

(Amended September 18, 2019)

MINUTES OF THE BOARD OF DIRECTORS MEETING OF THE 16TH DISTRICT AGRICULTURAL ASSOCIATION, CALIFORNIA MID-STATE FAIR, HELD WEDNESDAY AUGUST 28, 2019, IN THE SKYBOX AT THE CALIFORNIA MID-STATE FAIR IN PASO ROBLES, CA.

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

Guests: Dave Belmont, Heritage Foundation Board President
Deana Nelson, Heritage Foundation CFO
Tom Keffury, Fair Staff
Colleen Bojorquez, Business Assistant

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

Director Lacey asked Director Woodruff to lead the flag salute.

Introduction of Guests:

Director Lacey introduced Dave Belmont, Heritage Foundation Board President and Deana Nelson, Heritage Foundation CFO. Tom Keffury arrived after introductions.

Approval of Absences:

There were no absences.

Approval of Minutes

Deana Nelson noted her last name was incorrect. It was moved by Director Darway, seconded by Director Wheeler, and unanimously carried to approve the minutes from the June 18th Board Meeting, with the correction of Deana's last name to Nelson.

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 were no public comments.

Consent Agenda:

It was moved by Director Darway, seconded by Director Wheeler, 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 said the Task Force met and discussed the next step with regards to the Conference Center. She said the next step is to research the financing, project management, and governance of the project. CEO Bradley said staff is looking for approval to enter a simple Memorandum of Understanding that commits the Association to work and continue limited financial commitments with the City of Paso Robles and Travel Paso to perform the necessary due diligence researching the financial implications, project management, and governance of the Convention Center. Director Lacey reiterated the MOU would not be approving the project but continuing the necessary steps to gather information. It was noted that San Luis Obispo is currently looking at a potential location for a convention center in the SLO City limits. Director Darway asked what the current financial obligation is for the Association. CEO Bradley said approximately \$50,000 through 2020. Director Lilley noted his discomfort in approving anything without knowing what the financial implications will be. Director Lacey again noted the MOU would provide that information and reiterated the motion does not mean the project is approved.

It was moved by Director Borjon, seconded by Director Boneso, and unanimously carried to move forward with a Memorandum of Understanding to work with the City of Paso Robles and TravelPaso to research the financial implications, project management, and governance possibilities of the Convention Center.

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

B. Fire Marshall Update and Discussion

CEO Bradley said the Association is compiling the various 2019 Fair costs associated with the State Fire Marshall regulations. A statewide group including Ca. Fair Services Authority, Ca Fair Financing Authority, Western Fairs Association, Jordan Cunningham's office, the State Fire Marshall, and Secretary Ross has been assembled to discuss the enforcements of the fire code and new ABC fees. He noted there may be a possibility the law is changed. With regards to ABC, CEO Bradley said ABC has increased the cost of a single day service permit for food and alcohol from \$75 a day to \$1000 a day.

New Business

A. Committee Reports

Finance Committee Report

There was no Finance Committee Report.

Executive Committee Report

There was no Executive Committee Report.

Agriculture Committee Report

Director Sabin said there will be a Country Rodeo Task Force meeting September 16th to review the 2019 Country Rodeo. She noted she, Director Lacey, and CEO Bradley met with 4H Community Leaders and FFA Advisors to review the 2019 Fair and will be bringing their concerns and comments to the Ag Committee. Director Darway encouraged the Board Members to support the Cooperative Extension at the State level.

Director Lacey read a thank you letter from Lincoln Rodgers regarding Peewee Showmanship.

Operations Committee Report

There was no Operations Committee Report.

Fair Programs Committee Report

Director Lilley noted the Fair Programs Committee will be meeting in September. The Entertainment Task Force will be meeting via conference call with the entertainment promoters to walk through various agenda items including an overview of the state of the entertainment industry, the process the Association uses to book the entertainment, review of entertainment trends, and various ticketing pricing options. The information will be presented at the next Fair Programs meeting in September.

Director Lacey asked if any decisions have been made for next year's 75th Anniversary programming. CEO Bradley said staff has had three (3) meetings to brainstorm ideas and concepts to celebrate the 75th. Director Lacey asked the Fair Programs Committee to review the 75th Anniversary programming and theme.

Marketing Committee Report

Director Woodruff noted the Marketing Committee will be meeting in September.

Scholarship Committee Report

Director Lacey asked Director Darway to meet with Dave Belmont and Leslie Pitts to move forward with the Hugh Pitts *Memorial Fund* scholarship monies.

B. Task Force Committee Reports

There were no Task Force Committee Reports

C. Heritage Foundation Board Report

Dave Belmont reported the 2019 Fair overall went well for the Heritage Foundation and its partners. He said concessions seemed to be down slightly. He noted the Skybox members seemed to be happy with the changes and thought Brett Butterfield and Michael Torgerson did a good job making the change as seamless as possible.

Deana Nelson reported the Heritage Foundation is current on their loan payment for the Paso Robles Pavilion.

D. SB 5 Funding Update

CEO Bradley said the Association submitted a proposal for funding available through the Ca. Department of Food and Agriculture and monies allotted through Senate Bill 5. The criteria for the funding included being designated an emergency evacuation location. Staff drafted and submitted proposals for several projects including Adelaide and Estrella Halls. He said 600 applications were submitted and were eventually narrowed down to 12—with the Association's Estrella Hall making the top 12. Ca. Construction Authority will be meeting with staff next week to discuss the various components of the proposal which includes roof improvements, lighting, floors, HVAC, and the midway restrooms on the east side of the building. Results of which projects are among the finalists will be announced after the first of the year.

E. CMSF Legacy Report

CEO Bradley asked Todd Ventura to defer his report to the September Board Meeting.

F. 2019 Board Fair Review

Director Lilley complimented the staff on all the hard work and cleanliness of the grounds. He thought Event Staff did a great job and the press coverage was good. He enjoyed seeing people in the Chill Zone and Camp Rattlesnake. He suggested reserved seating for Board Member's at Cattlemen's Day.

Director Sabin noted the handout with the livestock and exhibit entries were not totaling correctly. She said the 50th Anniversary of the Pageant was very nice. 12 past queens attended, and it was a great celebration. Free carnival rides on opening day was a great way to provide value for many families that may not have been able to participate otherwise. She would like to see Kid's Day promoted more as there are many free activities for families. Director Sabin noted the changes to the Country Rodeo were successful and overall the contestants and spectators seemed pleased and the addition of the Dummy Roping was a success. She heard concerns from vendors that there were empty booths in the Stockyard and suggests

staff work with Board Members and the Community to fill the space. Director Sabin noted her concern that Event Staff at the gate were not always thorough in the checking of bags. She expressed concerns of various patrons that the feel of the "small town county Fair" is being lost and the older programming seems to not be supported. She said Junior Fairboard did a great job this year and the VIP tent was done very well. She noted the VIP Suite only had food one or two days and then it stopped but the improvements in the Suite were very nice.

Director Woodruff agreed with Director Sabin in supporting the "older" programs and the Opening Day carnival promotion was great. She noted the Pageant was very nice, but some of the fashion should be reviewed and reconsidered. She enjoyed Studios on the Park as well as the 4H STEM interactive programming for children. She would like to see the area on the west side of Adelaide Hall be utilized more than for special programs as it provides a nice shaded atmosphere and is really beautiful. Director Woodruff continued saying she would like to see more "seminar" type programs to perhaps include wine making, trades, and cocktail mixing.

Director Darway thought the 2019 was a successful Fair. He found Camp Rattlesnake and the Cal Poly/Joe Sabol exhibits highlights. He noted improvements need to be made to the quality of vendors in the Stockyard. Director Darway was displeased with the Chill Zone. He noted it was a different crowd and atmosphere than he envisioned. He said there seemed to be tension around the add-on situation for the Junior Livestock Auction program. He appreciates the participation of the law enforcement partners and found them more engaging and friendly this year.

Director Borjon suggested Director Lacey write a letter of thanks from the Board to Helm and Sons Carnival as they did a great job this year. Terry O'Farrell, Neil Clayton, and staff did a great job with Event Staff and Director Borjon hopes the security level can continue to increase at the gates. He thanked the staff on a job well done.

Director Boneso thanked the staff and all the hard work that is done to make the Fair happen. He heard a lot of negative comments from vendors and the public regarding some of the changes that were made to the layout. He was also displeased with the Chill Zone as it wasn't what he envisioned. Director Boneso would like to see the Industrial Arts program promoted more.

Director Wheeler noted Event Staff seemed to be hesitant to look through bags this year at the gate, but Event Staff and the law enforcement partners did a good job dealing with intoxicated customers. She enjoyed the Industrial Arts auction and program, the Job Fair, Joe Sabol Experience, and the Monster Trucks.

Director Baldwin thanked the staff for all the hard work. He agreed with most of the comments made by the other Director's and enjoyed Camp Rattlesnake, the Joe Sabol Experience, Country Rodeo, and carnival. He appreciated the variety and quality of the food that was available. He thought the Trades were better this year and has some ideas to improve it even more for 2020. Director Baldwin said he was concerned about complaints he heard from the Board, Staff, and concessionaires regarding overall efficiency and is something that needs to be addressed. He said although he was not a fan of the Chill Zone and especially the layout, it was very well attended. He noted the ingress of customers and security needs to be reviewed as there doesn't seem to be enough room for bags to be checked. He said the new video screens were an improvement for the shows but noticed there were some faulty areas around the seams. As noted last year, he would like to see the law enforcement on Riverside and 24th street wear reflective, high visibility vests while directing traffic. Lastly, he noted he would like to see more flexibility on sponsorships--particularly new sponsorships.

Director Lacey noted the Industrial Arts program has outgrown the building and would like to consider moving the program to a different area. She said overall, the Livestock shows were great. She noted the Ag Committee will need to review the schedule as many were unhappy with some of the schedule changes. She complimented Brittany App and incredible photos she captures. She thought the carnival was great and provided places to sit that were clean and cool. She noted the carnival operators, Helm and Sons, approached her concerning changing the hours and the carnival opening later in the day. Director Lacey said the train is always an asset and customers get a feel for what is happening at the Fair. She was disappointed in the Stockyard and the empty booths. Director Lacey noted the Chill Zone, although it was not what was anticipated, drew people to the area and the vendors were happy with the traffic. She said the Chill Zone music needs to be better monitored. Director Lacey said staff did a great job but seemed frazzled and the Board needs to be very cognizant of the cost to attend the Fair and monitor the effect increases have on the community closely.

Tom Keffury presented a PowerPoint presentation with regards to the Chill Zone challenges. It highlighted the initial thought process behind the area going from "805 Chill Zone" with a relaxed atmosphere to the "Chill Zone"—a cooling area featuring an ice bar and ice elements for the 100-degree Paso Robles days. He said the first three (3) days of Fair, the acoustic "chill" music did not draw any crowd and the format changed to a "pop" music format. The Association was unprepared for the crowds that were attracted. For next year, changes will be made to the layout, a professional DJ will be hired to will monitor music and help control the crowds, and Event Staff will be prepared to have more bodies in the area. He noted the area was a large success and vendors were happy although the area morphed from the original concept to a vastly different area. Director Borjon asked if a financial summary of the area can be provided.

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. This Year's People's Choice Awards in The Showcase of Cities was:
 1st Paso Robles
 2nd Templeton
 3rd Oceano/Nipomo
2. The Beef Carcass Contest Dinner and Program is Thursday, September 5th, 2019.
3. The 4-H Leader Post Fair Meeting is Monday, August 26th at 6 :00 PM. CEO Bradley, and Directors Lacey and Sabin will attend.
4. The FFA Ag Teachers Post Fair Meeting is Tuesday, August 27th at 4:30 PM. Livestock staff, CEO Bradley, and Directors Lacey and Sabin will attend.
5. The Post Fair Country Rodeo Task Force will meet Monday, September 16th at 5 PM. CEO Bradley and Director Sabin will be present.

6. Director Lilley will schedule a Fair Programs Committee Meeting in September. Topics for discussion include Entertainment and the upcoming 75th Anniversary Fair in 2020. The Entertainment Task Force will be arranging for an upcoming conference call on August 29th with the TEAM at JAM/Live Nation.
7. During the fair this year, video footage was taken in the livestock and equestrian areas so that a short film documenting the 4-H and FFA Fair experience could be produced and presented during the Annual Dinner in February.
8. The 2019 Industrial Arts Auction had another record- breaking year with the auction totaling \$153,000.
9. 2019 Carnival Update
 - The New FREE RIDES Carnival Promotion was worth doing and should be repeated in 2020 at least. Other promotions will be considered as well.
 - The Biggest day for Helm since they have been here was the Cardi B. Saturday.
10. Livestock Shows
 - The newly instituted Biosecurity program was very successful with many precautionary animal health and welfare programs instituted for 2019 and the future.
 - The Junior Livestock Auction with Add-Ons totaled \$2,336,682.00
 - The Legacy Project which was new this year created a lot of buzz and generated more than \$230,000 from the community to benefit scholarships, the Fair's youth programs, and facility improvements through the Heritage Foundation as well as exhibitor hardship cases.
 - The Poultry Bowl was a good addition in leu of the traditional Poultry show that had to be cancelled for 2019 due to the Newcastle Virus.
 - The addition of show and sale technologies allowed for the ShoWorks program to be more efficient during the fair in showrings and at the auctions.
11. Wood-Claeysens Foundation was, as always, the biggest part of the Junior Livestock Auction but created challenges for us related to the add-on program which resulted in a pre-approved deadline for add-on submission two (2) days before the Junior Livestock Auction. \$200,432.00 in add-ons were processed by noon Friday, July 26th – nearly a full day before the Auction. This represented \$178,461.50 less than the year prior. We have made good headway with the Foundation however, and we are coordinating a meeting with them this fall to determine the long-term plan for their continued positive engagement with our Fair.
12. The Chill Zone was an evolutionary project for 2019 that created a dynamic environment which established a highly attended attraction featuring extraordinary ice displays, food, beverage, music, and a 21-degree Fahrenheit Ice Bar. Many were fascinated with all the elements, especially those 17 – 30 years old. The staff and vendors do not recall a time when so many guests were at the South gate area from opening to close each day. We were challenged greatly by the Fire Marshall, but the team met those challenges head on. Operationally, we adjusted each day. The crowds still came. KSBY Meteorologist Dave Hovde started us out on opening day with the contest to guess when the giant Ice Cube would melt. Each day guests commented on how unique and “cool” it was to have this area to seriously cool down in Hot Paso during the Fair. We will analyze how it

went, work with our partner Sharp enterprises, and move into 2020 with a program we believe meets a niche for this age group.

13. Our presale admission and carnival wristband retail partner, Grocery Outlet, and our non-profit organizations had very good sales this year:
 - Grocery Outlet had a significant increase in sales over 2018 at 55%
 - Our non-profit groups stepped up as well with a 22% sales increase over 2018
 - Total increase on presale in 2019 exceeded 2018 by 5% total
 - All this increase was realized without our long-term partner Albertsons
14. The 2019 Wine Awards and Tasting Event was up 27.7% in ticket sales over 2018.
15. The 2019 Get Crafty ticket sales were up 88% over 2018.
16. 2019 Equestrian Row Expo featuring Tommy Harris was very busy every day with lots of hands on activities for the public. Adults really enjoyed the experience revolving around the horse.
17. For the fourth consecutive year the 2019 sponsorship program saw an increase of 10.4% over 2018 reaching a total \$1.4 Million in cash and in-kind total with a record breaking 105 sponsors.
18. The Fire Marshall was clearly our biggest challenge that will now be addressed on a Statewide basis in Sacramento. This process will support the entire California Fair Industry and other effected agencies. Our staff were champions in the process and made this work after a great deal of detailed preparation and very long hours. Our partners made this work too. We have a lot of reporting, planning, and pro-active negotiation to do for future impact in this costly regulatory category.
19. Security, First Responders, Law Enforcement, and especially our Event Staff were VERY good this year. We added walk thru scanners at all public gates. Due to the continuous threat of the tragic situation that happened at the Gilroy Garlic Festival, El Paso, and Ohio this summer, we will be escalating our emergency preparedness operations with all Law Enforcement. We are looking to Sherriff Parkinson's office for guidance in this process. There will be additional costs associated with this plan.
20. We needed to step-up at the last minute to improve our consumer protection program based upon the E. coli-based tragedy at the San Diego County Fair. We did so. Multiple handwash stations were added, strategically located and more signage incorporated. This will continue.
21. The next Board Meeting is scheduled for Wednesday, September 18, 2019.
22. The Junior Livestock Auction, Heifer Auction, Industrial Arts Auction, and Premium checks will be available Tuesday, September 3rd as outlined in our Competition Handbooks.
23. Staff has secured a new event produced by the CA State Water Board during the first week of November and is negotiating terms for a dinosaur show during the first week of December. In addition, we are close to finalizing a deal with a new Quarter Horse show in January.
24. Interim Parking Revenue: 2019--\$19,279.75 (2018--\$30,630)

25. RV Rental Space Revenue: 2019--\$34,409.50 (2018--\$40,332.50)

26. Stall Rental Revenue: 2019--\$24,717.61 (2018--\$13,200)

27. Entertainment Update

28. Future Agenda Items: Strategic Plan, Annual Dinner Award Nominees

C. Director's Discussion

There was no discussion.

Closed Session

Closed Session was held to consider litigation under Government Code Section 11126, litigation (3): to consider issuance of a legal opinion

Closed Session was held to consider, under Government Code Section 11126, litigation (5): to consider pending litigation.

Closed Session was held to consider, under Government Code Section 11126 (a) (1), personnel: to consider the evaluation of performance

It was moved by Director Darway, seconded by Director Borjon, and unanimously carried to contract with Beth Wonson Consulting for Executive Coaching from September 15th to January 15th.

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

Adjournment

With there being no further business, the meeting was adjourned at 2:17.

Respectfully submitted:

Michael H. Bradley, CEO

Approved by:

Dee Lacey, President

Dated: _____