

Southwestern Fair Commission, Inc.
Annual Meeting Minutes
January 26, 2023
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, January 26, 2023.

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

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

Others in Attendance: Jeremy Huebner, Tucson Kart Speedway; Bern Velasco, Mesch Clark Rothschild

- a. **Call to Order:** Garrett Ham called the meeting to order at 9:40 a.m.
- b. **Roll Call:** All present, Jim Murphy left at 11:20 a.m.
- c. **Call to the Public:** None

5. **NEW BUSINESS:**

- a. **Discussion and possible action regarding the annual sublease agreement with the Tucson Kart Club, 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 Kart Club was on a year-to-year sublease agreement but have shown interest towards a multi-year sublease agreement, which would entail putting together an agreement with Pima County in the future. He recommended waiting on moving forward with any multi-year agreement since the master plan is set to be updated. The plan was last developed in 2011. The new plan will go over what was previously accomplished and help develop and improve the property in the next 10 years. Jeremy Huebner with the Tucson Kart Club explained why the club would like to pursue the multi-year agreement. He stated that he would like to review the current year-to-year agreement, with the possibilities of adding flat track motorcycles which would increase the tracks participation and possible revenue. Jon recommended getting a letter from the Club's governing body or a Certificate of Insurance that identifies that the flat track motorcycles meet all specifications of the Club's current agreement and are covered under the same policy. If the specifications meet all the requirements, then an addendum would be created and reviewed by the Attorney of the Southwestern Fair Commission, Inc.

2. STAFF REPORTS:

a. Executive Director

i. Master Plan Update

Jon Baker mentioned that the master plan was produced by Populous back in 2011. He is currently working with Populous and will work with staff and the Board on the master plan. Discussion about the recommended strategy on how to redesign the property moving forward, including reviewing the Tucson Kart Club property, will be held at an upcoming meeting.

ii. Pima County Fair 2023

Jon Baker mentioned the Fair was three months away and that Launa Rabago was finishing up on booking concerts. It has been a real challenge as prices have increased.

vii. Houghton Road Project

Jon Baker stated that the Houghton Rd. Project was almost done. A culvert will be installed at the Brekke Gate entrance, along with new lighting and a newly paved road. This will change the traffic plan completely just in time for the Fair and should be way more efficient.

iii. ARPA Grants

Jon Baker went over COVID relief ARPA Grants that were received last year. The County has also received ARPA money this year. The Fairgrounds is a County property therefore any County assets in need of repair should be fixed. He has been talking to asphalt companies who can repair the grounds. The grounds are in need of new lighting and door hardware. They are outdated and need of repair. He said that the Fairgrounds has already been approved to receive the funding. The County will manage the money and the contractors for all the projects.

iv. Tucson Dragway

Jon Baker met with Tucson Dragway and reminded Jim Hughes that their current agreement expires in October 2023. He reminded him that any changes would have to go through the County and could prolong approval of the agreement. He was given no indication that changes would be made. He stated that Matt DeYoung is no longer with Tucson Dragway and has since taken a new position as a manager with the National Hot Rod Association.

v. Tucson Speedway

Jon Baker sent the request for an amendment to their Management Agreement to Diane Frisch and it is still pending with the County Attorney. He is still waiting for a response.

vi. WFA Convention

Jon Baker stated that Courtney Danloe and he attended the Western Fairs Association in Reno, Nevada. It was their 100th Anniversary. They attended several meetings with staff from the Ray Cammock Shows in preparation for the upcoming Fair. Since he hadn't been to a convention in two years it was nice to return.

viii. Interim Events, Calendar and Contracts

Jon Baker mentioned Julia Casillas has been working on the contracts. She recently finished the contract for the Family Motor Coach Association RV Rally that will be held in 2024. It's been executed and signed. Launa Rabago has been booked several new events. Amazon and Jitsu are just two examples of the newest events contracted.

ix. Escapees RV Rally

Jon Baker mentioned the Escapees RV Rally is approaching and will be arriving in March. They are predicting 900-1000 RV's this year. Mark Cowley mentioned his band was playing at the rally on Tuesday night.

b. C.F.O.

i. Financial Report

Courtney Danloe went over the money market and the accrued interest it has earned. She briefly mentioned that the cash flow was under budget. The timing differences is in expenses such as fixed assets and deferred maintenance. They are normally done throughout a 12-month period but because the fairgrounds has gone two years without investing it was required to use the cash sooner. She stated that the cash flow appeared to look impacted. Positively, she mentioned that the revenue that has been made so far this year is higher than years before.

3. CONSENT AGENDA:

a. Discussion and possible action regarding minutes of the 10/27/2022 Regular Meeting Minutes.

Jim Murphy made a motion to approve the Consent Agenda. Judy Patrick seconded the motion. The motion passed.

4. **OLD BUSINESS:**

- c. **Discussion and possible action regarding SWFC committee for new legal counsel and presentation by Bern Velasco with Mesch Clark Rothschild Law Firm.** Bern Velasco, Attorney for Mesch Clark Rothschild presented and summarized his interest in becoming the new Attorney for the Southwestern Fair Commission, Inc. He is a native Tucsonan, has been with Mesch Clark Rothschild Law Firm for 4 years and received his JD, Summa Cum Laude, from the James E. Rogers College of Law at the University of Arizona in 2017. His primary areas of focus include construction, commercial litigation, and appeals in which he represents owners, contractors, subcontractors, businesses, and municipalities. He stated that he was familiar with the open meeting laws, statutes, and the way of conducting business with an organization. On his spare time he likes to relax with his family, compete around the state with the Bicycle Tucson Race Team and enjoys racquetball, podcasts, video games and all things Arizona Wildcats.

Mark Cowley made a motion to recommend that Attorney Bern Velasco, with Mesch Clark Rothschild Law Firm, represent the Southwestern Fair Commission, Inc. Jim Murphy seconded the motion. The motion passed.

- a. **Discussion and possible action regarding Education and Facility Utilization Development.**

Jon Baker discussed working with the Arizona Fairs Association, the Arizona National and the Governor's Fund Committee in building a mobile Agriculture Exhibit. It's set to go into the budget July 1st, 2023.

- b. **Discussion and possible action regarding bank transition and renewal of our revolving credit with PNC Bank or Wells Fargo Bank.**

Courtney Danloe discussed the process in transitioning from PNC Bank to Wells Fargo has not been fully executed. Wells Fargo has addressed some concerns in regards to lack of credit history and they couldn't approve a line of credit at this time. She stated that it's not a good time to transition and we should review this again in late July or August.

5. **NEW BUSINESS:**

- c. **Discussion and possible action regarding payoff of Wastewater Utility Fees.**

Jon Baker briefly went over the Wastewater Agreement and mentioned the connection fee was \$167,000. Wastewater had agreed to defer the payment until Feb 27, 2023.

Suggestions to wait to see how successful the Fair will be is helpful in deciding to pay off the connection fee or make payments within the year since interest doesn't start occurring until then.

6. **CLOSING MATTERS:**

- a. **Announcements:** Marvin Selke on behalf of the Hall of Fame Committee announced that Ed Konrath and Jeff Eppley had been chosen as the 2023 Hall of Fame inductees. He also mentioned the passing of Clifford Kunkle who was a well-known employee of RCS. Jon Baker wanted to inform the Board that Dave Anderson and Chris Pohst who were SWFC past employees had also passed away.

5. **NEW BUSINESS:**

b. Discussion and possible action regarding performance and wage review of the Executive Director. 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).

Judy Patrick made a motion to go into executive session. Jim Murphy seconded the motion. The Board went into executive session at 11:16 a.m. Judy Patrick made a motion to go out of executive session. Mark Cowley seconded the motion. The Board came out of executive session at 11:20 a.m.

Break out 11:20 a.m.

Break in 11:25 a.m.

Mark Cowley made a motion to approve Jon Baker's salary increase that was discussed in executive session. Marvin Selke seconded the motion. The motion passed.

7. **CLOSING MATTERS:**

a. Announcements:

Courtney Danloe introduced Christel Bougueng. Christel has been with the Southwestern Fair Commission a couple of months and has taken over the bookkeeping position.

8. **ANNUAL AGENDA:**

a. Discussion and possible action regarding electing new officers of the Southwestern Fair Commission, Inc. Marvin Selke moved to reelect the current officers of the Southwestern Fair Commission nominating Garrett Ham to be President, Judy Patrick to be Secretary, and Mark Cowley to be Treasurer. All were elected by unanimous vote.

b. Adjournment: Judy Patrick moved to adjourn the meeting at 11:42 a.m. Mark Cowley seconded the motion. A meeting of the Pima County Fair Commission was conducted following the SWFC meeting.

Respectfully Submitted,

Judy Patrick
SWFC Secretary