

Southwestern Fair Commission, Inc.
Meeting Minutes
June 8, 2017

The Meeting of the Board of Directors/Members of the Southwestern Fair Commission, Inc., a nonprofit corporation, was duly called and held at the Pima County Fairground's La Cantina Meeting Room on Thursday, June 8, 2017.

Directors Present: Marvin Selke, President; Judy Patrick, Secretary; Don Clark, Treasurer; Alan Levin, Director; Garrett Ham, Director.

Staff Present: Jon Baker, Executive Director; Julia Heavner, Administrative Assistant; Bryon Lopez, CFO; Launa Rabago, Marketing; Phyllis Ellis, Concessions; Bert Rodriguez, Maintenance.

Others in Attendance: Maggie Hammarstrom, Lovitt & Touché; R.J. Riley, Lovitt & Touché; Karina Knutzen, Lovitt & Touché; Chris Young, Young Law Firm.

- a. **Call to Order:** Marvin Selke called the meeting to order at 9:35 am followed by the Pledge of Allegiance.
- b. **Roll Call:** Jim Murphy, Director, absent. Mark Cowley, Director, absent.
- c. **Call to the Public:** None.

5. NEW BUSINESS:

- a. **Review, discussion and possible action on the renewal of insurance policies.** Karina Knutzen, the account manager, went over the renewal of the Lovitt & Touché insurance policies. She went over a snapshot of the insurance packet, how it works and how its priced. She explained that the rates changed slightly and the premiums went up because changes of exposures and attendance. She went over the Premium Summary explaining employment practices did go up due to employee count and a couple of claims in the last few years. She described what Optional Quotations could be added to the policy and recommended considering Terrorism, Active Shooter, Pollution Coverage for the Gas Tank, Cyber Liability and Fiduciary options. She also recommended increasing the coverage for E. Coli. R.J. Riley, the Vice President of Lovitt & Touché, touched base on the difference between Terrorism and the current policy coverage, explaining a certified Act of Terror acknowledged by the government would be covered under Terrorism while damages caused by a person unknown to the government during an Event would be covered under the current policy. Bryon addressed Open Enrollment and when the deadline for policy/employee changes

were. Maggie Hammarstrom confirmed that there were no increases in Life insurance premiums. The only increases were 6% in medical and 3% in dental and the increases were modest in the industry trend. Don Clark moved to approve the renewal of the insurance policies. Alan Levin seconded the motion. The motion passed.

2. STAFF REPORTS:

a. Executive Director

i. Supervisor timelines/checklists

Jon Baker spoke of the goals highlighted in the Strategic Plan and explained that all supervisors have created a Timeline/Checklist for those items/goals to be completed throughout the year.

ii. RV Park Operations

Jon Baker passed out the SWFC RV Revenue Comparison Sheet and explained the comparison from 2016 to 2017. He stated that there was a huge increase in revenues from projects being completed. He mentioned that Phyllis Ellis and Luana Rabago will be working on a good marketing tool for RV Rallies. Jon also mentioned two more large contracts that should bring in another large amount in revenue this year.

iii. Interim Events

Jon spoke of La Mesa RV and their involvement in the increase of revenues. He stated they continue to grow in the number of events they have on the Fairgrounds.

iv. Eventing

Jon stated that he and Bert met with the Southern Arizona Eventing Association and that their pathways are 95% percent complete. The SAEA official target date to start is March 2018.

v. License Agreements

Jon mentioned the License Agreements and that they are reviewed typically in October. He stated that he wanted to raise the awareness in costs of attorney's fees when adjusting the License Agreements to accommodate a club's need. Jon mentioned he wanted to consider this for a future agenda item.

b. C.F.O.

i. Financial Report

Bryon Lopez went over the financial statement briefly explaining Fry's presales helped in the revenue during the Fair. Bryon stated that resources were replenished in the SCHWAB account and explained the increases and decreases in Fixed assets. Judy Patrick mentioned the RV revenue was a separate business entity and that it should be accounted for separately to see if the costs in improvements were justified by revenue generated. Jon addressed the RV Park being less than 10% of revenue due to the nature of being an Event based Facility and the RV park is a result of each event. Judy requested a clean RV Sheet only on the revenue for the RV park from the accounting point of view to see what the overall performance is. Don Clark suggested that Bryon and the SWFC staff construct a presentation by the next board meeting on RV Activity. Marvin Selke agreed that staff should move forward with preparing such a presentation. Marvin mentioned the Governors Fund and that all counties get funded depending on the number their ranking. Jon passed out a graph from the previous year of all Arizona Fairs and their results in ranking. He stated that he attended a meeting at the Arizona State Fairgrounds pertaining to the Governor's Fund.

c. Admin. Asst.

i. Open Meetings Law Update

Marvin Selke mentioned that Julia Heavner had attended a meeting on Pima County's Annual Open Meeting Law on May 19th, 2017. Julia passed out a handout from the "Open Meeting Law in a Nutshell" meeting. She stated that she attended the meeting to help build her confidence and understanding of the Open Meeting Laws. She highlighted some of the subjects under frequently asked questions and added notes that she found helpful to her. Judy Patrick did mention that it is a personal liability and SWFC will not be covered by the insurance if an Open Meeting Law is violated. She also reminded Staff and the Board what is said in executive session is not shared with anyone else, not even a spouse.

2. CONSENT AGENDA:

- a. Review, discussion and possible action on minutes of the 3/28/2017 board meeting.**
- b. Review, discussion and possible action on Disclosure & Related Party Questionnaire for the current fiscal year.**

Garrett Ham made a motion to accept the Consent Agenda as presented. Don Clark seconded the motion. The motion carried.

3. OLD BUSINESS:

- a. Review, discussion and possible action on the Southwestern International Raceway agreement. This agenda item relates to legal advice, contracts and/or lease of real property, and may be discussed in executive session pursuant to A.R.S. Sec. 38-431.03 (A) (3) (4) and/or (7). Jon is working with Chris Young on the License Agreement and as of right now SIR is operating on a month to month agreement.**
- b. Review, discussion and possible action on the agreement with RCS, the carnival company. Jon stated he hasn't been able to meet with RCS but that Guy and Charlene Leavitt are aware that a meeting is coming soon. He mentioned having some things he wanted the Carnival to consider. Jon stated that he and Bryon will probably meet prior to the August meeting so that they can give a report on how the meeting went.**
- c. Review, discussion and possible action on increasing efforts to develop more partnerships with organizations with agricultural interests. Marvin appointed Garrett Ham to be on the Agriculture sub-committee.**

4. NEW BUSINESS:

- b. Review, discussion and possible action on the recent Pima County Fair. Jon mentioned that he is still waiting on the Fair survey and some staff feedback. His concern is the parking and getting people out of the parking lot quicker which will be a challenge for next year since attendance is growing and single lane roads make moving traffic out difficult. Bryon went over the total Fair revenue. Don Clark mentioned Launa and the concerts she contracted have been exceptional and she has done a great job.**
- c. Review, discussion and possible action on SWFC's Strategic Plan. Jon went over the SWFC Strategic Plan and the goals on the back of the page, he stated that a lot of the goals roll over year to year because they are too large to accomplish in a year. Initials of supervisors are next to each goal for each supervisor to complete. Jon stated the highest priority in the Strategic Plan is Wastewater and its compacity.**
- d. Review, discussion and possible action on proposed facility and services rates. Jon went over the changes in rates and why they were increased. Changes have been made due to maintenance repairs. Golf cart rental rates went up due their maintenance, repairs and gas. Jon discussed the proposal of the Fair Admission increases. He stated staff**

reviewed other attractions and the Fair is still lower. He didn't feel the price increase was unreasonable due to all the Pima County Fair discounts. Don Clark made a motion to accept the proposal of the facility and service rates increases. Garrett Ham seconded the motion. The motion passed.

- e. **Review, discussion and possible action on the proposed budget for the next fiscal year.** Bryon Lopez went over the proposed budget. He briefly discussed Operations and adding two more fulltime positions, one each in Maintenance and RV, Cantina and Catering Operations. Jon reviewed the new plans for the RV park and shower facility. Don Clark moved to approve the Capital Budget as shown in the amount of \$605,000. Judy Patrick seconded the motion. The motion carried.

The board took a break at 11:27 am and returned at 11:45 am.

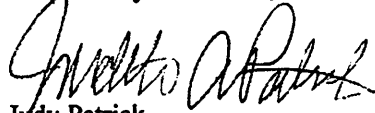
- f. **Review, discussion and possible action on a new Earned Paid Sick Time Policy, in compliance with the Fair Wages and Healthy Families Act.** Bryon went over the proposed sick pay policy due to changes in the State Law. Judy Patrick stated that the industrial commission has set a new ruling that 80 hours can be carried over and that the new law is effective July 1st, 2017. As of right now there is no cap on sick leave. Judy Patrick made a motion to approve the policy. Alan Levin seconded the motion. The motion passed.
- g. **Review, discussion and possible action on the proposed sub-lease of Tucson Raceway Park circle track to START- Tucson, Inc. This agenda item relates to legal advice, contracts and/or lease of real property, and may be discussed in executive session pursuant to A.R.S. Sec. 38-431.03 (A)(3)(4) and/or (7).** Jon Baker stated that it has been five years since John Lashley took over. He stated that the notification date for requesting renewal for the sub-lease has passed. Marvin did read a statement from John Lashley confirming he would like to continue with the management agreement for the next five years. Marvin Selke stated he felt confident in moving forward with the extension of the sub-lease. Jon mentioned that the next License agreement will require a specified amount of Capital improvements during that time. Jon Baker and Chris Young will work on the next five-year License Agreement.
- h. **Review, discussion and possible action on Executive Director performance review. This agenda item relates to employee compensation and benefits, and may be discussed in executive session pursuant to A.R.S Sec. 38-431.03 (A) (1).** Garrett Ham made

a motion to go into executive session for this item. Don Clark seconded the motion. The Board went into executive session at 12:00 pm. After the performance review of the Executive Director, Don Clark made a motion to go out of executive session. Alan Levin seconded the motion. The Board came out of executive session at 12:28 pm.

5. CLOSING MATTERS:

- a. **Announcements** Marvin mentioned Julia updating the White Books. Marvin asked Julia to contact Mark Cowley and Jim Murphy to get their White Books. Marvin mentioned that Laura Levin had copied the SWFC Board minutes starting with the year 1974 onto three Flash drives. Marvin, Judy and Julia will all have copies. Marvin also brought up a date conflict for the August 24, 2017 Board meeting. Jon stated during that week of August 21st, 2017 it is the WFA Featured Fair Tour in Idaho and staff would like to attend. A date for the August Board meeting will be confirmed later by Julia Heavner.
- b. **Adjournment** Alan Levin moved to adjourn the meeting at 12:32 pm. Don Clark seconded the motion. The motion passed. A meeting of the Pima County Fair Commission was not conducted.

Respectfully Submitted,



Judy Patrick
SWFC Secretary