

(Amended May 15, 2019)

MINUTES OF THE BOARD OF DIRECTORS MEETING OF THE 16TH DISTRICT AGRICULTURAL ASSOCIATION, CALIFORNIA MID-STATE FAIR, HELD WEDNESDAY APRIL 17, 2019, IN THE SKYBOX AT THE CALIFORNIA MID-STATE FAIR IN PASO ROBLES, CA.

Present: Directors Lacey, Baldwin, Boneso, Borjon, Darway, Lilley, Sabin, Wheeler, Woodruff, and CEO Bradley

Guests: Dave Belmont, Heritage Foundation Board President
Colleen Bojorquez, Business Assistant

The meeting was called to order at 9:30 am by President Lacey.

Director Lacey asked Director Borjon to lead the flag salute.

Introduction of Guests:

Director Lacey introduced Dave Belmont, Heritage Foundation Board President.

Approval of Absences:

There were no absences.

Approval of Minutes

It was moved by Director Boneso, seconded by Director Borjon, and unanimously carried to approve the minutes from the March 20th Board Meeting.

Board Member	Aye	No	Abstention
Lacey	X		
Baldwin	X		
Boneso	X		
Borjon	X		
Darway	X		
Lilley	X		
Sabin	X		
Wheeler	X		
Woodruff	X		

Public Comment:

There was no public comment.

Consent Agenda:

It was moved by Director Darway, seconded by Director Baldwin, and unanimously carried to approve the Consent Agenda.

Board Member	Aye	No	Abstention
Lacey	X		
Baldwin	X		
Boneso	X		
Borjon	X		
Darway	X		
Lilley	X		
Sabin	X		
Wheeler	X		
Woodruff	X		

Old Business

A. Strategic Plan/Master Plan

Director Lacey moved the report to the Master Plan Task Force Report.

B. James Brabeck Youth Legacy Foundation (JBYLF) Report

CEO Bradley provided a one-sheet information overview of the JBYLF which was presented at the February Board Meeting. He said Todd Ventura and Jim Brabeck presented to the Heritage Foundation Board of Director's last week and their Board voted unanimously to be involved in the project. CEO Bradley said staff will write a press release and work with the JBYLF to begin the application process.

New Business

A. Committee Reports

Finance Committee Report

Director Darway reported on the Finance Committee meeting held prior to the Board Meeting. He said the Finance Committee reviewed and approved the financials from March 2019. Director Darway reported the Finance Committee has asked staff to review options for a cost recovery for the annual dinner including charging a per ticket fee and/or research sponsorship opportunities. He said the cost is approximately \$84 per person and the 2019 dinner was \$19,000 over budget due to additional invitations to the entire Heritage Foundation delegation.

Director Darway said the March Event Cost Analysis was reviewed as an informational item.

Director Darway reported Director Lilley attended the meeting and presented the following draft verbiage of the reserve definition and policy:

Restricted Reserves:

Emergency Reserves: 10% of the annual operating budget should be held in reserve and only used for unanticipated urgent financial conditions and approved by the Board.

Designated Reserves: A designated reserve account may be established to hold funds in reserve for a specific purpose. Funds should only be used for the designated purpose unless a different use is approved by the Board of Directors.

Contingency/Opportunity Reserves: Unanticipated one-time non-reoccurring expenses that will build resource capacities or provide continuing long-term benefits to the Association (i.e.; property procurement, building construction, revenue generating projects, etc.) and approved by the Board.

Unrestricted Reserves:

A general unrestricted reserve may be created to augment expenditures in the annual operating budget. A 10% emergency reserve must be funded first before money can be allocated into any unrestricted reserve.

Total Reserve (Restricted and Unrestricted):

The Association shall strive to maintain a minimum total reserve of 15% with a long-term goal of 20% (12/15/16: Strategic Plan Goal more than 5 years).

Note: The 2019 Budget is expected to reflect a purchase of the five-acre parcel known as Pioneer Park from the City of Paso Robles. The result of this expenditure shall reduce the total reserve by \$850,000 (Property purchase is \$800,000 and DGS Expenses projected to be \$50,000). The further result is that the December 31, 2019 anticipated reserve is expected to be 5-7%.

The policy will be on the April agenda for review and approval.

It was moved by Director Borjon, seconded by Director Boneso, and unanimously carried to approve the Finance Committee Report as presented.

Board Member	Aye	No	Abstention
Lacey	X		
Baldwin	X		
Boneso	X		
Borjon	X		
Darway	X		
Lilley	X		
Sabin	X		
Wheeler	X		
Woodruff	X		

Executive Committee Report

There was no Executive Committee Report.

Agriculture Committee Report

Director Sabin said an Agriculture Advisory Committee Meeting has been set for April 30th. There was no Agriculture Committee Report.

Operations Committee Report

The Operations Committee will be meeting directly after the Board Meeting. There was no Operations Committee Report.

Fair Programs Committee Report

There was no Fair Programs Committee Report.

Marketing Committee Report

There was no Marketing Committee Report.

Scholarship Committee Report

Director Darway reported on the Scholarship Committee meeting held the April 16th. He said the scholarship fund currently has approximately \$46,000 which has been generated at the Association's 2017, 2018, and 2019 Annual Dinner auctions. The Committee discussed the purpose and fundraising mechanisms of the scholarship and directed staff to work with an organization that manages scholarships and will facilitate the application process, record keeping, criteria enforcement, and distribution of funds. The Committee recommends the purpose of the scholarship to be for qualified current youth participants at the Ca. Mid-State Fair (including up to two years after graduating high school) and to fund various educational activities and programs at the Ca. Mid-State Fair. Scholarships will be provided to graduating high school seniors entering higher education opportunities, students currently enrolled and having completed 12 units of course work of higher education, or proof of enrollment for a higher education school of choice prior to scholarship being submitted to recipient or college in students name. Higher education is defined as a four-year public or private university or college, community college, vocation or trade school, art or design school, institutes of technology or culinary, and online institutions. Students may apply in one of the following categories based upon chosen field of study: 1) agriculture studies, 2) viticulture and/or enology, 3) all other categories. At least one of each of these categories will receive a scholarship with a minimum of three given annually. There will be three levels: \$5,000, \$2,500, and \$1,000. Applicants will be reviewed by the Committee annually and be recognized at the annual dinner. Director Darway asked for the Scholarship Fund to be on the May agenda to consider the allocation of the funds and to further define the scholarship fund.

It was moved by Director Woodruff, seconded by Director Wheeler, and unanimously carried to approve the Scholarship Committee Report as presented.

Board Member	Aye	No	Abstention
Lacey	X		
Baldwin	X		
Boneso	X		
Borjon	X		
Darway	X		
Lilley	X		
Sabin	X		
Wheeler	X		
Woodruff	X		

B. Task Force Committee Reports

Master Plan Task Force

Director Lacey reported on the Master Plan Task Force regarding the Conference Center. CEO Bradley presented the Board with a handout of the LSA PowerPoint presentation presented at the February meeting. CEO Bradley said the revenue potential for the 19,500 leasable space conference center would be approximately \$1.8 million per year estimating 390 events per year. Expenditures are estimated at \$1.5 million providing a net of \$250,000 per year to the Association.

After discussion, it was the consensus of the Board to opt for the Convention Center to utilize the Frontier Pavilion, Ponderosa Pavilion, and Flower Building area and to move forward in determining the with architectural and engineering costs which would be paid between the three partners: one-third paid by Travel Paso, one-third paid by The City of Paso Robles, and one-third paid by The Association.

Annual Dinner Task Force

Director Lacey referred to the Finance Committee report regarding the cost of the annual dinner exceeding the proposed budget amount. Director's Woodruff, Borjon, and Boneso were not in favor of charging a per ticket fee for the dinner. Director Woodruff suggested capping the dinner to a 550 capacity. Director Baldwin agreed with a capacity level of 550 attendees and would like staff to exhaust sponsorship opportunities and/or advertising opportunities to help alleviate some of the costs. Director Darway noted the discussion will continue at the next Finance Committee meeting.

C. Check Signing Authorization

This is annual policy to review and update, when there is change in Presidency, or when necessary. Authorizing check signers (Lacey, Baldwin, and Bradley by adoption of a resolution. Check signing authorization is on behalf of the 16th District Agricultural Association with any check written over the amount of \$15,000 shall require two (2) signatures. Historically, check signers are the CEO, Board President, and at least one (1) other Board member who lives in close proximity to the Paso Robles Event Center. Colleen Bojorquez would remain as an authorized check signer with a limit of \$500.00 as approved August, 2018.

It was moved by Director Lilley, seconded by Director Borjon, and unanimously carried to approve Directors Lacey, Baldwin, and Bradley to be authorized to sign checks on behalf of the Association. Any check written over the amount of \$15,000 shall require two (2) of the signatures.

D. Fire Marshall Update

CEO Bradley reported the State Fire Marshall has become more of a presence on fairgrounds across the State and staff has set a meeting for May 9th to discuss various regulations that may or may not affect the Fair and interim events.

Matters of Information

A. Staff Reports

There were no Staff Reports.

B. Manager's Report

The following items were presented by CEO Bradley as informational items:

1. The Central Coast Olive Oil Competition was April 11th. The results of the competition are attached.
2. Additional ticket request forms are due to Kim Wednesday, May 1st at 4:00 pm
3. Upcoming Interim Events:
 - a. 3 Speckled Hens Antique Show, May 4th and 5th
 - b. Mid-State Dairy Goat Show, May 4th
 - c. SLO Quarter Horse Association Mother's Day Show, May 6th through May 12th
 - d. Home Wine Making Judging, May 11th
 - e. AIDS Ride, May 14th through May 16th
 - f. Private Event, May 18th
 - g. Central Coast Gun Show, May 18th through 19th
4. CEO Bradley hosted CDFA Secretary Karen Ross for lunch and a facility tour on Saturday, April 6. Secretary Ross has been to the Paso Robles area and Cal Poly many times but never visited the Paso Robles Events Center. She was very impressed with the facility and encouraged with our on going plans for future and developing projects. We were able to visit about several issues facing our Fair and others in California.
5. Staff continues to work with Roger Sharp and the Firestone Walker organization in facilitating the 805 Chill Zone.
6. Virulent Newcastle (vND): The current condition in Southern California with regard to this avian virus has worsened. CDFA is working diligently to monitor and manage the situation. Our Fair must now take a hard look and whether we can indeed have a poultry show at our 2019 Fair.
7. CEO Bradley has been working closely with The State CDFA Veterinary office, the SLO County Quarter Horse Association and the NRCHA to create biosecurity protocols which will monitor and manage the potential for any horse that may be compromised by the recent presence of EHV-1 in Las Vegas at the South Point facility and the potential for the Virus to enter California. Our two largest equestrian events are producers of these two equestrian events and are being proactive.
8. Board Retreat: As confirmed earlier this month, we have scheduled a Board Retreat that will include our Board and the Heritage Foundation Board. The meeting is set for May 29 and 30 at the Paso Robles Inn. Meeting materials will be forthcoming. Our facilitator is Becky Bailey Findley, CEO of the California Fair Services Authority.
9. During the April Board Meeting of the Heritage Foundation Board, Todd Ventura and Jim Brabeck presented the Legacy Project concept and the Heritage Foundation unanimously endorsed the

program with a portion of monies being provided to the Heritage Foundation for a project or projects that meet the criteria of their Mission, as previously discussed.

10. Papich Construction has submitted a new proposal for paving of the Riverside Parking Lot. More to follow on details as we meet with their team.
11. New Sponsors within the last month include Granite Construction (thanks to the lead from Director Sabin); Wrangler, Two Mattress companies, the Hearst Corporation, Polaris, and an expanded agreement with Grocery Outlet.
12. Island Bar and Grill- Staff is continuing meetings with the Heritage Foundation for improvements to the food and beverage facility.
13. Staff has secured a five-year contract with the Pacific Coast Cutting Horse Association.
14. The Still Exhibits handbook and ShoWorks entry system went live on March 19th and the beverage competition entry information was available March 25th. Livestock and Horse Show materials will soon be available.
15. The Staff continues to meet with the State Fire Marshall and Cal Fire. The Fire Marshall has announced that the Sacramento office has identified fairs and a high priority for enforcement. This will have dramatic economic and programmatic impacts on a year- round bass, Especially for the annual fair.
16. The California Mid-State Fair Pageant applications are now available.
17. Interim parking revenue to date for 2019: \$3,835.00 (\$3,275.00—2018)
18. Interim camping revenue to date for 2018: \$14,767.50 (\$9,105.00—2018)
19. Next Board Meeting, Wednesday, May 15th, 2017 at 9:30 a.m. (Finance will meet before at 8:30 a.m.)
20. Entertainment Update
21. Future Agenda Items: Strategic Plan, Reserve Policy

C. Director's Discussion

Director Sabin noticed there have been lots of great posts on social media regarding the Fair and that the sponsorships are coming in for Country Rodeo.

Closed Session

The Board of Director's met in Closed Session for the purpose of pending litigation—legal correspondence from Gregory Francisco Gillett of Gillett Green LLP regarding the matter of 2018 Gabby Vering exhibitor disqualification. (Gov. Code § 11126(e)(1))

Reconvene into Open Session

In the Vering exhibitor disqualification, the Board of Director's note the matter falls under the purview of staff. It is the direction of the Board of Director's for staff to respond with written correspondence, have it reviewed by Director Sabin, and send to Gregory Francisco Gillett of Gillett Green LLP.

Adjournment

With there being no further business, the meeting was adjourned at 12:15 pm.

Respectfully submitted:

Michael H. Bradley, CEO

Approved by:

Dee Lacey, President

Dated: _____