

BOARD OF DIRECTORS MEETING

June 15, 2010

The 30th District Agricultural Association Board of Directors meeting was called to order at 1:00 p.m. in the Board Room on the Fairgrounds.

ROLL CALL - Present were Directors Ray Bianchi, Cindy Brown, Don Crain, Pete Dagarret, Bob Kerstiens, Tonya Redamonti, Gerald Sanders and Farrell Shatswell.

APPROVE DIRECTORS ABSENCES: It was moved by Director Brown, seconded by Director Dagarret, and carried to approve the absences of Director Bev Ross.

INTRODUCTION OF STAFF/GUESTS: Mark Eidman, CEO, Carol Hanson, Business Assistant, Jacque Brown, Office Assistant, Julie Zeeb, Red Bluff Daily News, Mike Dudley, Red Bluff Round-Up Association, and Teri Collins, 4-H Leader.

PUBLIC COMMENT: Teri Collins, 4-H Leader, stated she had attended the 4-H Quality Assurance Ethics Awareness Training with two other Tehama County 4-H representatives. Ms Collins reported the facilitator emphasized the importance of having a barn boss during fairtime. Ms. Collins encouraged the Directors to hire a barn supervisor for the 2010 Fair. Director Kerstiens asked Manager Eidman to put this item on the July agenda for discussion.

CONSENT CALENDAR: It was moved by Director Brown, seconded by Director Shatswell, and carried to approve consent calendar items a. Approve May 18, 2010 Board Minutes, b. Approve Refunds, c. Approve Contracts and d. Approve May/June Paid Bills.

a. Approve May 18, 2010 Board Minutes: May 18, 2010 Board minutes were approved as mailed.

b. Approve Refunds:

1. IR10-17 David Holden - Renter paid \$100.00 refundable damage deposit on Mar 4, 2010, Rec #35498. There were no damages sustained during event. Renter is entitled to full refund. Total Refund \$100.00 - Ck #24589 - May 12, 2010

2. IR10-02 WGAS Motorsport Entertainment / Dave Matthews - Renter paid \$20,000.00 non-refundable deposit on Mar 2, 2010 to hold a Monster Truck Show on May 7, 8 and 9, 2010. Renter canceled event. Following deliberation with Department of Justice, Deputy Attorney General Jerry Blair, on May 18, 2010, the Board approved a refund of \$20,000.00 less \$170.00 legal fees = \$19,830.00 refund due Renter. Total Refund \$19,830.00 - Ck #24594 - May 25, 2010

3. IR10-21 North Valley Dairy Goat Assoc - Renter paid \$128.00 on May 21, 2010, Rec #35657 for Tent and RV fees - Total amount due \$120.00 = \$8.00 overpayment. Total Refund \$8.00 - Ck #24623 - June 3, 2010

4. IR10-23 Georgia Guardado - Renter paid \$450.00 refundable damage deposit on May 21, 2010, Rec #35663. There were no damages sustained during event. Renter is entitled to full refund. Total Refund \$450.00 - Ck #24624 - Jun 3, 2010

5. IR10-25 Angel Gusman - Renter paid \$450.00 refundable damage deposit on Apr 13, 2010, Rec #35574. There were no damages sustained during event. Renter is entitled to full refund. Total Refund \$450.00 - Ck #24625 - Jun 3, 2010

c. Approve Contracts:

1. Interim Rental #10-48 Red Bluff BMX to hold bicycle races on the Fairgrounds on a schedule set by Fair Manager, July 1, 2010 through July 1, 2011. Rental rate is 30% of rider entry fee for all event days. Renter will provide proof of \$1,000,000.00 liability insurance.

2. Interim Rental #10-50 PACWEST to hold barrel races on June 25, 26 & 27, 2010. Rental rate is \$550.00 per day for Pauline Davis Pavilion, plus \$250.00 per day for Bull Sale Arena plus 10% of gross food sales plus RV and stall fees. Renter also rented the Kerstiens Entertainment Center on June 26, 2010. Renter will pay a \$250.00 refundable damage deposit. Renter will also provide proof of \$1,000,000.00 general liability insurance.

3. Interim Rental #10-51 RB MONSTERS, LLC to hold the West Coast Monster Truck Nationals on October 1, 2 & 3, 2010. Rental rate is \$5,000.00 minimum or 7% of gross ticket sales, whichever is greater plus \$60.00 per keg of beer sold, plus 15% of liquor sales, plus 10% of gross food sales plus 25% of total parking fees. Renter will pay a \$5,000.00 non-refundable deposit by July 20, 2010. Cafeteria and Kerstiens Entertainment Center is available to Renter at no charge. Tables and chairs are available to Renter at no charge. Renter will be billed for any buildings not listed on contract. Renter will pay a \$2,500.00 refundable damage deposit. Renter will also provide proof of \$3,000,000.00 general liability insurance.

c. Approve Contracts - continued:

4. Interim Rental #10-52 Mesa Productions to hold a Professional Bull Riding on June 27, 2010. Rental rate is \$1,000.00 minimum or 7% of gross ticket sales, whichever is greater plus \$60.00 per keg of beer sold, plus 15% of liquor sales, plus 10% of gross food sales plus \$2,000.00 portable arena rental plus \$100.00 each for portable bleacher used plus 25% of total parking if a fee is charged. Renter will pay a \$1,000.00 non-refundable deposit by June 23, 2010. Renter will pay a \$250.00 refundable damage deposit. Renter will also provide proof of \$1,000,000.00 general liability insurance.

d. Approve May/June Paid Bills: Manager Eidman reviewed paid bills for May/June.

PAYEE	DESCRIPTION	AMOUNT
AT&T	50800 Office Phones	176.42
Alsco, Inc	53000 Bldgs/Grds Expense	56.74
American Express	50700 Monthly Wireless Broadband Service	60.39
Ameripride Uniform Services	53000 Bldgs/Grds Expense	93.86
Ben's Truck Repair	529000 Equipment Expense - Water Truck	289.79
City of Red Bluff	52800 Water 03/16/10 to 04/15/10	766.18
Department of Justice	51140 Legal Fees	170.00
Fisher Oil Company	52900 Equipment Expense - Fuel	887.64
Green Waste	53100 Trash Removal (Non-Fair)	93.67
Green Waste	24100 Trash Removal (Interim Rentals)	949.84
Pacific Gas & Electric	52800 Utilities	223.83
Red Bluff Glass	53000 Bldgs/Grds Expense	71.45
Red Bluff Outdoor Power	52900 Equipment Expense	29.11
Red Bluff True Value Hardware	53000 Bldgs/Grds Expense	71.97
Sprint	50800 Maintenance Cell Phone	50.52
Tehama County Lock and Security	53000 Bldgs/Grds Expense	112.04

GENERAL CORRESPONDENCE: Manager Eidman reviewed the following correspondence:

1. Certificate of Appreciation- Red Bluff FFA gave a Certificate of Appreciation to the Fairgrounds for assisting with their annual Award Banquet. Each year Manager Eidman loans them tables for their event.

2. 2010-2011 Expenditure Plan Draft and Fair Reclassification Draft - email from Mike Treacy, Director, Division of Fairs & Expositions, informing fairs about the 2010/2011 Expenditure Plan Draft 05/24/10 and the Fair Reclassification Plan Draft 05/25/10. Fairs were encouraged to attend the California Fairs Alliance meeting to be held in Sacramento on June 11th. Both plans will be discussed and this will be the Fair's last opportunity to provide input on the Fairs and Expositions 2010/2011 Expenditure Plan and the Reclassification Plan. Because F&E has not yet received confirmation of what actual funding cuts the State may impose on them, they are currently estimating a 10% cut which is reflected in the Expenditure Plan draft. The proposed Fair Reclassification shows Tehama District Fair will go from a Class II Fair to a Class III Fair. Manager Eidman explained the reclassification would not affect the allocations. The only difference would be the CEO salary, but with the financial condition of the 30th DAA there would be no change at this time.

3. Fair's 2010 Composite Performance Rating Score - letter from Mike Treacy, Director, Division of Fairs & Expositions, congratulating the 30th DAA on our 2010 Composite Performance Rating Score of an "A". Class "A" fairs are defined as fairs that follow best business practices and do not have significant compliance or fiscal issues. Fair performance ratings will once again be utilized to determine a fair's eligibility for 2010/2011 Flex Capital Allocation. Flex Capital allocation payments will be based on the 2010/2011 fair reclassification levels effective July 1, 2010. Class III fairs receive \$25,000.00 base amount and full \$10,000.00 bonus incentive for a total allocation of \$35,000.00. Manager Eidman reported the 30th DAA's Class "A" rating will drop in 2011 due to the fiscally challenged condition the fair is currently experiencing.

MAY 2010 INTERIM RENTAL REPORT:

a. Revenues Received - Manager Eidman reviewed May interim rental revenue which generated \$47,420.00 as compared to \$41,802.00 for May 2009, an increase of \$5,618.00. Manager Eidman said there were several new events: Angus Auction, BMX Races, and Continuum of Care. The Northern Counties Quarterhorse Show and Northern California Paint Horse Show were up this year as well as the Home & Garden Show. Alpaca's reduced their area to just one barn, Red Bluff Arabian Horse Show reduced their show by one day, therefore, both events decreased their revenue. Barrel Races and North Valley Dairy Goat Show also had reductions in their revenue. After holding their event at the fairgrounds for several years, the Gatti Circus did not return this year.

b. Attendance Reports - Reported attendance for the month of May was 10,913; year to date 68,569. 2009 attendance year to date was 80,129.

BUILDINGS AND GROUNDS REPORT: Manager Eidman reported on the following:

- a. Pauline Davis Pavilion Landscape Project** - the project is about 50% completed. The new trees have been planted and the new split rail fencing has been installed. The drought resistant plants will be planted next. The two benches and several metal cut outs have been delivered and are being stored in the maintenance shop until ready to place.
- b. Tree Trimming** - a community service volunteer has experience trimming trees so for the past week his services have been utilized by trimming the fairground trees.
- c. Crowdad Festival and 4th of July Preparation** - Maintenance Department has been preparing for both of the upcoming events. They have focused on the grounds since both events will be outside; cleaning, manicuring the lawns, weed control and watering. As mentioned above, trimming trees along the midway and also the trees in Trinity lot where RV's park during week-end events and Fair.

RED BLUFF ROUND-UP MUSEUM PROPERTY UPDATE: Manager Eidman reported he has completed the DGS 2010 Statewide Property Inventory Annual Verification Structure/Site Inventory Report. The report is due June 30, 2010, but Manager Eidman expects to mail the report the first of next week. Manager Eidman changed the status of Structure Number - 39968 Roundup Museum to a structure built and owned by the Red Bluff Round-Up Historical Society. Manager Eidman expects the notation on the report to trigger an investigation which will lead to the correction of the State's claim that the museum is State property.

DIRECTORS TOUR OF FAIRGROUNDS: The Board recessed at 2:25 p.m. to tour the Fairgrounds. The Board reconvened at 2:50 p.m.

- a. 4th of July Heritage Celebration Grounds Preparation** - the facility is well groomed and almost ready for the event.
- b. Fairgrounds Tour Recap** - it was decided to put the placement of the midway stage on the July 20, 2010 Board agenda for discussion. Director Kerstiens asked for input from John Gentry, Fair Publicist/Fair Entertainment Coordinator and Sonja Akers, Miss Tehama County Scholarship Program Coordinator, during the stage placement discussion.

ANNUAL FAIR DISBURSEMENT REPORT: Michael Treacy, Director, Division of Fairs & Exposition, in a letter reported F&E strives to provide transparency with its administration of local assistance funding for California's network of fairs. Mr. Treacy sent each fair their annual fair disbursement report for the years 2007 through 2009. The 30th DAA's report provided a comprehensive accounting of the funding benefits received during the last three. Manager Eidman referred to the three year totals:

Base Allocation	\$450,000
Flex Capital	\$105,000
Unemployment Insurance	\$ 10,228
Rural Healthcare Equity Program	\$ 7,456 (canceled in 2008)
Accessibility Upgrades Fund Grant	\$ 25,000 (received in 2007)
Project Planning Grant	\$ <u>2,500</u> (received in 2009; spent on electrical project recommendation)
Total	\$600,184

Manager Eidman said the following are funds disbursed for fair statewide programs:

Audit Program	\$3,288,000 (researching only conducting audits every other year)
Property Insurance	\$2,150,000
Retired DAA Employee Benefits	\$ 738,000
Health Department Program	\$ 365,000
Code Adam Project	\$ 43,636
Employee Assistance Program	\$ 24,130
Professional Development	\$1,077,823
CFSA Support	\$ <u>180,000</u>
Total	\$7,866,590

REQUIREMENT OF PRIORITY REPORTING: Manager Eidman reported a letter received by Rebecca Desmond, Assistant Director, Division of Fairs & Expositions, notifying 30th DAA we are now subject to the priority reporting requirement established by F&E. This requirement applies only to fairs that F&E identifies as having financial challenges as previously communicated in the Fair's 2010 Statement of Operations approval letter April 27, 2010. Manager Eidman said there are a total of eighteen Fairs required to submit the Priority Reporting. The 30th DAA is required to do Basic Reporting and the following reports are to be submitted to F&E on a monthly basis by the end of each month beginning June 2010:

Basic & Advanced Reporting	Advanced Reporting
• Board Meeting Minutes	•Cash Analysis
• Summary Trial Balance	•Cash Budget
• Balance Sheet	•Accrual Revenue & Expense Report
• Income Statement	
• CEO Representation	
• Transfer of Budget Allotment (Form F-8)	

F&E's primary interest is seeing that the 30th DAA succeeds and remains financially solvent. Priority reporting will serve as a tool for F&E to adequately monitor our financial condition and ensure that the Fair remains a top concern. Hopefully, F&E will advise where we can improve our financial situation.

PHOTOVOLTAIC PHASE II PROJECT FINANCING MEETING: Manager Eidman reported on June 3, 2010, CCA and F&E hosted a meeting for all fair CEO's. Manager Eidman said he attended the meeting via teleconferencing. Over the past few months F&E has been meeting with CCA and its consultants to identify potential financing options for the Photovoltaic Phase II projects since all efforts to refinance these loans have failed. Manager Eidman shared the financing summary for the 30th DAA project prepared by CCA. Manager Eidman gave a little history of the project explaining originally the project was to be financed by Krebs Bonds which is now debunk; there aren't any interested business willing to finance the project due to the economy. The 30th DAA's solar system was installed in 2007; total project cost was \$620,190.00. A grant from PG&E in the amount of \$304,896.00 was applied toward the project cost. CCA arranged private financing for the remaining project cost with a 10 year loan at 5.15% which was initiated in September 2008; total amount financed \$376,428.75. There is 8¼ years remaining on the loan term with projected payoff October 2018. F&E reports the \$1,659.06 monthly payments are not sufficient to fully amortize the loan; the monthly shortfall is <\$1,741.05> which is an annual shortfall of <\$20,892.65>. When the fairs committed to the project, they were promised payments would never exceed the power the system generated. That is no longer the case; times have changed. F&E has pledged to put \$700,000.00 in to the project this year which will basically keep the payments from increasing, but the plan for next year is an unknown. The solar system will not generate any income; instead barely meeting its payments. Manager Eidman feels very strongly that once the cost exceeds what power is being generated the 30th DAA will return the system and said so during the June 3rd meeting. Manager Eidman said before he did something that drastic he would ask for a vote of agreement from the Board of Directors. Manager Eidman said originally fairs were told once the solar system was paid for it would become the property of the fairs and would be a positive cash flow. A discussion ensued. Director Kerstiens asked the Policy/Finance Committee to meet and review the photovoltaic loan agreement and report at the July 20, 2010 Board meeting.

CRAWDAD FESTIVAL UPDATE: Manager Eidman reported he had invited Brian Craig, R-Wild Horse Ranch CEO and Festival promoter, but Mr. Craig is completing the final preparations for the week-end event. Manager Eidman said the event has been focusing their advertizing in the Sacramento Stockton area although they have been on local radio and television this past week. 17,000 pounds of crawdads were delivered on Monday; the truck was sent on to R&R Meats in Redding to store the crawdads until Friday. The event is about eating crawdads and enjoying Cajun music. The event begins Friday, June 18 at 5:00 p.m. A lengthy discussion ensued regarding the City of Red Bluff charging traffic control fees for this event and other upcoming events.

HEMP FESTIVAL UPDATE: Manager Eidman reported Donna Wills, Hemp Festival promoter, had tentatively reserved the fairgrounds for 2011 Memorial Day week-end. Ms. Wills has been contacted and asked for a non-refundable deposit to hold the date. Ms. Wills will notify the Fair by Monday, June 28 of her intentions. Director Crain stated his strong opposition to holding the Hemp Festival on the Fairgrounds. Director Shatswell agreed. Director Kerstiens said we may need legal council to advise the Directors because of discrimination laws.

IRON HORSE ROUND UP EVENT UPDATE: Director Redamonti reported in light of the recent Sheriff's election the Committee has decided to regroup and come back with another event. Director Kerstiens stated his concern Fair Policy was not being followed because New Events Committee members, Director Crain and Director Sanders had not been invited to attend the June meeting with Sheriff Parker. Director Redamonti, New Events Committee Chair, clarified it was not a Committee meeting, it was a fact finding meeting to find out if the Iron Horse Event needed backing from the Sheriff. Director Kerstiens explained anytime there is a meeting pertaining to the Committee, all Committee members should be included as their input is valuable. Director Kerstiens stated again his opposition to the current push for the Fair to become an event promoter instead of the event facility Renter. Director Kerstiens said the Fair does not have the extra funds to promote the Iron Horse Round Up, but encouraged the New Events Committee to find a promoter for this event instead of proposing the Fair promote it. Director Redamonti said the Fair's rentals are down, therefore, the Board needs to find other opportunities to bring in revenue. A lengthy discussion ensued.

4TH OF JULY HERITAGE DAYS FINAL UPDATE: Director Redamonti reported everything is progressing very nicely. The NAS sanctioned strong man competition has several competitors coming from neighboring States besides the local competitors; six competitors are racing in the lawn mowers races as of today; 50 plus cars are entered in the car show; the children's free water zone is coming together thanks to Bob Carrel and Ali Abbassi; several entertainers performing on the Kerstiens Stage throughout the day; horseshoe tournament which is offering \$700 in prize money. Director Redamonti said the evening will end with the same extraordinary fireworks display as last year.

2010 FAIR PROGRESS REPORT:

- a. Thursday Main Entertainment - Christian Concert or Local Talent Contest** - Manager Eidman reported Pastor Gene, Outreach American, wife passed away, so presently Manager Eidman is looking at using some of our local talent to perform on the grandstand stage. Team Penning will be held on Thursday night in the Pauline Davis Pavilion.
- b. Friday - Dog Trials in the Pauline Davis Pavilion:** Manager Eidman reported Merle Newton is still working on the dog trials.
- c. Friday/Saturday Main Entertainment - Rock Cross** - Manager Eidman reported Ali Abbassi and Bob Carrel are continuing to work on the Rock Cross for both nights.
- d. Sunday Main Entertainment - Destruction Derby** - Manager Eidman reported Ali Abbassi and Bob Carrel are continuing to work on the Destruction Derby. Mr. Abbassi is finalizing the derby rules this week.
- e. Fair Harvest Festival** - Manager Eidman reported the Committee in charge of the Fair Harvest Festival have a meeting set for July and will finalize their plans at that time.
- f. Midway Stage Location Fri/Sat/Sun Dance Bands** - Manager Eidman asked again for direction from the Directors as to the placement. The Directors decided to look again at the options when they tour the grounds today.
- g. Grounds Entertainment** - John Gentry, Fair Publicist/Entertainment Coordinator, was unable to attend today's meeting so this agenda item will be deferred to the July 20, 2010 Board meeting.
- e. Fair Sponsorship Report** - John Gentry, Fair Publicist/Entertainment Coordinator, was unable to attend today's meeting so Director Kerstiens asked this agenda item will be deferred to the July 20, 2010 Board meeting.

MATTERS OF INFORMATION

- a. Next Board Meeting:** Tuesday, July 20, 2010 at 1:00 p.m. in the Tehama Room.

ADJOURNMENT - It was moved by Director Dagorret, seconded by Director Brown, and carried to adjourn the meeting at 2:51 p.m.

Chief Executive Officer

President of the Board