

46TH District Agricultural Association
Meeting of the Board of Directors
Wednesday, August 17, 2011
3:00 p.m.

MINUTES

1. CALL TO ORDER

The meeting was called to order at 3:14 pm

2. PLEDGE OF ALLEGIANCE

Attendees of this 46th District Agricultural Association Board meeting will be asked to join the Board President in reciting the Pledge of Allegiance if they wish to do so.

3. ROLL CALL

The Board of Directors and CEO of the 46th District Agricultural Association are asked to introduce themselves to all in attendance.

President Nelthorpe, Directors Skala, Busch and Thompson and Advisory Director Cilurzo.

4. INTRODUCTION OF AUDIENCE AND GUESTS

Audience and guests are requested to introduce themselves to the Board of Directors and other guests under this agenda item.

Guests in attendance were: Sharon Johnson, Valory Starck, Shirley Marshal, Bill Hoop, Don Kazarian, Judy Wade, Marie Spradlin, Dale Smith, Charles Hopkins, Betty Jo Dunham, Shelly VanSanford, Amanda Lopez, Sherrie Johnson, Renee Yi and Cindy Caruso

5. MATTERS OF PUBLIC COMMENT

Speakers presenting matters to the Board will be limited to three (3) minutes.

Judy Wade stated that she has been involved in the Fair for many years, back when she was little her dad got her started. It has been something very near and dear to her heart and she is just so excited about another year. There are so many individuals who are excited too. She stated that their biggest goal is to get the Mclhinney Arena going and have many things going on in there to create interest and get people down there especially at night. She said they are all so excited about the Fair and they can't wait to get started.

Sharon Johnson stated that she is glad to be back this year helping, she wasn't able to be here last year because of her mother and it's nice to be back. She also stated that she appreciates the Board giving all of us the opportunity, she knows there have been some changes with staff and she is grateful that the Board is giving us the opportunity to make this Fair happen and them trusting in staff and volunteers to make this a successful Fair. There are a lot of people in the community who want to help and see the success and we all appreciate you guys giving us that opportunity.

Marie Spradlin stated that she pretty much “ditto’s” what Sharon said. She has been affiliated with this fair since she was 9 years old and she’s not going to tell how old she is now. She stated that her heart is in this Fair, her kids were raised at this fair. They have been involved in putting the flag pole in and other movements that have gone on through the years. We just love being here and we get more and more people coming to help and volunteer so she wanted to thank the Board for giving us all the opportunity to be here another year.

Betty Jo Dunham stated that she is like Judy, she started when the Fair was in Hemet, was here when we moved over here for the groundbreaking and has done many different jobs for the Fair. She retired last year, it just became too much for her to do, but she will be volunteering with Marie as much as she can because like Marie and Judy said, it’s a part of you. She stated that she has been a part of the Ramona Play for almost 50 years so when she gets involved with something she sticks around a while.

Judy Wade wanted to add one more thing. She stated that the beautiful thing about our Fair is that there are people that go way back, who followed from Hemet and this is a family Fair and we have people who have been involved for years and years and that is what is so wonderful about our Fair. She said she is just so glad to be a part of it.

Charles Hopkins stated that he is the security here and he has been here for right around seven years. He wanted to express his appreciation for being given the opportunity to first of all be allowed to come to a Board meeting; he never thought that would happen. He also wanted to express his appreciation because being in security, there are many suggestions and ideas that he has come up with and recently he feels like he has been heard, not only has he been heard but he has received feedback whether it is positive or negative, the feedback means someone is listening to him and that makes him feel good. He reiterated that he never thought he would be at a Board meeting speaking like this. By getting this type of positive reaction is going to make him and the other security workers work harder, we are determined to make this a success like we have always tried.

President Nelthorpe stated that the guests are welcome any time. The Board really appreciates all of the comments. She said we cannot do this without all of the good employees and terrific volunteers that we have and we are going to make this a successful year and we are going to celebrate the fun and that is what it is all about.

6. MINUTES (See Attachments)

Board Meeting held on June 15, 2011 and July 6, 2011
Action Item

A motion was made by Director Thompson and seconded by Director Skala to approve minutes for meetings held on June 6, and June 15, 2011. Motion unanimously approved. Motion carried

7. **CONSENT CALENDAR**

All matters listed under Consent Calendar are considered by the Board of Directors to be routine and will be enacted in one motion. There will be no discussion of these items prior to the vote unless members of the board, staff or public request specific items to be discussed separately and/or removed from this section.

Any member of the public who wishes to discuss Consent Calendar items should notify the Chair of the Board, at the time requested and be recognized by invitation of the Chair to address the Board.

Action Item

A. STANDARD AGREEMENTS

None

B. AMENDMENTS

None

C. RENTAL AGREEMENTS

11-43-INT Skip Fordyce, Motorcycle Safety, 7/16-17/11, \$500.00
11-44-HH Kathleen Frank, Union Meeting, 8/19/11, \$2,500.00
11-45-INT Skip Fordyce, Motorcycle Safety, \$4,500.00
11-46-HH Melissa Villarreal, Wedding, 11/11/11, \$2,500.00
11-47-HH Kindred Hospital, Christmas Party, 12/9/11, \$2,500.00

12-01-HH RUHS, Winter Formal, 2/3/12, \$600.00
12-02-HH Blanca Daniel, Quinceanera, 3/17/12, \$3,500.00
12-03-HH PUHS/Marlene Caro, Reunion, 9/29/12, \$2,000.00

D. JUDGES AGREEMENTS

11-01-JU Elese Bouris, 4-H Crafts & Home Environment, \$55.00
11-02-JU Kevin Anderson, Photography, \$55.00
11-03-JU Linda Bramel, Collections, \$55.00
11-04-JU Katie Keyes, Collections, \$55.00
11-05-JU Alice Bradley, Flower Arrangements, \$55.00
11-06-JU Ursula Battiast, Flower Arrangements, \$55.00
11-07-JU Scott Parker, FFA- 4-H Mechanics, \$55.00
11-08-JU Hill Goedhart, Jr. & Sr. Models, \$55.00
11-09-JU Linda Adams, Photography, \$55.00
11-10-JU Norma Allison, Jr. Fine Arts, \$55.00
11-11-JU Candy Hamlet, Fr. Fine Arts, \$55.00
11-12-JU Cheryl Schroeder, 4-H Foods & Jr. Baked Food, \$55.00
11-13-JU Margorie Riley, Floriculture, \$110.00
11-14-JU Ina May Zeiders, Home Arts & Baked Food, \$55.00
11-15-JU Henny Bouris, Home Arts & Baked Food, \$55.00
11-16-JU Jo Ann Johnson, Home Arts & Clothing & Textiles, \$55.00
11-17-JU Ella Ekwall, Home Arts, Clothing & Textiles, \$55.00
11-18-JU Maureen Fernandes, 4-H & Jr. Tablesetting, \$55.00
11-19-JU Cheryl Clark, Jr. Crafts, \$55.00
11-20-JU Jim Williams, Home Arts Baked Food, \$55.00

11-21-JU Scott Shores, Agriculture & Fruits & Vegetables, \$55.00
11-22-JU Gayle Holyoak, 4-H & Junior Food Preservation, \$55.00
11-23-JU Duane Ballard, Leatherwork, \$55.00
11-24-JU Kathie Dillon, Fine Arts, \$55.00
11-25-JU Karen Fletcher, Landscaping, \$75.00
11-26-JU Linda Soyland, Crafts, \$55.00
11-27-JU Wanda Batson, Home Arts, Crochet, Knitting & Quilts, \$55.00
11-28-JU Evaline Robinson, Crafts, \$55.00
11-29-JU Sandy Coats, Horticulture, \$55.00
11-30-JU Dora Arnold, Food Preservation, \$55.00
11-31-JU Pat Espinoza, 4-H & Jr. Sewing, \$55.00
11-32-JU Brad Quick, Landscaping, \$75.00
11-33-JU Lori Ann Bray, Tablesetting, \$110.00
11-34-JU Laurie Montgomery, Tablesetting, \$110.00

E. CONCESSIONS AGREEMENTS

11-01-CONC Funnel Cake Express, \$850.00 vs. 22%
11-02-CONC Rose's Concessions, \$850.00 vs. 22%
11-03-CONC Chang's Concessions, \$850.00 vs. 22%
11-04-CONC Dee's Concessions, \$850.00 vs. 22%
11-05-CONC L&L Concessions – Philly, \$850.00 vs. 22%
11-06-CONC L&L Concessions – Pizza, \$850.00 vs. 22%
11-07-CONC L&L Concessions – Ice Cream \$850.00 vs. 22%
11-08-CONC The Klassy Kernal, \$850.00 vs. 22%
11-09-CONC JLT Concessions, \$850.00 vs. 22%
11-10-CONC Capital Cookery, \$850.00 vs. 22%
11-11-CONC Sharp Concepts DBA Big Bubbas Bad BBQ, \$850.00 vs. 22%
11-12-CONC Teri's Food Concessions, \$850.00 vs. 22%
11-13-CONC Whatsit Kettle Korn, \$850.00 vs. 22%
11-14-CONC Simulator Flying DBA Power Jump, \$850.00 vs. 22%
11-15-CONC Lindsey Concessions, \$850.00 vs. 22% - Cancelled –
11-16-CONC Super Aqua Bubbles, \$850.00 vs. 22%
11-17-CONC Fiesta Novelties, \$850.00 vs. 22%
11-18-CONC Once Nailed Paintball, \$850.00 vs. 22%
11-19-CONC A Taste of Paradise, \$850.00 vs. 22%
11-20-CONC Bayless Concessions, \$850.00 vs. 22%
11-21-CONC Family A Fair Inc – Pinks Hot Dogs, \$850.00 vs. 22%
11-22-CONC Family A Fair Inc – North, \$850.00 vs. 22%
11-23-CONC Family A Fair Inc – South, \$850.00 vs. 22%
11-24-CONC J.P.'s Old West Cinnamon Rolls, \$850.00 vs. 22%
11-25-CONC Peak Climbing Adventure Company, \$850.00 vs. 22%
11-26-CONC The Bubble Rollers, \$850.00 vs. 22%

F. COMMERCIAL AGREEMENTS

11-01-COMM Studio City Psychic, \$800.00
11-02-COMM Fay's Company, \$2,000.00
11-03-COMM Cookie Lee, \$800.00
11-04-COMM Falcon International Co., \$2,000.00
11-05-COMM Underwood Enterprises, \$1,500.00
11-06-COMM Grumpy Jerky Werks, \$750.00

11-07-COMM Wayside Harvesters, \$1,500.00
11-08-COMM Casual Look, \$1,500.00
11-09-COMM Mountain Lakes Resort, \$750.00
11-10-COMM Scentsy, \$750.00
11-11-COMM Fun Bags, \$1,500.00
11-12-COMM Caricature Arts, \$750.00
11-13-COMM Man's International, \$1,550.00
11-14-COMM Colorful Ribbons, \$700.00
11-15-COMM MAM Imports, \$2,000.00
11-16-COMM Antique Images, \$1,250.00
11-17-COMM Funbiz (Just 4 Fun), \$1,500.00
11-18-COMM Refreshed, \$750.00
11-19-COMM Amerinka, \$1,500.00
11-20-COMM Corky's Signs, \$1,200.00
11-21-COMM Outdoor Exhibits, \$900.00
11-22-COMM Leticia's Gifts Express, \$2,000.00
11-23-COMM Adriana Berneike, \$750.00
11-24-COMM KSK Enterprise, \$1,500.00
11-25-COMM Ten Dollar Shades, \$1,500.00
11-26-COMM Grandpa's Fudge, \$1,500.00
11-27-COMM Cutco, \$1,500.00
11-28-COMM Fun with us!, \$750.00
11-29-COMM Simple Indulgence, \$2,000.00

G. NON-PROFIT AGREEMENTS

11-01-NP Riverside County Farm Bureau, \$125.00
11-02-NP BeeKeeper's Association of OC, \$125.00
11-03-NP Dentistry 4 Kids, \$125.00
11-04-NP Riverside County Library, \$125.00
11-05-NP Riverside County Flood Control, \$250.00
11-06-NP Val Verde Teachers Association, \$250.00

H. OUT OF STATE TRAVEL

None

I. FINANCIAL INFORMATION (See Attachments)

Renee Yi from CFSA will provide training to interpret financial reports.

Renee Yi from CFSA provided more detailed financial reports for the Board as well as training on interpreting them. She offered to change the layout to show past years numbers beside this year's numbers as a comparison. The Board agreed that it would be helpful. Renee Yi stated that her boss in CFSA asked her to recommend to the Board that the Fair's ATM/Debit card be replaced with a Credit card. She stated that the auditors do not like the ATM/Debit cards because they can be used like cash.

(3:54 Director Hurtado arrived at meeting)

Director Busch asked how many ATM cards we have. Interim CEO Scott told him we only have one and it is only run as a credit card. Cindy Caruso explained that we used to have credit cards but they were cancelled to stop the accrual of interest charges. Shelly VanSanford explained that our

spending is very minimal, probably less than five or six transactions a month. Director Busch stated that he doesn't see what the benefit would be. Renee Yi stated that it is only her recommendation, she has seen other fair managers take cash out with the ATM card and that is very hard to track what the money is used for and she thinks that is where the concern comes from. Interim CEO Scott explained that we haven't even set up a pin number for it to be used as an ATM/Debit card. Renee Yi stated that it is up to the Board members to watch transactions closely. Shelly VanSanford explained that all Debit card receipts are printed, coded and presented to the Board President for approval on a monthly basis. Renee Yi stated that usually they can look at the bank statement and see that all expenses in the past have been legitimate for travel expenses, office supplies or maintenance on the car, things like that. She explained that it has just been an audit issue at other Fairs so she wanted to inform the Board of the option.

J. CORRESPONDENCE (See Attachments)

<u>Date</u>	<u>Received From</u>	<u>Subject</u>
8/4/11	Melissa Thurber, CFSA	CFSA's 2010 Annual Report

Interim CEO handed out another piece of correspondence to each Board member from Lake Perris BMX

<u>Date</u>	<u>Sent To</u>	<u>Subject</u>
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-End of Consent Calendar-

A motion was made by Director Thompson and seconded by Director Busch to approve Consent Calendar. Motion unanimously approved. Motion carried.

8. ACTION ITEMS

9. INTERIM CEO'S OPERATIONAL UPDATE (Tab 4)

A. SOUTHERN CALIFORNIA FAIR

Interim CEO Scott may provide updates on the Southern California Fair.

Interim CEO Scott stated that Dorothy McInhinney is the lady for whom the McInhinney arena is named for and her daughter Marci was here today, she has been here probably three times in the last month. Marci is beside herself with excitement about reclaiming her mother's namesake; she has rallied together a 4-H group and a number of volunteers, some of whom were here today. Work will start next week and they have some great plans for that arena and they plan to have it up and running throughout the entire Fair and they would like to put some events on throughout the year so its really nice that it is going to actually get used and will hopefully turn into a revenue producer and we are excited about that.

Interim CEO Scott presented a slideshow to the Board showing some attractions and activities that are in the works for this year's Fair.

Interim CEO Scott announced that we have moved the main gate to the Perris Auto Speedway turnstiles and the reason for that is we have talked to

other Fair managers, and they have said it is a big mistake to put the admissions gate right next to the carnival. No matter where the carnival is, the patrons will find it and most times they will go there, spend their money and leave. We already have the great entrance there, why not use it? She went on to explain where each of the proposed attractions will be located.

Interim CEO Scott stated that bids for the Fair are at various stages; some have gone out and are starting to come back, some have just gone out, some are being created, some are being researched. She explained that contracts that we thought were in place actually are not, so they need to be written only. 2010 RFP's went out for two year bids, but the contracts were actually written for one year, so they have to be done again.

B. INTERIM ACTIVITIES

Interim CEO Scott may provide updates on interim activities.

Interim CEO Scott stated that she gave the Board the letter from BMX. We now have three, possibly four interested parties for BMX and she is quite impressed with who she has spoken with. She stated that we are really working for a seamless transition so that people who have already paid for memberships and paid for races will be able to continue without any kind of stop of service, so we are really excited about that. She explained that she has received instruction from Jerry Blair on how to do this so we are very appropriate in the legal steps we take. We should know in the next week whether or not we can assign the contracts, which basically means that a new party would pay part or all of the outstanding debt and assume the contract with the terms that currently stand. We are really hoping this works out because it looks like is the only way we will be able to recover any of the outstanding money due to us. If it doesn't work then it would have to go out as an RFP and then the bids are scored and we would then know who will get the track. She also stated that in anticipation of similar situations, she is also speaking with other potential renters for other tracks we have on the grounds. The County Treasurer came in and locked Starwest up, it is interesting if you have never experienced it. They come in bullet proof vests. It's a little overwhelming when you see them coming up to the building. Within twenty-four hours they brought their account current with them so he was open the next day. After the Racetrack Committee meeting where he was struggling with the question of whether or not he was selling food, she went out the next weekend and took pictures and the food stand is still there and he is also selling hats and shirts and posters and all kinds of things, she stated he also subleases the track which is not allowed. They are not allowed to sublease any of our property, not allowed to have any additional income that we are not aware of. We do not currently get a percentage of the food or the vender sales or the track that he is subleasing. The issue may resolve itself with the pending September 2nd deadline but she wanted to keep the Board in the loop. In the entire month of July he brought in a total of \$1,000.00 which should have been \$10,000.00. She also asked to meet with the Racetrack Committee or the Executive Committee to discuss another racetrack.

C. LAKE PERRIS SPORTS PAVILION

Interim CEO Scott may provide updates on the Lake Perris Sports Pavilion.

Cindy Caruso stated that she is working on the details for the Breeder's Cup event. They have decided not to use Harrison Hall; they will use a tent out on the back patio. They want to see how this goes and then maybe for the Kentucky Derby they will use the hall.

D. HARRISON HALL

Interim CEO Scott may provide updates on Harrison Hall.

Interim CEO Scott stated that we suspend rentals for the hall in the month of October every year for Fair because we never know year to year how we are going to use that space. This year we have the Perris timeline in there. She also stated that Livestock has asked to use the hall for a fundraising dinner for the carcass class which is not an actual carcass; it is a sonogram/x-ray of the animal while it is still alive. Because Livestock is us, there is no fee for using the hall so you won't see it written up as a contract because it is just like the Farmer's Daughters using the hall, but we wanted you to know that the event is taking place. They are very excited about it and it is Gary Lesh who is putting it all together. It will be on the 23rd of October.

E. IMPORTANT DATES

August 18, 2011 – 6:00 pm Livestock Meeting

August 25, 2011 – Landscape Drawing 6:00pm

September 10, 2011 – Entry Deadline 4:00pm

September 21, 2011– 4:00 pm Board Meeting

October Board Meeting TBD

November 14, 2011– 10:00 am Board Meeting/Fair Review

December 14, 2011– 4:00 pm Board Meeting

H. OTHER

Fair Political Practices

- Determination of Conflict of Interest.

Interim CEO explained that this has been given to our attorney at the State Attorney General's Office and to Riverside County Counsel and both are taking a look at it but we have nothing back from them yet.

Director Hurtado stated that they took the initiative of speaking with their county counsel and he received a letter today (handed one to each Board member). He also stated that he knows that the issue has been tabled until January but he speaks for himself and possibly Barry that we need to clear this Conflict of Interest issue.

Livestock

- Kelly Secord asked if the Board will be sponsoring the belt buckles this year.

Interim CEO stated that Kelly Secord wanted to know if any Board members will be sponsoring belt buckles this year. Director Thompson stated that she hadn't contacted anyone about it yet. The buckles run about \$125 each. Board members Thompson, Scott, Skala, Board President Nelthorpe, Interim CEO Scott and Security agreed to sponsor Belt Buckles this year.

Interim CEO Scott showed the Board pictures of the planned Sam Norton Blacksmithing Tool Barn Project. The Grange is working on it and they plan to have it finished in time for the 2011 Fair.

10. BOARD OF DIRECTORS MATTERS OF INFORMATION

Directors' Comments

Director Thompson stated that everything is going good. She really appreciated the explanation on the financials, it was very informative.

President Nelthorpe stated that she is so excited; she thinks it's going to be a great Fair. We have a lot to celebrate; it was wonderful to see all of those volunteers. She asked the Board members to think about how they can help at the Fair. Audrey is bringing the Micro Brewery, Linda always does the Special Rodeo and this year she is doing the parade, Barry and Gene are going to help in the weigh in, just think about what your passion is and how you can help at the Fair. As far as the EDA, we did table that until January. She stated that she is calling a September 6th meeting at 10:00 am to deal with Starwest. (Certain Board members had conflicts in their schedules so the meeting was moved to September 7th). She stated that the Board also needs to discuss and decide on details on the use of the Board room during Fair.

Manager's Comments

Other, if any

11. NEXT BOARD MEETING: September 21, 2011

12. CLOSED SESSION (Closed to the Public)

Any and all matters considered to confidential will be discussed in a closed session as requested by the Board President under this agenda item regarding pending litigation or personnel matters of the CEO. All guests and audience will be asked to adjourn meeting at this time.

A. PENDING LITIGATION

Eloina Balcazar v. 46th District Agricultural Association, Superior Court (Riverside) Case No. RIC 10012564. The Board will meet in closed session to consult with legal counsel. [Gov. Code section 11126(e).]

The Board went into Closed Session at 5:40 pm. The case listed above has been settled.

13. ADJOURNMENT
Respectfully Submitted, 6:48 pm.

Gael Scott, Interim CEO

Date

Susan Nelthorpe, Board President

Date