

14th District Agricultural Association

SANTA CRUZ COUNTY FAIR

Established 1885



BOARD MEETING MINUTES

Board of Directors' Meeting

2601 East Lake Avenue, Watsonville, CA

Tuesday, June 22, 2021

The Harvest Building

Approved by: _____

DF

Date: 9/12/21

CALL TO ORDER: 1:36 p.m. by President Stephanie Fontana

DIRECTORS PRESENT IN PERSON: None

Due to the Covid 19 Pandemic special arrangements were made to participate remotely

DIRECTORS PARTICIPATING REMOTELY: Stephanie Fontana - President; Jody Belgard- Vice-President
Loretta Estrada, Bill Barton, Tony Campos, Lupe Flores, Michael Pruger.

JR FAIRBOARD MEMBER: Morgan Cole

DIRECTORS ABSENT: none

DIRECTORS EXCUSED: Director Dietrich, Director Campos (excused at 3:40 pm)

CHIEF EXECUTIVE OFFICER (CEO): Dave Kegebein

RECORDING SECRETARY: Mary Bannister

DIRECTOR COMMENTS: none

CLOSED SESSION – President Fontana announced that there would be no Closed Session during today's meeting.

PUBLIC COMMENTS ON ITEMS NOT ON THE AGENDA: Phillip Carranco commented that policies and procedures were not being followed for requests on information requested such as design drawings of Katy's Courtyard and Fair Board approval of racetrack schedule and fair dates. Mary Ann LoBalbo from Santa Cruz County Public Works congratulated the Fair for getting yellow bins for food waste and gave detailed requests for future handling of waste, suggested procedures during the Fair and offered training. Jessica Ayala commented that the Bagley-Keene Act doesn't require participants give their names at public meetings. Ayala also stated there are multiple committees on fairgrounds and she has been unable to find the dates and times of their meetings.

Director Comments – None

CONSENT CALENDAR. May 25, 2021 Minutes: Eric Zamost commented that the Public Comment section of the meeting minutes are incorrect. Minutes were tabled.

Consent Agenda: Public Comment: Jessica Ayala asked for clarification of differences in rates charged for graduation events and where is the policy. Dave explained that each event was unique – different number of chairs, tables, space and time. There is no policy because the needs for graduation events is uniquely COVID-based. *Director Flores moved, Director Estrada seconded and motion carried 7-0. Ayes Directors Fontana, Belgard, Barton, Estrada, Campos, Flores, and Pruger.*

FINANCIALS. CEO reported \$350,000 in the operating account and \$162,000 due to be reimbursed from CDFA for the SB-5 project. There is currently \$120,000 in the reserve account & zero credit lines. April 2021 Financials were presented. Public Comment: Phillip Carranco stated that alcohol sales have been incorrectly reported for years. CEO reported that is factually incorrect and explained that the foundation remits their percentage a quarterly basis and without events during COVID there were no alcohol sales. *Director Barton moved for acceptance. Director Flores seconded acceptance. Motion carried 6-0. Ayes – Directors Fontana, Barton, Campos, Estrada, Flores and Pruger.*

Financial Review – Director Barton stated presentation is complete and recommends approval, noting that we have no choice but to wait for the GASB 68 information from the State that was not available for the review. Public comment: Jessica Ayala asked about credit cards and how many years an auditor is used. CEO - audit firm changes auditors within the firm every six years. *Director Pruger moved for acceptance of 2019 Financial Review. Director Barton seconded and motion carried 6-0. Ayes-Directors Fontana, Barton, Campos, Estrada, Flores and Pruger.*

CEO REPORT – was moved to after New Business at the request of the CEO

NEW BUSINESS:

2022 Building Rental Rates – CEO presented long-term spreadsheet of rental rates.

Recommended cost increases in 2022 due to increased security, labor and utility costs. We are competitive with local venues. CEO explained that Heritage Hall long term rate increases are more because of the low introductory rental rate when it opened to rentals after conversion to an event facility by the foundation. Public Comment - Phillip Carranco asked about not-for-profit rate and CEO explained that the Fair only makes a profit when all buildings are rented each week and the costs to operate a building are the same regardless of what individuals or group is renting the building. *Director Estrada moved approval of 2022 Building Rental Rates.*

Director Flores seconded the motion and it carried 6-0. Ayes-Directors Fontana, Barton, Campos, Estrada, Flores and Pruger.

Security Contracts -CEO reported that security contracts were split into Fair-Time and Non-Fair Time to provide better security service for the fairgrounds. The Executive Committee and he reviewed the proposals.

Non-Fair Time Security Contract – Notice of intent to award a contract was posted. Allied Universal (previously 1st Alarm) was the awardee. They subsequently backed away from the special event security business and Panther Security was the second-place bidder so will be contacted and contracted shortly.

Fair Time Security Contract – Two bidders qualified and Miller Event Services was selected. They are big event specialists who move into the fairgrounds for the entire Fair. *Director Pruger moved the Fair Time Security Contract be approved. Director Flores seconded the motion and it carried 6-0. Ayes-Directors Fontana, Barton, Campos, Estrada, Flores and Pruger.*

2021 Fair Entry Guide -CEO stated that Livestock Entry Guide is complete; remainder of entry guide is in development. Katherine Hill is on cell phone for any questions. Public Comment - Becky Steinbruner's question about why meat bird exhibits were eliminated from poultry was answered by CEO. The late start impacted timing. Jessica Ayala had questions about who is in charge; CEO responded that all staff reports to him. He thanked Katherine and Loretta for their time on the Livestock Entry Guide. President Fontana thanked Katherine for her time and work on the project and the public for their interest. *Director Campos moved that the Livestock Entry Guide be approved. Director Estrada seconded the motion and it carried 6-0. Ayes-Directors Fontana, Barton, Campos, Estrada, Flores and Pruger.*

Delegation of Authority -Document is written for \$25,000 for period of time July 1, 2021 through December 2022. In light of increased costs of fair entertainment contracts being signed, CEO requested that the amount be increased to \$40,000. After discussion about both amounts and contract term, *Director Campos moved that the Delegation of Authority be approved with an amount of \$30,000 and for the period July 1 through December 31, 2021. Director Pruger seconded the motion and it carried 6-0. Ayes-Directors Fontana, Barton, Campos, Estrada, Flores and Pruger.*

CEO REPORT:

June 15th Reopening Date & 2021 September Annual Fair -The Fairgrounds is in the business of putting on an annual Fair. Fires/disasters can cancel the event. Last year Revenue Protection Insurance helped cover some of the lost revenue from the cancelled fair. This year there is nothing left in insurance pool, so we have no backup.