

MINUTES OF THE BOARD OF DIRECTORS MEETING OF THE 16<sup>TH</sup> DISTRICT AGRICULTURAL ASSOCIATION, CALIFORNIA MID-STATE FAIR, HELD WEDNESDAY MAY 15, 2019, IN THE SKYBOX AT THE CALIFORNIA MID-STATE FAIR IN PASO ROBLES, CA.

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

Absent: Director Borjon

Guests: Deana Belmont, Heritage Foundation CFO  
Brenda Fletcher, Heritage Foundation Board Member  
Colleen Bojorquez, Business Assistant

The meeting was called to order at 9:41am by President Lacey.

Director Lacey asked Director Wheeler to lead the flag salute.

Introduction of Guests:

Director Lacey introduced Deana Nelson, Heritage Foundation CFO; and Brenda Fletcher, Heritage Foundation Board Member.

Approval of Absences:

It was moved by Director Boneso, seconded by Director Baldwin, and unanimously carried to approve the absence of Director Borjon who had a medical appointment.

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

Approval of Minutes

In regards to the Master Plan Task Force Report, Director Lilley noted the minutes should read “to move forward in determining the architectural and engineering costs (of the Convention Center)”.

It was moved by Director Boneso, seconded by Director Woodruff, and unanimously carried to approve the minutes from the April 17<sup>th</sup> Board Meeting with the aforementioned change.

Board Member	Aye	No	Abstention
Lacey	X		
Baldwin	X		

Boneso	X		
Borjon (absent)			
Darway	X		
Lilley	X		
Sabin	X		
Wheeler	X		
Woodruff	X		

Public Comment:

Brenda Fletcher noted the Heritage Foundation will be celebrating its 20-year anniversary this year. There will be decorations and cake one night in the suites and at the Premier Party.

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 (absent)			
Darway	X		
Lilley	X		
Sabin	X		
Wheeler	X		
Woodruff	X		

Old Business

A. Strategic Plan/Master Plan

There was no Strategic Plan/Master Plan report.

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 April 2019. Director Darway expressed his concern regarding the revenues being approximately \$500,000 under projections.

Director Darway reported the Finance Committee has reviewed options for a cost recovery for the annual dinner including researching sponsorship opportunities, capping attendance, and/or limiting the invitation list. He said the April Event Cost Analysis was reviewed as an informational item.

Director Darway said the Finance Committee recommends approval of the following reserve 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).

Director Darway said there was discussion regarding the Convention Center cost analysis and directed staff to include revenues lost during construction as well as the construction costs. Director Lilley expressed his concern regarding the cost of constructing the Convention Center. CEO Bradley noted the financial analysis has not been completed, but the bulk of the annual costs for financing the loan for construction would be funded by Travel Paso and the City of Paso Robles and the Association's obligation is after the center is built (approximately \$200,000 per year based on the B&D report): the net revenues generated from the Conference Center would be paid towards any loan. However, CEO Bradley reminded the Board many of the financial questions will be answered through the fiscal analysis process, which has not occurred.

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

Board Member	Aye	No	Abstention
Lacey	X		
Baldwin	X		
Boneso	X		
Borjon (absent)			
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 the Agriculture Advisory Committee met April 30<sup>th</sup> and discussed the various changes in the Livestock department including biosecurity requirements. She said the Advisory Committee would like to meet earlier in the year. Director Sabin noted the Country Rodeo Finals held Saturday July 27<sup>th</sup> will be in honor of an individual(s) and staff is working on nomination forms.

It was moved by Director Lilley, seconded by Director Baldwin, and unanimously carried to approve the Agriculture Committee report as presented.

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

Operations Committee Report

The Operations Committee met April 17<sup>th</sup> after the Board Meeting and toured the fairgrounds. Updates on various projects including the Skybox HVAC system, various building roof repairs, the expansion of Island Bar and Grill, and the RV bollards was informational.

It was moved by Director Boneso, seconded by Director Woodruff, and unanimously carried to approve the Operations Committee Report.

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

Fair Programs Committee Report

There was no Fair Programs Committee Report.

Marketing Committee Report

There was no Marketing Committee Report.

Scholarship Committee Report

CEO Bradley met with the Community Foundation of San Luis Obispo County regarding the Scholarship program. Staff is researching other similar full-service foundations for comparison but is confident The Community Foundation of SLO County would be a good fit for the Association's purposes.

B. Task Force Committee Reports

There were no Task Force Committee Reports

C. CFSA Group Purchase Property Insurance

This is annual policy to review and update, approving the participation in the California Fair Services Authority Group Purchase Property Insurance program for the 2019-2020 policy year. The policy includes authorizing CEO Bradley to sign the agreement in an amount not to exceed \$25,410.00, reflective of an expected increase of 20%.

It was moved by Director Darway, seconded by Director Sabin, and unanimously carried to approve to accept the resolution regarding participation in the California Fair Services Authority Group Purchase Property Insurance Program for the policy year 2019-2020 and 16<sup>th</sup> District Agricultural Association CEO Bradley is authorized to bind the coverage in an amount not to exceed \$25,410.00.

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

D. Fire Marshall Update

CEO Bradley reported staff met with the State Fire Marshall May 9<sup>th</sup> to discuss various regulations that will affect the Fair and interim events. Most notably, temporary structures that have combustible cooking components need to be minimum 20 feet from an existing building. This drastically affects the midway and staff is working diligently to move various vendors.

E. Reserve Policy

It was moved by Director Sabin, seconded by Director Lilley, and unanimously carried to approve the Reserve Policy as follows:

**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).

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

F. 2020 Entertainment Update

CEO Bradley notified the Board of Directors that in 2020 the pricing structure and scaling may be different including a higher number of Price 1 tickets due to the rising costs of the acts. Information regarding the pricing structure was presented as informational.

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. Mission Marketplace is ahead of pace from last year with 15 vendors signed up for the program.
2. The Showcase of Cities program is completely full with Cuesta College being added to the exhibit this year.
3. Rancho Frontier will house the "Hands on Farming—The Joe Sabol Experience" this year as well as the Cal Poly Milk Shed, petting Farm, Pony Rides, and Pig Races.
4. Still Exhibits, all beverage competitions, and Livestock competition handbooks are available online at [www.midstatefair.com](http://www.midstatefair.com). The Horse Show Handbook will be available at the end of the week. A ShoWorks clinic is set for June 1<sup>st</sup> during the 4H Field Day to assist parents, leaders, and youth with entering.
5. The Association has secured Gemini Productions to facilitate the change over for Rhythm and Brews—Billy Idol. It is anticipated to be more efficient this year due to it being the second year for Gemini and our team to "flip" the arena.
6. Albertson's has declined to renew their sponsorship agreement after over 15 years of partnership with the Association. The retail food industry continues to go through mergers and expansions and no longer is it possible to get local decisions and contracts without a multiplicity of legal review. We will continue to attempt engagement with them in the future; however, we have arranged for a much more expanded involvement with Grocery Outlet. The Grocery Outlet stores are privately owned and as a result, decisions can be made faster and easier. We may even see our presence in the Fresno/Bakersfield region as a result. This is an important sponsorship due to advance entry ticket and carnival sales.
7. Chico's team has carefully filled our planter bed with zinnia plants for a beautiful array of summer color.
8. The Central Coast Wine Competition is set for June 19<sup>th</sup> and 20<sup>th</sup>. The Wine Judges Dinner will be held on Tuesday and Wednesday evening. More information will be provided soon.
9. As presented before, we have a combined Board retreat set for Wednesday, May 29<sup>th</sup> and Thursday May 30<sup>th</sup> at the Paso Robles Inn with the Heritage Foundation Board and the Association's Board, facilitated by Becky Bailey-Findley. Start time is 3:00 pm Wednesday, May 29<sup>th</sup> and concluding by 2:00 pm Thursday, May 30<sup>th</sup>. Meals are provided.
10. As part of our biosecurity protocol for livestock, we have instituted a mandatory requirement for Swine Flu vaccination. The vaccine process is very commonplace in the industry. A complete informational document has been emailed to our exhibitors, leaders, and advisors.
11. Monster Trucks are back in the Main Grandstand Sunday, July 28<sup>th</sup>. The performance will feature Monster Trucks, Motocross, and Bull Riding. The show starts at 7:00 pm—turn up the volume and excitement in "Monster Mania"!

12. The Skybox Bar will be operated by the Heritage Foundation starting in 2019. Net proceeds from this operation will be held in a Heritage Foundation account for maintenance and repair to the Skybox venue.
13. The 75<sup>th</sup> Anniversary staff planning meetings have begun and continue monthly. August staff will report to the Fair Programs Committee and Board.
14. Staff will meet with representatives of the city, law enforcement, and first responders on May 16<sup>th</sup> to work through the Fair planning relative to their services and support.
15. CEO Bradley attended the Annual IAFE Spring Managers Conference last week in Costa Mesa. It was a very productive set of meetings relative to entertainment, security, labor issues, long-term planning, and new industry trends.
16. Staff met with representatives from the State Fire Marshall's office. It was a productive meeting with the Association seeing an elevated set of requirements that will clearly impact the way we and our partners do business.
17. Advance carnival ticket sales through our non-profit partners will begin this month. If Board members know any additional sports teams, 4H clubs, or other charity groups interested in participating, please contact Kim Daily direct.
18. 2-for-Tuesday season pass promotions sales are currently underway. Season passes are buy one get one free every Tuesday in May. The first Tuesday was very successful with sales slightly higher than the first Tuesday last year.
19. The Firestone Walker International Beer Fest is May 31<sup>st</sup> and June 1<sup>st</sup>. We have four (4) VIP passes for Saturday available. Board Members should RSVP with Colleen if they wish to utilize those passes **no later than May 28**. These will be provided on a first come first serve basis.
20. Upcoming Interim Events:
  - a. Free Ride Motorcycle, May 15<sup>th</sup> and 16<sup>th</sup>
  - b. Private Event, May 18<sup>th</sup>
  - c. Central Coast Gun Show, May 18<sup>th</sup> and 19<sup>th</sup>
  - d. Travel Paso Meeting, May 22<sup>nd</sup>
  - e. Tip A Cop Fundraiser, May 23<sup>rd</sup>
  - f. Great Western Bicycle Rally, May 23<sup>rd</sup> through May 27<sup>th</sup>
  - g. Private Event, May 25<sup>th</sup>
  - h. Firestone Beer Festival, May 31<sup>st</sup> and June 1<sup>st</sup>
  - i. 4H Field Day, June 1<sup>st</sup>
  - j. AIDS Bike Ride, June 4<sup>th</sup> and 6<sup>th</sup>
  - k. PRHS Graduation Parking, June 7<sup>th</sup>
  - l. NRCHA June 9<sup>th</sup> through 16<sup>th</sup>
  - m. Xtreme Backyards, June 15<sup>th</sup> and 16<sup>th</sup>
  - n. Friends of the Fair Workday, June 12<sup>th</sup>, 18<sup>th</sup>, and 20<sup>th</sup>
  - o. Central Coast Wine Competition, June 18<sup>th</sup> through June 20<sup>th</sup>
21. California Fairs Alliance Correspondence – Fair Funding, CA Fairgrounds Appreciation Month



22. Next Board Meeting, Wednesday, June 19<sup>th</sup>, 2019 at 9:30 am. (Finance will meet before at 8:30 am)
23. Interim Parking Revenue: \$9,739.75 (\$14,910.00 = 2018)
24. Interim Camping Revenue: \$17,768.50 (\$14,692.50 = 2018)
25. Future Agenda Items: July Board Meeting, Skybox and Grandstand Access for Board and VIP

C. Director's Discussion

Director Sabin asked if staff would be providing a "What's New at the Fair" for 2019 and that she is excited to have been asked to be a judge at the 2019 Miss Mid-State Fair pageant.

Adjournment

With there being no further business, the meeting was adjourned at 11:11 am.

Respectfully submitted:

\_\_\_\_\_  
Michael H. Bradley, CEO

Approved by:

\_\_\_\_\_  
Dee Lacey, President

Dated: \_\_\_\_\_