

Southwestern Fair Commission, Inc.  
Regular Meeting Minutes  
August 25, 2022

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, August 25, 2022.

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

**Staff Present:** Jon Baker, Executive Director; Julia Casillas, Administrative Assistant and Courtney Danloe, CFO.

**Others in Attendance:** Chris Young, Young Law Firm; Florina Lopez, Pima County Attractions and Tourism and John Lashley, Tucson Speedway.

- a. **Call to Order:** Garrett Ham called the meeting to order at 9:36 a.m. followed by the pledge of allegiance. In the interest of Mr. Lashley's time, Garrett moved Old Business, d to the beginning of meeting to follow Call to the Public.
- b. **Roll Call:** All present. Judy Patrick, Secretary and Mark Cowley, Treasurer were present via telephone conference call.
- c. **Call to the Public:**

Florina Lopez, with Pima County Attractions and Tourism, briefly explained her role between Pima County and the Southwestern Fair Commission, Inc. She stated that she oversees the contract for the Fairgrounds and assists on moving projects forward. She also works with Colossal Cave, Pima Air and Space Museum, Titan Missile Museum, Ajo Golf Course, Old Tucson and the surrounding sublease properties at the fairgrounds. She reported that she rents out the conference room at the Southern Arizona Historic Visitor Center. She invited the Board to tour the Historic Courthouse and Visitor Center along with the Gem and Mineral Museum. The Board agreed to take the tour and suggested to Florina they would like to have their October 27, 2022, Board meeting there. Florina will coordinate with Julia Casillas to make sure the conference room is available.

**4. OLD BUSINESS:**

- d. **Discussion and possible action regarding Tucson Speedway AKA Start Tucson's request for modification to their Management Agreement. This agenda item relates to legal advice to A.R.S. Sec. 38-431-03 (A) (3), (4) and/or (7).** John Lashley reported that Tucson Speedway's participation is down and the business is incurring losses. He stated that he believes that fewer racers are participating due to inflation in fuel and tire prices. He is asking to amend the Management agreement and postpone the increased payment for the next 5 years in term 3 and begin the \$1000.00 per month payment in term 4.

Marvin Selke moved to suspend the \$1000.00 monthly payment for Tucson Speedway and keep the current monthly payment of \$100.00 for the first 2 years of term 3 and that Mr. Lashley pay the attorney's fees that will be required to create the amendment that will be sent to the County. Jim Murphy seconded the motion. The motion carried.

**2. STAFF REPORTS:**

**a. Executive Director**

**i. Projects**

Jon Baker reported that any projects over \$25,000 must be submitted to the County Administrator through Diane Frisch with Pima County Attractions and Tourism for approval. He stated that the planned 2022-23 capital improvement projects are: asphalt, bathrooms, fencing and a sound system throughout the Livestock Barn.

**ii. Interim Events, Calendar, and Contracts**

Jon Baker stated that the new software is being navigated to get contracts out. He said that Julia Casillas is working with Ungerboeck and hopeful to get contracts executed very soon as there have been a lot of requests for 2023 already.

**iii. ARPA Grants**

Jon Baker reported that he was contacted by Diane Frisch and Florina Lopez with Pima County Attractions and Tourism and that the County has received ARPA grant money. The County is giving their leased properties the opportunity to submit a list of projects they would like considered in the ARPA grant. The list of projects will be reviewed in October of 2022.

**iv. Governors Fund**

Jon Baker reported that he attended the Governor's Advisory Committee meeting in August to discuss the Agriculture Promotion Fund budget. He said that the fund is in better shape than it's ever been before because of support from the legislature.

**v. Houghton Road Project**

Jon Baker stated that he continues to meet with Borderland Construction. They are on target to have Houghton Rd. paved by December 2022 and the traffic light at Brekke Rd. and Houghton Rd. will be installed by the end of February 2023, just in time for the Fair.

**b. C.F.O.**

**i. Financial Report**

Courtney Danloe reviewed the fiscal year Financial Report and briefly discussed the Profit and Loss statement for June and July 2022. She reported that the biggest drivers for interim events were the Gem and Jam festival, the FMCA RV Rally and the La Mesa RV shows.

3. **CONSENT AGENDA:**

Marvin Selke asked that **item a.** be pulled from the Consent Agenda for corrections.

**a. Discussion and possible action regarding minutes of the 6/23/2022 regular board meeting.**

Marvin Selke made a motion to accept the 6/23/2022 Board meeting minutes with corrections. Jim Murphy seconded the motion. The motion carried.

4. **OLD BUSINESS:**

**a. Discussion and possible action regarding investment proposals.**

Mark Cowley stated he is not interested in considering new investment proposals at this time, especially with the market volatility. He reported that Courtney Danloe has had trouble with the current banker and she is working on proposals for a new banking company.

**b. Discussion and possible action regarding Education and Facility Utilization Development.**

Jim Murphy reported that the Beef Council, the Arizona Game and Fish Department and JTED are interested in participating during the Fair. Jon Baker spoke about a proposed traveling Agriculture Exhibit which will potentially be receiving funds from other Arizona Fairs.

**b. Discussion and possible action regarding updates on workplace violence and cyber insurance.**

Courtney Danloe is working with Rick Rubner from Lovitt & Touche to get a quote for cyber insurance. He estimated it could cost up to \$15,000. Judy Patrick reported she would like to meet with Courtney and Harrington Technologies to review the Southwestern Fair Commission security checklist.

Courtney spoke about workplace violence coverage. She has received two options. The first is \$100,000 in coverage with a deductible of \$10,000 per event and a premium of \$146,707 and the second option is \$500,000 in coverage with a deductible of \$25,000 per event and a premium of \$26,750. She is going to ask Rick to attend the next Board meeting to explain the current coverage and go over both options in detail.

Florina Lopez reported that Pima County has a Risk Management team that could discuss what cyber and workplace coverage other leased properties have. Jon Baker said he would reach out to other Fairs to see what coverage they have as well.

**The Board took a break at 11:01 a.m. and reconvened at 11:06 a.m.**

5. **NEW BUSINESS:**

**a. Discussion and possible action regarding mountain bike trail at the Pima County Fairgrounds.**

Garrett Ham reported meeting with several mountain bike organizations in hopes that they would be interested in using the proposed trail for future events. He stated that two organizations are interested. One of the two groups has about 500 youth participants and the other would have about 80-100 Cyclocross/MTB racers. He also reported meeting with flood control in regard to building the trail and they don't have any concerns in the development of the trail.

Marian LaLonde made a motion to spend up to \$7,500 to design a trail. Jim Murphy seconded the motion. The motion carried.

**b. Discussion and possible action regarding committee for Pima County Fair Hall of Fame nominees.**

Marvin Selke reminded the Board and Staff that it is the Executive Director's responsibility to annually select three (3) members for the Hall of Fame Selection Committee. The Committee will review all recommendations and may identify additional individuals for consideration.

**c. Discussion and possible action regarding Vail and Corona De Tucson Incorporation.**

Jon Baker spoke about the town of Vail and its intention to impose a sales tax and amusement tax in 2012. He reported that, at the time, he reached out to Chuck Huckelberry and with his hard work and the County's, the boundaries were amended and did not include the fairgrounds. He stated he wanted to make the Board aware that they could be seeking this new tax again with the incorporation. He has reached out to Jan Leshar to see if the action that was approved in 2012 is still in effect.

**d. Discussion and possible action regarding updates to the 2022/2023 Budget.**

Jon Baker asked for approval on additional Capital and Operating Projects which would be added to the 2022/2023 Budget. In addition, he would like to update the Master Plan. Marian LaLonde made a motion to approve the additional Capital and Operating Projects at the discretion of Jon Baker to spend up to \$400,000. Jim Murphy seconded the motion. The motion carried.

**e. Discussion and possible action regarding contribution to employees 401K profit sharing plan. This agenda item relates to employee's salary, compensation, and benefits, and may be discussed in executive session pursuant to A.R.S. Sec. 38-431.03 (A) (1).**

Garrett Ham went over the different scenarios of the profit sharing presented by Courtney Danloe. Mark Cowley made the motion to accept scenario three of the profit-sharing plan. Marian LaLonde seconded the motion. The motion carried.

**f. Discussion and possible action regarding Executive Director bonus. This agenda item relates to employee's salary, 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 to go into Executive Session. Jim Murphy seconded the motion. The Board went into Executive Session at 12:26 p.m. Marvin Selke made a motion to exit out of Executive Session. Mark Cowley seconded the motion. The Board came out of Executive Session at 12:43 p.m.

Jim Murphy made a motion to approve a cash bonus of \$20,000 to be directed to the Executive Director. Alan Levin seconded the motion. Marian LaLonde moved to amend the motion to increase the cash bonus to \$25,000. Mark Cowley seconded the motion. The motion to amend carried. The original motion as amended carried.

- g. Discussion and possible action regarding bonuses to employees. This agenda item relates to employee's salary, compensation, and benefits, and may be discussed in executive session pursuant to A.R.S. Sec. 38-431.03 (A) (1).**

Garrett Ham reminded the Board that since the Covid 19 pandemic started some of the tough decisions made included laying off more than half of our employees and no raises or contributions to the employee 401 Profit Sharing Plan. The employees made sacrifices in accepting increased responsibility and workload. He also stated that with the success of the 2022 Fair and the policy changes due to the pandemic that it is only right to compensate employees as a reward for their extraordinary efforts and continue to give them incentive for future efforts.

Mark Cowley made a motion to approve a cash bonus of \$150,000 to be allocated among employees with Jon Baker's discretion. Marian LaLonde seconded the motion. The motion failed.

After discussion, Marvin Selke made a motion to approve a cash bonus of \$100,000 to be allocated among employees with Jon Baker's discretion. Jim Murphy seconded the motion. The motion carried 6-1.

**6. CLOSING MATTERS:**

**a. Announcements**

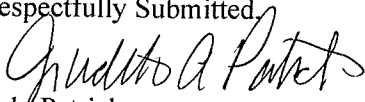
Chris Young announced she will be retiring at the end of the year. Garrett Ham and Marvin Selke, speaking for the entire Board, thanked Chris Young for her dedicated years representing the Southwestern Fair Commission, Inc.

Garrett Ham asked Marian LaLonde to head a committee to secure new legal counsel for the Southwestern Fair Commission and asked Julia Casillas to add this item to the upcoming Agenda.

**b. Adjournment**

Marvin Selke made a motion to adjourn the meeting at 12:52 p.m. Jim Murphy seconded the motion. The motion carried. A meeting of the Pima County Fair Commission was not conducted.

Respectfully Submitted,



Judy Patrick  
SWFC Secretary