

14th District Agricultural Association



SANTA CRUZ COUNTY FAIR

Established 1885

BOARD MEETING MINUTES

Board of Directors' Meeting
2601 East Lake Avenue, Watsonville, CA
Tuesday, February 24, 2015
The Board Room

Approved by: _____

Date: _____

CALL TO ORDER: 1:33 PM by President Dietrich

DIRECTORS PRESENT: Don Dietrich, President, Jody Belgard, Director; Tony Campos, Director; Loretta Estrada, Director; Stephanie Fontana, Director, Eric Hammer, Director Bruce Oneto, Director; Stuart Yamamoto, Director.

DIRECTORS ABSENT: none

DIRECTORS EXCUSED: Bill Barton

GENERAL MANAGER (GM): Dave Kegebein

PUBLIC COMMENTS: none

DIRECTOR COMMENTS: Director Oneto tipped his sombrero to GM and his staff for new building behind Crosetti Hall – a real prize winner! Director Fontana said that Western Fairs was a lot of fun – she attended several interesting and relevant seminars on enhancing the fair experience.

CONSENT CALENDAR: Minutes of December 16, 2014 regular meeting amended to add Director Fontana's second of Director Dietrich's motion on approval of Sponsorship development contract with Claudette Monnina of desingingleads. Also typo under New Business item 6 to correct "Direct" Barton to "Director" Barton. *Director Estrada moved, Director Campos seconded approval of the Consent Agenda with minutes as amended. Motion carried unanimously.*

FINANCIALS: GM presented an overview of the winter financials – cash on hand is approximately \$91,000 with about \$25,000 owed on line of credit. The November financials are in the packet; the December financials include the STOP report which was held up waiting for validation of the Heritage Foundation improvements. The STOP report is included but has not been analyzed by staff yet.

Revenues in 2014 nearly topped \$1.5 million. Heritage Foundation had a good year with revenues of \$361,500. The 2015 Fair funding request and budget are included in the packet. Director Oneto would like to see more utilization of the facility on Tuesday, Wednesday and Thursday, which are currently slow days.

MANAGER'S REPORT: GM summarized the financial statements and provided an overall operations review. The storage building behind the Crosetti Hall is done. They are doing interior work now – and it's coming along well. A roll-up door will be installed for easy access. GM reviewed the 2014 Heritage Foundation Project Funding request. Of the \$189,600 in funding requested from the Heritage Foundation, \$136,000 has been spent.

GM noted that the Governors FY 15/16 budget includes \$3.1 million for minimal subsidies for small troubled fairs (not ours) and for Fair Board director training programs plus a number of administrative functions. Also included is \$7

million for infrastructure improvements for fairs. In the future we will compete with state colleges and universities, etc., so it is important that the directors work with our legislators to emphasize the importance of fair funding.

CSFA spent \$75,000 to do a survey of infrastructure needs. Our survey is included in the packet. Director Hammer emphasized the importance of preserving funding opportunities by bidding work out if required and adhering to any other requirements tied to funding. GM stressed that there are serious issues with sustainability at the facility. This fair is only surviving due to significant volunteer time spent while the organization is still unable to pay competitive salaries with benefits.

Several new opportunities are under consideration including a Bingo Game for the Arts Building and expanding the Flea Market to Saturday, or getting a second Flea Market on Saturday. Goodwill Industries has expressed interest.

New equipment has recently been acquired, including a water truck.

Crosetti Building upgrades are underway. Also working on equestrian facilities including a food concession area and warm up arenas.

Regarding the earlier proposal for locating an FM antennae which was to be located on an existing 35-foot pole, the applicant is now requesting a 100 foot pole for the antennae. GM polled the board for comments – the board generally supported the proposal provided it was not obstructive and did generate revenue.

Public comment – Eric Zamost noted that wind loading of the pole should be analyzed.

GM noted that the Bagley Keene Act modifications now require roll call vote for any action and that there be a notation in the minutes as to how each director voted. Director training is now required – directors have the option of logging on individually to a site or having the training done in a group session. Director Fontana noted that a 4 hour session is likely required. President Dietrich asked that this be agendaized at a future meeting.

GM noted that the Regional Water Quality Control Board has a new runoff regulation – our waiver application was denied. We will appeal the denial and have a consultant to help with the appeal.

Public comment – Eric Zamost stated that the Manure Management Plan is fraudulent.

Heritage Hall Annex plan was discussed – in 2013 Tricia Kett and her husband expressed interest in helping to get a kitchen and bathrooms added to the Heritage Hall. John Skinner's daughter Cerisa is an architect and did a design for the expansion. Benefactors are needed to fund the addition. Director Hammer recommended solar panels be considered as an enhancement.

Public comment - Eric Zamost requested a copy of the plans.

OLD BUSINESS

President Dietrich reported that the Board Policies and Procedures Committee had met and that sections of the Policies & Procedures will be brought to the Board for review Final adoption will occur at the end of the process.

NEW BUSINESS

1. Ag History Project Long Term Lease – after negotiations with the Department of general Services, the lease term is extended to 30 years. After negotiations, the automatic 3% annual increase is reduced to 2% and the time for vacating the premises should the lease be terminated has been increased from 90 days to 365 days.

Director Hammer moved, Director Fontana seconded motion to approve Ag History Project Long Term Lease. Motion carried unanimously.

2. Accept the 2012 Auditors Report - *Director Estrada moved, Director Hamer seconded motion to accept the 2012 Auditors Report from McGilloway, Ray, Brown & Kaufman, LLP to perform 2013 and 2014 financial statement review for the amount of \$7,000. Motion carried unanimously.*
3. Contract for 2013 & 2014 Financial Audit Review – *Director Belgard moved, Director Yamamoto seconded motion to select McGilloway, Ray, Brown & Kaufman, LLP to perform the year-end 2013 and 2014 financial statement review for the amount of \$7,000 plus expenses. Motion carried unanimously.*
4. Approve PV Little League Contract – GM had productive negotiations with the PV Little League with them agreeing to continue to maintain the fields under a new 5-year lease. The proposed agreement includes terms starting at \$3950 for 2015 and increasing annually to a final annual rent of \$4,230 in 2019, as detailed in the staff memo.
Director Estrada moved, and Director Fontana seconded approval of the agreement with the PV Little League. Motion carried unanimously.

REPORTS

1. Rodgers House News Update – Report is in packet. President Estrada reported that the doors are getting fixed and there are tours with the Historical Association planned for next weekend.
2. Heritage Foundation. – Richard Travis reported that the Crab Feed is on March 7 and tickets are available on line (only).
3. Ag History Project – President of the Board Jennifer Lemon reminded everyone that March 14th is the next 2nd Saturday event. The eyebrow on the Borina Barn is complete and the buggy is almost done.
4. WFA Annual conference attendees report is included in packet.

Next Agenda Items Requested

1. Committee appointments
2. Board member training

Next Meetings

2015 Regular Board Meeting Schedule (all at 1:30 in the Board Room) are as follows;

1. April 28th, 2015
2. June 23rd
3. August 25th
4. October 27th
5. December 15th.

ADJOURNMENT: The meeting adjourned at 5:05 pm.