

Southwestern Fair Commission, Inc.
Regular Meeting Minutes
November 5, 2019

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 Fairgrounds La Cantina Meeting Room on Tuesday, November 5, 2019.

Directors Present: Marvin Selke, President; Judy Patrick, Secretary; Mark Cowley; Treasurer Jim Murphy, Director; Ronald Allen, Director; Alan Levin, Director; Garrett Ham, Director.

Staff Present: Jon Baker, Executive Director; Julia Heavner, Administrative Assistant; Phyllis Ellis, Concessions and Launa Rabago, Marketing.

Others in Attendance: Susan Vos, RCM CPAS.

- a. **Call to Order:** Marvin Selke called the meeting to order at 9:37 a.m. followed by the pledge of allegiance.
 - b. **Roll Call:** All Present
 - c. **Call to the Public:** None
5. **NEW BUSINESS:**
- a. **Review, discussion and possible action on the Audit Reports for the fiscal year.** Susan Vos went over the certified audit report and annual financial report for the fiscal year ending June 30, 2019. She highlighted the assets and liabilities, cash flow, accounting policies, investments, retirement plan and related parties. She mentioned that there were no audit adjustments. Ron Allen made a motion to approve the audit reports for the fiscal year ending June 30, 2019. Mark Cowley seconded the motion. The motion passed.
2. **STAFF REPORTS:**
- a. **Executive Director**
 - i. **Interim Events**

Jon Baker mentioned the upcoming big events will be the RV Rallies, Gun Shows, High School Rodeo, Gem and Jam, Sherri Cervi Barrel Racing, Cutting Horse Competition and the Dinosaur show. He also mentioned that La Mesa RV shows are scheduled every month and all events have been a consistent revenue source for the Fairgrounds.

ii. Projects

Jon Baker mentioned that the budget on projects is significantly down and the focus is to keep up with the maintenance and landscaping of the fairgrounds. The purpose is to spend less cash on capital improvements this year.

iv. IAFE Convention

Jon Baker mentioned that RCS dinner will be held on a Monday night in San Antonio, Texas this year unlike last year when it was held on a Sunday night.

v. Fair Dates April 21 – May 1, 2022

Jon Baker brought to the Board's attention that the Fair in 2022 would fall again on Easter. He mentioned that this year's Fair faced many challenges as it fell on Easter and Spring Break. He stated that the Fair dates would separate the Fair from the Spring Fling, Easter and Country Thunder. He recommended that the Board acknowledge the possibility of the Fair dates changing in 2022 which they did.

b. C.F.O.

i. Financial Report

Mark Cowley went briefly over the financial report and mentioned creating a safety net in the future. He also mentioned that there was an increase in the Governor's Fund which will be a positive for the Fair.

Marvin Selke asked that items **c.** and **d.** be pulled from the Consent Agendas for individual discussion.

3. CONSENT AGENDA:

- a. Review, discussion and possible action on minutes of the 9/12/2019 Board meeting.**
- b. Review, discussion and possible action on renewing the annual sublease with the Pima County Junior Livestock Sales, Inc.**
- e. Review, discussion and possible action on the annual reporting to Pima County.**
- f. Review, discussion and possible action on the renewal of our revolving line of credit with BBVA Compass.**
- g. Review, discussion and possible action on setting the date for the Annual Meeting for January 30, 2020 and subsequent tentative regular meetings for the calendar year.**
- h. Review, discussion and possible action on the Federal & State Tax returns for the fiscal year.**

Jim Murphy made the motion to approve the Consent Agenda. Garrett Ham seconded the motion. The motion was approved.

3. **CONSENT AGENDA:**

c. Review, discussion and possible action on renewing the annual sublease with the Southern AZ Modelers Club.

Jon Baker discussed the safety concerns of renewing the annual sublease for the Southern Arizona Modelers Club. He mentioned there have been several safety concerns within the last six months and it has now become a safety issue for other events around the property. He also mentioned that the Southern AZ Modelers did provide a letter addressing new adopted safety guidelines but unfortunately the new guidelines are still being broken.

Judy Patrick made a motion directing staff to work with risk management and revise the current sublease to include additional safety measures and to extend the agreement through February 29, 2020. Jim Murphy seconded the motion. The motion passed.

d. Review, discussion and possible action on renewing the annual sublease with the Tucson Kart Club, Inc.

Jon Baker mentioned that the facility appears to be run down. He stated that it could be possible that the club doesn't have the funds to maintain it properly. He would like to meet with the club and risk management before renewing the sublease agreement. Mark Cowley made a motion to extend the sublease agreement through February 29, 2020. Garrett Ham seconded the motion. The motion passed.

4. **OLD BUSINESS:**

a. Review, discussion and possible action on the process for renewal or replacement of two board seats expiring on 12/31/19. 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 Selke stated that action was taken at the last Board meeting on September 12, 2019 and after this meeting action will be taken at the Pima County Fair Commission Board meeting.

b. Review, discussion and possible action on Compensation Review and subsequent Employee Survey. 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).

Marvin Selke made a motion that all future compensations to the employee's profit-sharing plan go directly to their 401KS, with no cash bonus. Mark Cowley seconded the motion. The motion passed.

Judy Patrick made a motion that it would be the intent of the Southwestern Fair Commission to contribute 22.5% of the SWFC's net profits to the employees 401KS. Jim Murphy seconded the motion. The motion passed.

- c. **Review, discussion and possible action on the Tucson Speedway contract compliance with 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 mentioned that Tucson Speedway received a notice of violation pertaining to unlawful storage of solid waste. Jon Lashley did agree to remove the waste (tires) within 45 days but if he doesn't comply the Southwestern Fair Commission will have to act.

5. **NEW BUSINESS:**

- b. **Review, discussion and possible action on a presentation by Blue Bayou Motorsports Park LLC, manager of the drag strip.** Marvin Selke stated that Matt DeYoung with Blue Bayou would like to address the Board with a proposal but hasn't done so yet and will do it in January 2020.
- c. **Review, discussion and possible action on wastewater agreement with Pima County.** Jon Baker stated the wastewater agreement has not been written yet. There is discussion that the fees will be the same fees paid on an annual basis, but the connection fees are still being determined. Marvin Selke directed Judy Patrick, Alan Levin and staff to work on the final wastewater agreement.

6. **CLOSING MATTERS:**

- a. **Announcements:** Marvin Selke mentioned Julia Heavner placed 3rd again in the use of a theme throughout multiple divisions of competitive exhibits at the IAFE Convention. The Board expressed their appreciation for this accomplishment.
- b. **Adjournment:** Ron Allen moved to adjourn the meeting at 11:31 a.m. Garrett Ham seconded the motion. The motion passed. A meeting of the Pima County Fair Commission was conducted.

Respectfully Submitted,


Judy Patrick
SWFC Secretary