

Southwestern Fair Commission, Inc.
Regular Meeting Minutes
June 25, 2020
Draft

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 25, 2020.

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

Staff Present: Jon Baker, Executive Director; Julia Heavner, Administrative Assistant; Bryon Lopez, CFO.

Others in Attendance: R.J. Riley, Lovitt & Touche

- a. **Call to Order:** Marvin Selke called the meeting to order at 9:34 a.m. followed by the pledge of allegiance.
- b. **Roll Call:** All Present. Judy Patrick, Secretary and Ron Allen, Director were present on a telephone conference call.
- c. **Call to the Public:** None

1. STAFF REPORTS:

- a. Executive Director
 - i. Cell Tower
Jon Baker mentioned that the AT&T cell tower is still in the process of being installed and should be in place by the end of February 2021.
 - ii. Fairgrounds Properties
Jon Baker mentioned that the Tucson Kart Club has been struggling. The club did contact Julia Heavner a few months ago and stated they could not afford the rent due to the pandemic that has occurred. Since then they have had one racing event and paid June's rent. Jon stated that Tucson Speedway and Blue Bayou Motorsports Park have been actively holding events and trying to do anything and everything they can to bring in revenue during this pandemic.
 - iii. County Rental
Jon Baker mentioned that the County contacted him about a month ago regarding renting a Hall. He stated the County has agreed to rent Thurber Hall from June, July, and August with a total rental amount of around \$36,000. He also stated the building is available if they need to rent it longer.

- iv. Interim Events
Jon Baker mentioned that Launa Rabago, Julia Heavner and he have been working on new and existing events. He mentioned that some events that were canceled have rescheduled but that the Coyote Classic Dog Show cancelled due to the American Kennel Club putting so many sanctions on upcoming events. He also mentioned on a positive note that the Family Motor Coach Association RV Rally has been rescheduled for 2022.
- v. Houghton Road Projects
Jon Baker mentioned Houghton Road will be widening and hopes a traffic light will be placed at Houghton and Brekke Rd. but also stated that the Fair next year could be a real challenge with the construction scheduled around that time.

5. NEW BUSINESS:

- a. Discussion/action regarding the renewal of insurance policies.
R.J. Riley briefly went over the Insurance Proposal from Haas and Wilkerson for the Southwestern Fair Commission, Inc. Db: Pima County Fairgrounds. He touched base on General Liability, User Liability, Commercial Automobile, Excess Liability and Directors & Officers/Employment Practices Liability. He also stated that H&W has been great to work with and have credited Southwestern Fair Commission a portion of their original premium for last year.

Ron Allen made a motion to approve the renewal of insurance policies. Alan Levin seconded the motion. The motion was approved.

2. STAFF REPORTS:

- a. C.F.O.
 - i. Financial Report
Byron Lopez went over the Financial report focusing on fixed assets, net income, the line of credit, Governor's Fund and overhead loss. Byron mentioned his strategy on saving. He explained it included downsizing to a handful of seasonal employees, downsizing fulltime employees by almost half, reduction in payroll taxes, returned credit insurance premium, increased deductible for fulltime employees on medical which decreased companies medical cost, and IRS employee retention credit. Utility costs have been cut in half with the help of staff going through each building and turning off unnecessary utilities.
Jon Baker mentioned how impressed he was with Byron's projections and how close he has come to tracking the projected income.

2. CONSENT AGENDA:

- a. Discussion/action regarding minutes of the 3/17/2020 regular board meeting.
- b. Discussion/action regarding minutes of the 3/20/2020 special board meeting.
- c. Discussion/action regarding the Disclosure & Related Party Questionnaire for the current fiscal year.

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

4. OLD BUSINESS:

- a. None.

5. NEW BUSINESS:

- b. Discussion/action regarding SWFC's Strategic Plan.

Jon Baker went over the Strategic Plan and how it was prepared. He went over the highlights and stated that staff is moving forward and preparing for next year's Fair. He mentioned attachment B was developed with the recent worldwide outbreak of COVID-19 which has placed the Fairgrounds at a future of uncertainties. He hopes to continue to reduce expenses, eliminate capital expenditures, conserve cash, and adjust operations to be sustainable.

Mark Cowley made a motion to approve the Strategic Plan. Alan Levin seconded the motion. The motion was approved

- c. Discussion/action regarding proposed facility and services rates.

Jon Baker stated that there were two changes made to the facility rates. He added that the changes were for the newest building "the Palo Verde Room" at a rental rate of \$450.00 per day and a rental increase on the Ramada.

Garrett Ham made a motion to approve the facility and service rates. Alan Levin seconded the motion. The motion was approved.

- d. Discussion/action regarding modifying our Employee Handbook to eliminate the voluntary payment of a premium for overtime hours worked & miscellaneous updates. Bryon Lopez went over the modification of the Employee Handbook and mentioned the change is intended to discontinue the payment of any overtime premium to employees. Garrett Ham made a motion to approve the modified Employee Handbook. Mark Cowley seconded the motion. The motion was approved.

- e. Discussion/action regarding the proposed Budget for the next fiscal year.

Bryon Lopez went over the Budget with and without a Fair. He went over some highlights and pointed out he made some guesstimates due to the unknown. Bryon went over concert, horse shows and interim events. He stated they are lower than usual due to budgeting conservatively. He also added that SWFC was down 50 % of its operating budget and the results of the Capital expenditures and Profit sharing are at a zero.

Jim Murphy made a motion to approve the Budget. Mark Cowley seconded the motion. The motion was approved.

- f. Discussion/action regarding the process for renewal or replacement of one board seat expiring on 12/31. **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 mentioned that he received an email from Garrett Ham and that he requested to be reappointed. Jim Murphy made the motion "I move that we, as SWFC Directors, recommend to the Pima County Fair Commission the name of Garrett Ham to be reappointed to the Pima County Fair Commission seat which expires on 12/31/2020". Alan Levin seconded the motion. The motion carried.

- g. Discussion/action regarding future fair dates and times.
Jon Baker mentioned that staff would be meeting to discuss and consider new future fair dates depending on many unknown factors. He also stated that he proposed the idea that the 2022 fair dates change so that they do not fall on the Easter Holiday.

5. CLOSING MATTERS:

- a. Announcements
Jim Murphy mentioned he would like to restart the 501C3 Committee that he was appointed to back in 2016 and he would like to approach the idea of foundations and businesses helping generate revenue, such as scholarships.
- b. Adjournment
Garrett Ham made a motion to adjourn the meeting at 11:22 a.m. Mark Cowley seconded the motion. The motion carried. A meeting of the Pima County Fair Commission was not conducted.

Respectfully Submitted,

Judy Patrick
SWFC Secretary