

Southwestern Fair Commission, Inc.
Regular Meeting Minutes
October 27, 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, October 27, 2022.

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

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

Others in Attendance: Chris Young, Young Law Firm; Susan Vos, RCM CPAS and Jeremy Huebner, Tucson Kart Club.

- a. **Call to Order:** Garrett Ham called the meeting to order at 9:34 a.m. followed by the pledge of allegiance.
- b. **Roll Call:** Marian LaLonde, Absent
- c. **Call to the Public:** None

5. New Business:

a. Discussion and possible action regarding the Audit Reports for the fiscal year.
Susan Vos went over the Independent Auditor's Report and Financial Statements. She highlighted the key factors in assumptions and determined there were no significant difficulties encountered during the Audit and no disagreements with management. She recognized the new Chief Financial Officer, Courtney Danloe, and complemented her on the smooth transition this year.

Mark Cowley made a motion to approve the Audit Reports for the fiscal year ending June 30, 2022. Judy Patrick seconded the motion. The motion passed.

2. Staff Reports:

a. Executive Director

i. Master Plan Update

Jon Baker reported that he had reached out to Populous and was working on updating the Master Plan. He stated that reviewing the plan itself will take some thought as there are some areas that need to be addressed and what could be developed with the new Master Plan.

ii. Interim Events, Calendar, and Contracts

Jon Baker mentioned that Julia Casillas is working diligently with the new Ungerboeck software and creating contracts for 2023. She has had a ton of training and is working hard to get contracts done for next year.

iii. Pima County Fair 2023

Jon Baker mentioned the new roles that staff had taken on during the Pima County Fair 2022, recognizing Julia Casillas and Courtney Danloe. He also mentioned, on behalf of the staff, they were very appreciative of the Board and what they had authorized. He stated that Launa Rabago is now working on booking concerts for 2023.

iv. Governors Fund

Jon Baker reported that the Governor's Committee meeting was cancelled but that he had spoken to a few members regarding forming a strategy and allocating the funds towards the traveling Agriculture Exhibit. He stated that it could be challenging because the budget needs to be set and the needs identified as well as who is responsible for transporting the exhibit.

v. ARPA Grants

Jon Baker followed up with Diane Frisch and stated that the ARPA Grant received before was on the operational side of things and now focused on the maintenance side of things. He mentioned sometime in the next few weeks the Facility Department from Pima County will come out and evaluate the repair of asphalt and cracks to budget for the Grant.

vi. Houghton Road Project

Jon Baker reported that the Houghton Rd. Project is targeted to be completed by December 31, 2022.

Garrett Ham asked that item c. be pulled from the Consent Agenda for an individual decision.

3. Consent Agenda:

c. Discussion and possible action regarding the annual sublease with the Tucson Kart Club, Inc.

Jon Baker reported that Jeremy Huebner, the President of the Tucson Kart Club, had expressed interest in taking his one-year license agreement and turning it into a multi-year license agreement. He mentioned the reason for the Board's consideration would be to make improvements on the property but, to do improvements, the Club would have to invest. This is worrisome as they are only on a year-to-year license agreement. Jeremy mentioned he was in contact with a Motorcycle Club based out of Phoenix and they would use the track about twice a month and give all revenue back to the Club which would be very helpful. He would like to add the motorcycle racing to the agreement. Jon mentioned that Jeremy was aware of the Master Plan updates and the desired changes to his sublease agreement could be delayed.

Marvin Selke made a motion to approve the annual Sublease Agreement with the Tucson Kart Club. Mark Cowley seconded the motion. The motion passed.

3. Consent Agenda:

- a. **Discussion and possible action regarding minutes of the 8/25/2022 board meeting.**
- b. **Discussion and possible action regarding the annual sublease with the Pima County Junior Livestock Sales, Inc.**
- d. **Discussion and possible action regarding the annual reporting to Pima County.**
- e. **Discussion and possible action regarding the Federal & State Tax returns for the fiscal year 2021/2022.**
- f. **Discussion and possible action regarding setting the date for the Annual Meeting for January 26, 2023, and subsequent tentative regular meetings for the calendar year.**

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

b. C.F.O.

i. Financial Report

Courtney Danloe went over the Financial Report focusing on the Cash Flow, Balance Sheet, and Liabilities of Southwestern Fair Commission.

4. Old Business:

a. Discussion and possible action regarding investment proposals.

Mark Cowley mentioned that there would be no investment proposals at this time.

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

Jim Murphy is still waiting to receive a response from several Education committee members.

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

Courtney Danloe reported she was working with Rick Rubner from Lovitt & Touche and found it was unnecessary to purchase additional insurance for workplace violence because any actual liability is fully covered already with the current insurance in place. She did mention working with Tim O'Brien the Cyber Specialist, Judy Patrick, and Rob Harrington with Harrington Technologies on the Cyber Insurance requirements since almost all current and forthcoming software's are cloud based and it doesn't hurt to have the additional protection.

Judy Patrick made a motion to approve the proposed Cyber Insurance called Coalition Admitted with a premium total of \$4,538 for the year. Mark Cowley seconded the motion. The motion passed.

d. Discussion and possible action regarding START TUCSON Corporation's, operating Tucson Speedway, request for modification to their Management Agreement. 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 reported that he reached out to Diane Frisch with Pima County, and she mentioned that the addendum hadn't been placed on the Board of Supervisor's Agenda yet and he was waiting to hear back from her.

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

Garrett Ham mentioned putting the mountain bike trail on hold for the time being and the cost of the bike trail could be more than anticipated.

5. New Business:

b. Discussion and possible action regarding status of Blue Bayou Motorsports Park LLC's, operating Southwestern International Raceway, Management Agreement, and request for modification to the Management Agreement. 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).

Judy Patrick made a motion to go into executive session. Jim Murphy seconded the motion. The Board went into executive session at 11:37 a.m. Judy Patrick made a motion to go out of executive session. Jim Murphy seconded the motion. The Board came out of executive session at 12:19 p.m.

Mark Cowley made a motion "I move to recommend Jon Baker negotiate an agreement along the terms discussed in executive session". Marvin Selke seconded the motion. The motion passed.

c. Discussion and possible action regarding the employee handbook.

Courtney Danloe proposed starting January 1, 2023, both salary and full-time hourly employees will accrue vacation based on hours worked, they also will be allowed to cash out their vacation if necessary.

Marvin Selke made a motion to accept the proposed changes to the employee handbook. Mark Cowley seconded the motion. The motion passed.

d. Discussion and possible action regarding the 401K plan.

Courtney Danloe proposed to change the 401K plan contribution to allow employees to invest earlier.

Mark Cowley made a motion to accept the proposed changes to the 401k Plan allowing staff to contribute after one year. Judy Patrick seconded the motion. The motion passed.

e. Discussion and possible action regarding the restricted fund policy.

Jim Murphy made a motion to approve the restricted fund policy. Alan Levin seconded the motion. The motion passed.

f. Discussion and possible action regarding document retention policy.

Courtney Danloe mentioned that there is not a formal document of the retention policy, even though the proper procedures have been followed. She recommended a paper document for employees to follow be set in place.

Jim Murphy made a motion to accept the document retention policy. Mark Cowley seconded the motion. The motion passed.

g. Discussion and possible action regarding the investment policy.

Courtney Danloe is still working with Mark Cowley on drafting an investment policy.

- h. Discussion and possible action regarding future profit-sharing contributions.**
Marvin Selke made a motion "I move that each year the total amount of discretionary contributions or percentage of revenue applied for discretionary contributions, will be evaluated by this Board and determined annually given the unique circumstances of that year". Jim Murphy seconded the motion. The motion passed.
- i. Discussion and possible action regarding the million-dollar restricted fund.**
Marvin Selke made a motion " I move to set aside one million dollars for the restricted funds policy for the use as startup funds for the Pima County Fair". Mark Cowley seconded the motion. The motion passed.
- l. Discussion and possible action regarding the process for renewal or replacement of Board seat(s) expiring on 12/31.**
Marvin Selke made the motion "I move to recommend to the Pima County Fair Commission the names of Alan Levin and Jim Murphy to be reappointed to the Pima County Fair Commission seats which they currently hold and expire on December 31, 2022". Judy Patrick seconded the motion. The motion passed.
- m. Discussion and possible action regarding SWFC committee for new legal counsel.**
Marian LaLonde will bring recommendations to the next board meeting.
- j. Discussion and possible action regarding bank transition to Wells Fargo Bank.**
Courtney Danloe addressed some concerns she was having with PNC Bank. She mentioned she reached out to several banks and Wells Fargo Bank was by far the best in infrastructure, skills, and customer service. Moving to Wells Fargo will also eliminate the excessive credit card fees the fairgrounds currently accrues with PNC Bank and the square system.
- Judy Patrick made a motion to transition to Wells Fargo Bank. Mark Cowley seconded the motion. The motion passed.
- k. Discussion and possible action regarding the renewal of our revolving line of credit with PNC Bank or Wells Fargo Bank.**
- Judy Patrick made a motion to pursue a million-dollar line of credit with Wells Fargo Bank. Jim Murphy seconded the motion. The motion passed.

6. CLOSING MATTERS

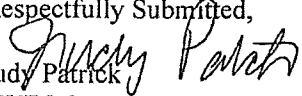
a. Announcements

Jon Baker thanked Chris Young for her years of service with the Southwestern Fair Commission.

b. Adjournment

Judy Patrick made a motion to adjourn the meeting at 1:01 p.m. Jim Murphy seconded the motion. The motion carried. A meeting of the Pima County Fair Commission was conducted following the SWFC meeting.

Respectfully Submitted,


Judy Patrick
SWFC Secretary