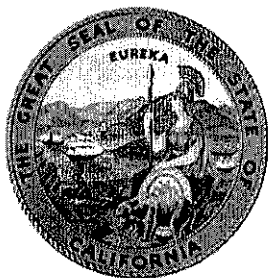


14th District Agricultural Association

SANTA CRUZ COUNTY FAIR
Established 1885



BOARD MEETING MINUTES

Board of Directors' Meeting
2601 East Lake Avenue, Watsonville, CA
Tuesday, March 27, 2012
The Board Room

Approved by: _____

Date: _____

CALL TO ORDER: 1:32 PM

DIRECTORS PRESENT: Jody Belgard-Akimoto, President; Patrice Edwards, Vice President; Bruce Oneto, Director; Loretta Estrada, Director; Christopher Smith, Director; Bob Thomas, Director.

DIRECTORS ABSENT: Rob Marani.

DIRECTORS EXCUSED: Stuart Yamamoto.

TEAM LEADER: Dave Kegebein – Interim Manager (IM)

AGENDA APPROVAL: *Director Estrada moved and Director Oneto seconded approval of the agenda. The motion was carried.*

DIRECTOR COMMENTS: Director Oneto summarized the value the Fair contributes to community. Director Estrada reported she was feeling much better and was glad to be back working on projects at the fairgrounds.

PUBLIC COMMENTS: None

MINUTES OF FEBRUARY 28, 2012 BOARD MEETING: Introduced by President Belgard-Akimoto. *Director Edwards moved and Director Estrada seconded approval of the minutes. The motion was carried*

CONSENT AGENDA: *Director Edwards moved and Director Estrada seconded approval of the consent agenda. The motion was carried.*

FINANCIALS: IM Kegebein presented updated financials. Nic Keiderling reported he had completed the minor revisions to budget detail sheets and answered questions CDFE Finance had regarding the 2012 budget. Budget should then be approved by CDFE. John Kegebein reported on the fairs he had surveyed regarding charging for parking at all events. The two who tried it lost major rentals; all are now using a system of only charging for events with a paid gate. *Director Thomas moved and Director Oneto approval of the 2011 STOP, January & February 2012 financials.*

LINE OF CREDIT: IM Kegebein explained that based on the cash flow model, the Finance Committee was recommending that an unsecured line-of-credit for \$200,000 be opened with Santa Cruz County Bank.

DISCUSSION: Director Smith expressed concern about putting his own money on the line in case the fair should default. After further comments he tendered his resignation from the board of directors at 2:05 PM and left the meeting before the vote on the motion. Director Edwards expressed her feeling of obligation to all the volunteers to make sure the fair continues to operate. Director Estrada expressed her disgust at being in the same state again as 18 months ago but expressed her appreciation for the very clear picture of income and expenses now being presented to the board. Director Oneto also expressed his endorsement of the effort being put in by the management team and the need to support their work. Director Thomas expressed his concern with the \$200,000 amount feeling that \$100,000 was more reasonable and that the Fair must operate like any business in regards to its finances. IM Kegebein clarified the line-of-credit would only be used to the extent needed and for only the shortest possible time but that the Fair needed to know it would have the ability to meet its financial obligations.

PUBLIC COMMENT: Pat Davidson recommended the board put it out to bid, to possibly get a better rate. Joe Moreno felt that the board should support the management team and fair by following their recommendation. Dawn White thanked the board members for stepping up to the problem. Arnold Harvey assured the board that the team "will get it done." Allen Harryman urged the board to go the full \$200,000 to cover unforeseen expenses.

Director Estrada moved, and Director Oneto seconded approval to open a \$200,000 unsecured line of credit with Santa Cruz County Bank

Roll call vote:

Ayes: Director Edwards, Director Estrada, Director Thomas, Director Oneto, President Belgard-Akimoto

Noes: None

VOLUNTEER FAIR MANAGEMENT TEAM (VFMT) REPORT: IM Kegebein reported that Al Smith is researching the By-Laws & Articles of Association, he has obtained a copy from the state and found the original by-laws were done in 1899 and amended and readopted in 1937. He will provide a report soon on his findings regarding conflicts. The rent for the August 18th car show, benefiting the Women's Center, will be sponsored by John Prentice. Race ending times for Ocean Speedway are being posted on-line.

FARMERS MARKET: IM re-iterated the need to get a market in place for the income it will provide. One proposal was received for the RFP and the terms proposed were inadequate. Management team members have contacted other operators in Santa Cruz and Santa Clara counties with no real interest shown. IM has met with previous operator to discuss further possibilities.

ACTION ITEMS

1. **Agreement for Audit – Bill Barton.** Bill reported on his research on CDFA audit requirements for DAA's.

DISCUSSION: Director Oneto suggested that Bill also contact Louis Ridgeway for his ideas on the best method for DAA audit.

Director Edwards moved, and Director Estrada seconded that the Fair contract with CDFA for the 2011 financial audit for \$13,400.

Roll call vote:

Ayes: Director Edwards, Director Estrada, Director Thomas, Director Oneto

Noes: None

- 2. Updates to Alcohol Policy – Dave Kegebein.** Dave explained the changes needed to the current alcohol policy in preparation for developing a service agreement with the Heritage Foundation.

DISCUSSION: Director Oneto questioned who pulls the actual alcohol license for each event. IM Kegebein explained that the Heritage Foundation holds the ABC license for each event they service.

PUBLIC COMMENT: Bob Costere questioned the risk of losing high revenue events because of the exclusivity of the agreement; the liability to a promoter who must use the Heritage Foundation for their alcohol service; and the possible need to go out to bid if the revenues exceed the limit.

Director Estrada moved, and Director Oneto seconded approval to adopt the revised alcohol Policy as proposed.

Roll call vote:

Ayes: Director Edwards, Director Estrada, Director Thomas, Director Oneto, President Belgard-

Akimoto

Noes: None

- 3. Heritage Foundation Alcohol Service Agreement – Dave Kegebein.** Dave presented the background on the alcohol service the Heritage Foundation has provided to the Fair and our customers.

DISCUSSION: Director Edwards questioned whether the exclusivity would cause any events to cancel. IM Kegebein clarified that the Fair works with all their customers to bring value to their event. The manager negotiates between the Heritage Foundation and event promoter to make event work.

Director Edwards moved, and Director Thomas seconded that the Fair execute the Alcohol Service Agreement with the Santa Cruz County Fair Heritage Foundation.

Roll call vote:

Ayes: Director Edwards, Director Estrada, Director Thomas, Director Oneto, President Belgard-

Akimoto

Noes: None

- 4. Install Sound Monitoring System – Dave Kegebein.** Dave presented information on the SLARM Monitoring System. It allows continuous sound monitoring in real time with internet accessibility and can send alerts to designated individuals. Sound engineers, the neighbors, and tenants all recommend moving forward on this project. Randy Repass has agreed to donate the \$5,000 purchase fee.

DISCUSSION: Director Oneto inquired about microphone placement. IM Kegebein clarified that initially there would be one microphone that is hard wired. This means the location would need to be either the Codiga Center & Museum building or near the livestock office both of which offer power and internet access. Wireless microphones should be available within 6 months which would then allow placement at the perimeters of the fairground.

Director Estrada moved, and Director Edwards seconded that the Fair install an internet accessible continuous sound monitoring system.

Roll call vote:

Ayes: Director Edwards, Director Estrada, Director Thomas, Director Oneto, President Belgard-Akimoto

Noes: None

INFORMATIONAL ITEMS

- 1. First Public Meeting (March 7th) for Strategic Plan Input Follow-up – Dave Kegebein.** IM Kegebein presented the written comments received at the meeting.
- 2. Rodgers House –** Director Estrada reported there are a lot of things going on. There are two slumber parties that were sold as Crab Feed auction items; new storage has been built upstairs and the shelves reorganized; and Wednesday the ladies will be doing spring cleaning.
- 3. Ocean Speedway News Update –** John Prentice reported the season has started and that "so far so good".
- 4. Heritage Foundation News Update –** Chuck Allen reported that the foundation hopes to increase revenue by 100% and is working on a Beer Festival for October, a new event for them. The board meetings are 3:00 PM the 1st Wednesday of the month. Work is continuing on Heritage Hall. The Foundation is hoping to be able to pass monetary and equipment donations through to the Fair.
- 5. Jr. Fair Board –** No report.
- 6. AG HISTORY –** John Kegebein reported Ag History has ordered the lumber for the back wall of the Tractor Barn. The Easter on the Farm event is April 7th from 10 AM to 1 PM. Restoration work on equipment for the up-coming Hops exhibit is continuing.

CORRESPONDENCE: Letter from Pajaro Valley Chamber of Commerce regarding the excellent service from Uretzkey Security Company during their recent event.

CLOSED SESSION: No action taken or reported.

ADJOURNMENT: The meeting was adjourned at 4:30 PM.

Next Board Meeting: April 24, 2012 @ 1:30 PM in Board Room