,\*934503# US (San Jose)

Dial by your location

+1 669 900 6833 US (San Jose)

Find your local number: <https://us06web.zoom.us/j/85887881277?pwd=NGEvZ3ZoMTd1bHZGbXQ4QVd2Zk9Rdz09>

**Directors:** Stephanie Fontana – President, Jody Belgard - Vice President, Bill Barton, Tony Campos, Don Dietrich, Loretta Estrada, Lupe Flores, Michael Pruger, Dana McRae.

**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.

**Public Participation:** 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. The Board reserves the right to limit the time for public comment to a maximum of three (3) minutes per speaker in order to proceed with the agenda. Public comment must be related to Open Meeting Laws for DAAs.

All meeting notices, agendas and materials considered by the Board during the meeting will be available during the meeting.

The agenda and notices will also be available on the website at

<https://www.santacruzcountyfair.com/board/agenda-items> as well as

### Americans with Disabilities Act

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 online: [www.santacruzcountyfair.com](http://www.santacruzcountyfair.com). Questions regarding agenda items should be directed to the Managers office at 831-724-5671.

2601 East Lake Avenue, Watsonville, CA 95076 • Voice: 831-724-5671 • Fax: 831-761-5827 • [www.santacruzcountyfair.com](http://www.santacruzcountyfair.com)

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**Board of Directors' Meeting Agenda**

Items listed on this agenda may be considered in any order at the discretion of the President. 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.

**CALL TO ORDER** – President Stephanie Fontana

**ROLL CALL & PLEDGE OF ALLEGIANCE**

- 1. Declaration of Quorum
- 2. Approval / Disapproval of Absences

**PUBLIC COMMENT ON MATTERS NOT ON THE AGENDA**

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 agendized at a future meeting.

**CORRESPONDENCE**

- 1. CFSA Liability & Comp Estimates

**CONSENT CALENDER** (*Discussion/Action*)

- 1. Board Meeting Minutes of November 9, 2021
- 2. Contracts on Consent Agenda

**FINANCIAL** (*Discussion/Action*)

- 1. Cash Balance / State Support / Credit Line / Cash Flow / Audit Progress
- 2. GASB 68 & OPEB Liabilities
- 3. Review & Accept September 2021 Financials
- 4. Review & Accept October 2021 Financials
- 5. Review & Approve 2022 Budget

**OLD BUSINESS**

**NEW BUSINESS**

- 2. CDFA Agreement 21-0480-000-SG
- 3. Election of Officers
- 4. Appointment of Committees
- 5. Delegation of Authority
- 6. 2022 Foundation Funding Budget

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**REPORTS** (*Discussion/Action*)

1. SCC Fairgrounds Foundation Update - Jeannie Kegebein
2. Agricultural History Project Update – John Kegebein
3. Junior Fair Board – Shannon Cole
4. Livestock Committee – Director Fontana and Director Estrada
5. Buildings & Grounds Committee – Director Pruger and Director Flores

**NEXT BOARD MEETING DATES – 2022**

1. Feb 22, Mar 22, Apr 26, May 24, June 28, July 26, Aug 23, Oct 25, Dec 6,
2. Volunteer Dinner – Wednesday, October 12, 2022

**CEO REPORT**

1. SB-5 Project – Electrical Upgrade Progress Report
2. Trash & Recycling
3. October 9<sup>th</sup> Concert
4. PRA Request Update
5. Review 2021 Operations & 2022 Goals & Objectives

**CLOSED SESSION** The Board is authorized to enter closed session with CDFA Legal Office to discuss:

- a. Pending Litigation (Gov. Code § 11126(e)(1))
- b. Personnel Matter (Gov. Code § 11126(a)(1))

**RECONVENE INTO OPEN SESSION**

1. Report Action Taken at Closed Session

**ADJOURNMENT**

Date of Notice – November 24, 2021

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| <b>Horse Show Rental Revenue</b>           | <b>2020<br/>Amt.</b> | <b>2021<br/>Amt.</b> |
|--|----------------------|----------------------|
| Ocean Breeze 6/2020 & 6/2021               | \$6,120.00           | \$5,025.00           |
| Ocean Breeze 10/2020                       | \$5,370.00           |                      |
| Ocean Breeze 8/2021                        |                      | \$5,945.00           |
| Outback Cutting 9/2020                     | \$15,250.00          |                      |
| Outback Cutting 6/2021                     | Cancelled            | \$9,805.00           |
| Outback Cutting 8/2021                     |                      | \$21,930.00          |
| Santa Clara Valley Quarter Horse           | Cancelled            | \$24,100.00          |
| California State Horsemen's Assn.          | \$18,975.00          | \$27,315.00          |
| American Connemara Pony Society            |                      | \$5,660.00           |
| Gold Coast Arabians                        |                      | \$3,760.00           |
| Buck Brannaman Clinic LLC                  |                      | \$5,875.00           |
| Gabilan Cutters                            |                      | \$600.00             |
| Seven Counties Paint Horse/Sun Coast Pinto |                      | \$1,295.00           |
| <b>Totals</b>                              | <b>\$45,715.00</b>   | <b>\$111,310.00</b>  |

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**Fee Assessment  
 Estimated Fee 2022  
 General Liability Fee Calculation for Calendar Year 2022**

**14th DAA, Santa Cruz County Fair**

|                                     |   |                  |
|-------------------------------------|---|------------------|
| Your Base Fee (2022)                | Same for each Fair in your class                | 44,059.93        |
| Losses                              | Losses from 2016 - 2020                         | 29,166.83        |
| Capped Losses                       | Capped Losses from 2016 - 2020                  | 26,301.10        |
| Fees Paid                           | Fees Paid from 2016 - 2020                      | 165,402.93       |
| 2022 Estimated Modification Ratio   | Modification Ratio                              | 110%             |
| <b>2022 Estimated Liability Fee</b> | <b>Base Fee x Modification Rate</b>             | <b>48,465.92</b> |
| 2021 Liability Fee                  | For comparison only                             | 48,465.92        |
| 2021 Modification Ratio             | For comparison only                             | 110%             |
| 2022 Auto Fee                       | Optional Auto Liability Insurance (non-profits) | 0.00             |

**PAYMENT PLANS**

Any questions please call Raechelle Gibbons at 916-263-6143 or email address: rgibbons@cfsa.org

1 **Lump-Sum Payment:**

|  |                    |
|--|--------------------|
| 2022 Estimated General Liability Fee   | \$48,465.92        |
| Less payment discount (1% if lump sum payment is received by January 25, 2022) | (\$484.66)         |
| <b>TOTAL LUMP SUM FEE WITH DISCOUNT PAID JAN. 25, 2022</b>                     | <b>\$47,981.26</b> |

2 **12 Monthly Installment Payments:**

|   |             |
|---|-------------|
| 2022 Estimated General Liability Fee        | \$48,465.92 |
| 12 MONTH INSTALLMENTS JANUARY-DECEMBER 2022 | \$4,038.83  |

(12 payments are due the 25th of each month beginning January '22 thru December '22)

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**Fee Assessment  
Estimated W-3 payroll & Min. Wage Increase on Volunteers  
Workers' Compensation Fee Calculation for Calendar Year 2022**

**14th DAA, Santa Cruz County Fair**

|                               |   |            |
|-------------------------------|---|------------|
| 2021 Estimated Medicare Wages | Form W-3 2021 (payroll estimates from members)        | 402,379.12 |
| 2021 Volunteers               | Hours x Minimum Wage (new \$15.00 for 2022)           | 75,000.00  |
| 2022 Total Payroll estimated  | Wages + Volunteers (estimated by fair + 25% for 2022) | 577,973.90 |
| 2022 Base Fee                 | Total Payroll x 6.1%/6.3% Rate                        | 35,256.41  |
| Capped Losses                 | January 1, 2016 - December 31, 2020                   | 2,909.95   |
| Cumulative Fees Paid          | January 1, 2016 - December 31, 2020                   | 173,736.37 |
| Modification Ratio            | 85% to 170% Per Modification Rate Table               | 90%        |
| 2022 Estimated Modified Fee   | Base Fee x Modification Rate                          | 31,730.77  |
| 2021 Estimated Payroll        | From 2021 Fee Worksheet based on 2021 W-3             | 370,000.00 |
| Actual vs. Estimated          | Actual 2021 Payroll - PY Estimated 2021 Payroll       | 107,379.12 |
| 2021 Fee at 6.1%/6.3%         | (Actual - Estimated) x 6.1%/6.3% Rate                 | 6,550.13   |
| 2021 Modification Ratio       | From 2021 Fee Worksheet                               | 90%        |
| 2021 Adjustment to Actual     | 2021 Estimated versus 2021 Actual                     | 5,895.11   |
| 2022 Total Estimated Fee      | Modified Fee + or - 2021 Adjustment                   | 37,625.88  |
| 2021 Fee                      | Comparison To Last Year's Fee                         | 20,313.00  |

**PAYMENT PLANS**

Any questions please call Raechelle Gibbons at 916-263-6143 or email address: rgibbons@cfsa.org

1 **Lump-Sum Payment:**

|  |                    |
|--|--------------------|
| <b>2022 Estimated Workers' Compensation Fee</b>                                | <b>\$37,625.88</b> |
| Less payment discount (1% if lump sum payment is received by January 25, 2022) | (\$376.26)         |
| <b>TOTAL LUMP SUM FEE WITH DISCOUNT PAID JAN.25, 2022</b>                      | <b>\$37,249.62</b> |

2 **12 Monthly Installment Payment Plan:**

|  |                    |
|--|--------------------|
| <b>2022 Estimated Workers' Compensation Fee</b>    | <b>\$37,625.88</b> |
| <b>12 MONTH INSTALLMENTS JANUARY-DECEMBER 2022</b> | <b>\$3,135.49</b>  |

(6 installments Jan-June 2022 at Estimated Fees & 6 installments July-Dec 2022 at True Up Fees)

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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, November 9, 2021

|                    |
|--------------------|
| Approved by: _____ |
| Date: _____        |

**CALL TO ORDER:** 1:30 p.m. by President Stephanie Fontana

**ROLL CALL, PLEDGE OF ALLEGIANCE, DECLARATION OF QUORUM, APPROAL/DISSAPPROVAL OF ABSENCES.** A quorum was declared.

**DIRECTORS PRESENT IN PERSON:** Stephanie Fontana - President; Jody Belgard- Vice-President  
Loretta Estrada, Bill Barton, Don Dietrich, Tony Campos, Lupe Flores, Michael Pruger.

**JR FAIRBOARD MEMBER:** Morgan Cole

**DIRECTORS ABSENT:**

**DIRECTORS EXCUSED:**

**CHIEF EXECUTIVE OFFICER (CEO):** Dave Kegebein

**RECORDING SECRETARY:** Mary Bannister

**DIRECTOR COMMENTS:** Director Dietrich thanked Terry Reeder for the 30 years of service he devoted to the Poultry Department at the Fair. He retired prior to this years' fair. Terry and his wife devoted countless hours to making the Poultry Department a wonderful and educational experience for exhibitors and visitors alike. Director Pruger noted the problems that occurred at the concert last month and asked that this be considered for discussion at a future time. Director Fontana was thankful for the staff and crew who assisted during the recent wildfire.

**PUBLIC COMMENTS ON MATTERS NOT ON THE AGENDA:** Mary Ann LoBalbo with recycling and solid waste at Santa Cruz County Public Works. With more volunteers more recycling can be done. She distributed a handout "2021 Fair Waste Update". January 1, 2022 will begin a program requiring \$0.25 charge for disposable plastic cups.

Becky Steinbruner thanked the board for having an in-person meeting. She was thankful to staff for helping her review the photo albums for pictures of Poultry Department to be used to honor Terry and Carol Reeder. She also expressed appreciation that the Fair accommodated emergency evacuations from the

Estrada fire. She has not received her PRA requested information for County reimbursements from the CZU Fire.

Phillip Carranco said the Fair was a great event this year and appreciated the work by everyone. He asked about the Board Policies which should be reviewed every year. He has not received the alcohol policy that he requested through PRA request.

Jessica Ayala thanked the Board for a fantastic fair this year. Her PRA requests have not been responded to. She believes public funds are being gifted to non-profits under the consent agenda.

Mike Francesconi with CDFA delivered a check to the 14<sup>th</sup> DAA in the amount of \$285,000. These funds are from the Governor's budgeted \$50 mil to support fairgrounds.

Eric Zamost (via phone) doesn't think the April minutes were included in the packet, but the May minutes appear correct. He has also made PRA requests that have not been responded to.

A member of the public (via phone) said several letters have been sent to the CEO and not been included in the Board packet under Correspondence. She urged all letters be included to prevent a bad perception.

Vicky Sanderson, who runs the Technology Department with her husband Russel, expressed appreciation for Gloria Van Dierendonck, Mary Travis and David Kegebein who were present every day of the Fair supporting their Department. She also thanked the many Fair volunteers.

**CORRESPONDENCE** – CDFA 2021 Construction projects letter included in packets. CEO noted there is an additional document packet available in hard copy and to be posted online.

**CONSENT CALENDAR.** There were comments to the Consent Agenda so the items were considered individually. May minutes – Jody Kolbach said her name should be stricken from the May minutes. *Director Belgard moved, Director Flores seconded approval of the May 2021 minutes with Jody Kolbach's name stricken and motion carried 8-0. Ayes; Directors Fontana, Belgard, Barton, Dietrich, Estrada, Campos, Flores and Pruger.*

June minutes – Director Dietrich said he should be shown as absent during the June meeting. *Director Barton moved, Director Belgard seconded approval of the June 2021 minutes with Director Dietrich noted absent, and motion carried 8-0. Ayes; Directors Fontana, Belgard, Barton, Dietrich, Estrada, Campos, Flores and Pruger.*

August minutes – Becky Steinbruner asked that the August minutes be edited to reflect her Public Comment that she “was concerned that the sheep and goat barn had been partially demolished and work conducted without permits or inspections.” Jessica Ayala asked that the minutes include her comment that “the CEO was dishonest and misled the Board.” *Director Estrada moved, Director Belgard seconded approval of the August 2021 minutes with the comments edited as noted, and motion carried 8-0. Ayes; Directors Fontana, Belgard, Barton, Dietrich, Estrada, Campos, Flores and Pruger.*

Director Dietrich asked about contracts on the consent agenda. Counsel with CDFA asked for clarification on SBL Investigations (Page 23, Item 3) and recommended that the final date of the service be clarified if it's not an open-ended contract (stipulate in motion that contract is terminated). Public comment via Zoom – asked about alcohol sales shown “in Floriculture” – CEO clarified it refers to the Beer Garden outside Floriculture. There was also a question about the Fee Schedule and how it's applied and under sponsorship what does “in-kind” mean. CEO responded that in-kind refers to services and supplies provided by the Sponsor, rather than cash. Eric Zamost noted that those on Zoom are having a hard time hearing – he can donate a high-quality web cam for the next meeting. Phillip Carranco asked about payments for signage from sponsors. He also asked about horseshow invoices. Director Dietrich requested that Outback Cutting – Item 139 on page 21 be removed from consent and brought back next month with invoice amount.

Jessica Ayala referred to page 23 Item 9 and page 24 Item 10, Item 15, 16 with respect to sponsorship money. CEO clarified that these organizations are providing services, not being gifted funds. Becky Steinbruner asked a question about percentages shown in financials.

*Director Dietrich moved and Director Flores seconded approval of contracts on the Consent Agenda with Item 3 on page 23, SBL Investigations, and Item 139 on page 21, Outback Cutting to be brought back with termination dates and invoice amounts. Motion carried 8-0. Ayes; Directors Fontana, Belgard, Barton, Dietrich, Estrada, Campos, Flores and Pruger.*

**FINANCIALS.** CEO reflected that he has been here 10 years starting at a time when the fair was virtually broke. We currently have \$930,000 in operating cash with \$134,000 out to CCA for construction project which will be reimbursed. We also have 2 years of \$38,000 annual payments due from the State which totals \$1.4 million cash on hand. This is in addition to \$120,000 in reserve. CEO and Finance Committee recommended adding \$130,000 to the reserve fund for a total of \$250,000 in reserves. The 2019 Audit is nearly complete. GASB 68 Pension Liability is a 6 bil prepayment loan to Cal Pers from the state general fund from Governor Browns time in office. Our share was about \$68,000 and repayments are due over a 5 year period which started in 2020 but were postponed due to covid 19.

CEO reported that the Fair was really strong – and the current rental business is good! The 2021 Fair Revenue Comparison Report, which was included in the agenda packet, showed revenues of \$975,000 in 2021 compared with \$697,000 in 2017. He noted that we have an incredible future ahead of us!! July 2021 Financials – Director Dietrich asked about several items in financials. Philip Carranco asked about alcohol sales and where it's shown on financials. CEO said it will show up in next report. Public Zoom member asked about Flea Market alcohol sales. CEO said these funds will show up in next quarter report. Becky Steinbruner had questions about revenues shown from “Heritage Foundation.” CEO clarified that it's now called Santa Cruz County Fair Foundation. She also asked about Interim Horseshows.

Director Flores moved, Director Belgard seconded approval of the July Financials and motion carried 7-1. Ayes; Directors Fontana, Belgard, Estrada, Campos, Flores, and Pruger, noes Director Dietrich.

Director Flores moved, Director Belgard seconded approval of the August Financials and motion carried 7-1. Ayes; Directors Fontana, Belgard, Estrada, Campos, Flores, and Pruger, noes Director Dietrich.

**OLD BUSINESS**

Proposed Animal Control Ordinance Update – CEO reviewed history of this item.

**REPORTS**

**SCC Fairgrounds Foundation** - Jeannie Kegebein reported that they've had an extremely wonderful year. Numbers are included in board packet. We sold out of T-shirts and every fairgrounds shirt and jacket available. We've had very generous donors for every event that's been held. We have enough sponsors for livestock pens to do one additional barns worth of pens. She gave schedule for Holiday Lights (starts next Friday) and runs through the end of December. Tickets are available on-line. The Craft Fair is December 3<sup>rd</sup> and 4<sup>th</sup> and there will be a walk-through lights event.

**Agricultural History Project**-John Kegebein reported that work is underway for Holiday Lights. The Salinas Parade has been cancelled. We're excited for Holiday Lights and tractors are decorated.

**Junior Fair Board**-Shannon Cole (via Zoom) said the Fair was fantastic and very successful. They are decorating the Barn for Holiday Lights. CEO announced that Thursday (11/18) is the Preview Night for the press, Board and volunteers to drive through. Many food vendors are coming.

**Livestock Committee** - Board President & Committee Chair Stephanie Fontana said that the Livestock Committee was pleased with the Fair and the volunteers were fabulous.

**Buildings and Grounds** – Director Pruger has reviewed the Facility with the CEO and looks forward to identifying and budgeting for improvements. Public member asked about public access to Buildings and Grounds meetings. Becky Steinbruner suggested meeting with the Department Heads to review their thoughts and wishes. She asked that flags from the service organizations be brought back. Phillip Carranco asked for a map of RV parking sites with utilities. Public member (via Zoom) said that advisory committee meetings should be open to the public.

**CEO REPORT** – Dave Kegebein said that now that we've recovered financially, he hired Cynthia as the new Administrative Assistant. Ann, Nelly and Jill along with Cynthia are handling administrative duties. Page 121 presents a report of cash sales for the Fair. Total revenue is not shown but numbers are significantly up. Cost of doing business is increasing and must be considered moving forward. Our Livestock Auction revenues this year grew to over \$480,000 even though the number of animals was down. Board appointments by the Governor's office may be coming soon. There was a big concert that generated some problems last month and

this will be remedied moving forward. October and November financials will clarify some alcohol sales numbers. We maxed out on parking this year and will look at renting adjacent property for parking in the future. Holiday Lights was started last year with a commitment by each organization AHP and SCCFF with \$10,000 from each hoping to get that back. We made \$200,000 and are excited to continue that tradition this year.

Adjourned to closed session at 3:30.

The meeting returned to open session at approximately 5:25.

President Fontana announced no action was taken during closed session.

**NEXT MEETING**

Next Regular Board Meeting is December 7, 2021 at 1:30 p.m. via remote-cast as necessary.

**ADJOURNMENT:** The meeting adjourned at approximately 5:30 p.m.

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