

Southwestern Fair Commission, Inc.
Meeting Minutes
August 29, 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 Tuesday, August 29, 2017.

DIRECTORS PRESENT: Marvin Selke, President; Don Clark, Treasurer; Alan Levin, Director; Jim Murphy, Director; Mark Cowley, Director; Garrett Ham, Director.

STAFF PRESENT: Jon Baker, Executive Director; Julia Heavner, Administrative Assistant; Bryon Lopez, CFO; Phyllis Ellis, Concessions; Bert Rodriguez, Maintenance.

OTHERS IN ATTENDANCE: Chris Young, Young Law Firm; Matt DeYoung, Blue Bayou.

- a. **Call to Order:** Marvin Selke called the meeting to order at 9:32 am followed by the Pledge of Allegiance.
- b. **Roll Call:** Judy Patrick, Secretary, absent.
- c. **Call to the Public:** None.

2. STAFF REPORTS:

a. Executive Director

i. WFA Feature Fair Tour

Jon mentioned that Phyllis, Bryon and Julia attended the WFA Featured Fair Tour in Boise, Idaho. Phyllis talked about the daily schedule of activities that the Western Idaho Fair had organized for the tour. She talked about their free parking, admission pricing and their RV Park. Jon stated that he found it interesting from an earlier conversation with Julia that concealed and open carry guns were allowed into the Fair but knives were prohibited. Julia also mentioned that she had collected the Fair program, Board agenda, Fair attendance/Revenue and Passport to be passed around at the Board meeting. The Midwest Fair Tour will be attending the Pima County Fair next year and staff will have the opportunity to showcase some ideas that the Pima County Fair has to offer them. Jon stated that the whole idea of these tours is to share ideas and overall the trip was a great success.

ii. Project Update

Jon talked about the Pima RV Office being the highlighted project. Jon did pass out a projected total of each detailed expense category. Bert brought up the fact that some of the cost is due to the flood plain and having to be 18 inches above grade and the footer has to be 18 inches below natural grade so the extra cost is due to the stem wall having to be block and two certified inspections for the

grade. Don Clark mentioned his concern about the cash flow and having to cut back on any other Capital improvements. Don said he will work with Bryon Lopez on reviewing the budget.

iii. Staff Retreat

Jon handed out the Fair Feedback Pros and Cons sheet. He explained what each category was. Marvin asked what the major positive and negatives were. Jon stated he was pleased with the feedback about helpful staff. Cons were mainly under Social Media Feedback, parking and traffic flow were mentioned about a hundred times. Jon mentioned traffic flow was the biggest topic at the meeting and that there are three meetings in line with the Security/Sheriff's department.

iv. Cell Tower

Jon spoke of the Verizon Cell Tower and the county splitting the revenue with the Fairgrounds.

b. C.F.O.

i. Financial Report

Jon reviewed the Financial Report. Don Clark talked about the cash flow and capital improvements. Jon went over the gate revenue and the Governor's Fund still to come. Don talked about the net income and pointed out that it didn't include profit sharing. He mentioned that the numbers look good across the board and that the only change will be by a percentage of the net income after the audit numbers are implemented.

3. CONSENT AGENDA:

- a. Review, discussion and possible action on minutes of the 06/08/2017 board meeting.** Jim Murphy made a motion to accept the Consent Agenda as presented. Don Clark seconded the motion. The motion passed.

4. 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).** Marvin discussed the minutes from the January 26, 2017 board meeting which stated that there was a motion by Judy Patrick to allow staff and Chris Young to execute a management agreement with Blue Bayou based off of the rental fees and documentation of capital improvements as discussed. Marvin stated that after reviewing the minutes he realized that the approval was only for the first term and that a monthly rent was not established for the second and third terms. Jon and Marvin came up with several different monthly rent and capital improvements amounts

for the Board to review. Don Clark made a motion to approve terms as presented at this meeting and allow staff and Chris Young to proceed in finalizing the final form of the agreement to be sent to the County. Jim Murphy seconded the motion. The motion passed.

- b. Review, discussion and possible action on the agreement with RCS, the carnival company.** Jon stated that he attended the Orange County Fair with Launa and met with the RCS core group to start developing the conversation of implanting a new contract. Jon mentioned that two important items that were discussed at the meeting with the Fry's agreement needing to be finalized for all ride promotions and discussing the terms based on the new contract. Mark Cowley was added to the RCS committee.
- c. Review, discussion and possible action on increasing efforts to develop more partnerships with organizations with agricultural interests.** Jim Murphy mentioned Garrett Ham and his ideas. Garrett spoke of being on the executive committee for the Arizona National Livestock Show. He spoke of professional displays being developed by Cultivate, a company in Texas, and that the Arizona State Fair would be contributing to this Agricultural Exhibit. Jim mentioned a possibility of contributing toward the Exhibit as well. Garrett mentioned that he contacted Michael Searle, the deputy director of the Arizona State Fair, to let him know that the Pima County Fair was interested in helping fund this Exhibit. Michael did mention to Jon Baker that Arizona State Fair was putting in the initial seed money for the project in the amount of \$25,000. The target for this exhibit is in the spring at the Maricopa County Fair. The ownership will be joint ownership with detailed rules. Garrett Ham made a motion to allocate up to \$25,000 towards this exhibit and give the Agricultural committee and staff the ability to negotiate any terms. Mark Cowley seconded the motion. The motion passed.
- d. 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).** Marvin mentioned that Jon Baker and Bert Rodriguez were working with John Lashley on renewing his agreement. Lashley did mention some planned capital improvements may need to be changed since the original agreement was signed. Jon went over the original agreement. Lashley is working on a new list with existing items and other items to be added. Jim Murphy moved to approve the renewal of the sublease agreement and allowing staff to approve any changes in the capital expenditures. Mark Cowley seconded the motion. The motion passed.

5. NEW BUSINESS:

- a. Review, discussion and possible action on the renewal of SWFC's Liquor License.** Jon mentioned that Bryon Lopez was the agent on the Liquor License and he would send a follow up email out when he gets back into town. Phyllis did mention that the four board members on top of the letter that was enclosed in board packets still needed to complete their fingerprinting.
- b. Review, discussion and possible action on the fees charged on our annual sublease agreements. 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 explained that all annual agreements are updated at the October Meeting. The sublease agreements are with Southern Arizona Eventing Association, Arizona Modelers, Kart Club and Livestock Sales Committee. He stated that every time the annual sublease needs to be updated it costs the company money due to attorney's fees. Jon mentioned the Kart Club Facility and that major improvements need to be made. Marvin Selke suggested that Garrett Ham and Alan Levin look at the facility. Jon stated that sometime after Labor Day he will set up a meeting with the two board members and Mike Holmes with the County. Jon would like the Board to consider at the next board meeting that sublease agreements include annual rent to cover attorney's fees.
- c. Review, discussion and possible action on RV activity.** Marvin went over the RV Activity sheet that was included in the board packets. He mentioned the utility meters that connect to the RV parks are the same meters that connect to other buildings such as Pima Hall. The RV expenses would be estimated numbers. Jon mentioned the RV park numbers have really jumped and that Bryon worked on getting as much detail as possible on the RV revenue and estimated expenses. Jon and Julia handed out a Future Rally Sheet that included signed contracts for the years 2018-2019. Jon stated that Phyllis Ellis has worked with all of the RV Rally groups and will continue to market other RV Rallys for the future. Don Clark mentioned how important the RV Revenue sheet was to the monthly financials.
- d. Review, discussion and possible action on the process for renewal or replacement of two board seats expiring on 12/31/2017. This agenda item relates to discussion or consideration of appointment of a member, director, officer or appointee of the Pima County Fair Commission, and may be discussed in executive session pursuant to A.R.S. Sec. 38-431.03 (A) (3) (1).** Marvin mentioned that two board positions were to expire at the end of this year and that both positions are appointed by Chuck Huckleberry. Marvin mentioned meeting with Mr. Huckleberry to see if he had anyone in mind for these positions. Mr. Huckleberry would like the Board to recommend any possible candidates to

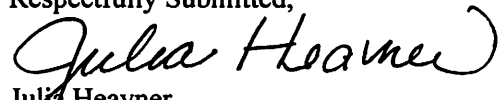
him. Marvin did mention to Mr. Huckleberry and the Board that he would like to stay on. Don Clark stated that he will not seek reappointment to the Board. Marvin suggested posting the two Board positions on the website three weeks before the October board meeting. Jon, Marvin and Julia will work on creating a post and email the Board when the positions are posted.

- e. **Review, discussion and possible action on employee profit sharing contribution. 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. Jim Murphy seconded the motion. The Board went into executive session at 12:03 pm. Don Clark made a motion to go out of executive session. Mark Cowley seconded the motion. The Board came out of executive session at 12:20 pm. Don Clark made the motion "I move that we accept Option B with the following changes of the Pension Plan to 15% and the cash payments to 7.5%". Mark Cowley seconded the motion. The motion passed.

6. CLOSING MATTERS:

- a. **Announcements:** Jon handed out the Meeting notice of the Houghton Road project. Jon mentioned that the IAFE Convention will be held in Las Vegas for the last time and to get with Julia for flight and hotel reservations. Jon also mentioned that he spoke with Charlene from RCS about the dinner in Las Vegas regarding all staff and board members attending which could be too many. Charlene stated that everyone was welcome and the RCS enjoys the participation. Future RCS Dinners in San Antonio may change due to the size of rooms. Marvin mentioned that Jon and Chris both had conflicts with the October 26, 2017 board meeting date. After discussion, the Board meeting was changed to October 18, 2017 at 9:00 am.
- b. **Adjournment:** Garrett Ham moved to adjourn the meeting at 12:33 pm. Jim Murphy seconded the motion. The motion passed. A meeting of the Pima County Fair Commission was not conducted.

Respectfully Submitted,


Julia Heavner
Administrative Assistant