

**NEW MEXICO STATE FAIR COMMISSION**  
**MINUTES**  
**OF THE REGULAR COMMISSION MEETING**  
**THURSDAY, APRIL 9, 2015**  
**ALICE K. HOPPE AFRICAN AMERICAN PAVILION**  
**300 SAN PEDRO NE**  
**ALBUQUERQUE, NEW MEXICO**  
**11:00 A.M.**

**Call to Order** by Chairman Kennedy at approximately 11:05 a.m.

**Commission Roll Call** – Commissioners present:

Chairman, Larry Kennedy  
Secretary-Treasurer, David “Hossie” Sanchez  
Commissioner Chuck Brown  
Commissioner William “Bill” Lee  
Commissioner Xavier Jurado (telephonically)

**Pledge of Allegiance:** Led by Chairman Kennedy

**Staff present:**

Dan Mourning, General Manager  
Erin Thompson, Media Director  
Bill Nordin, Chief Financial Officer  
Ken Salazar, Operations Manager  
Sally Mayer, Senior Manager  
Sabrina Garza, Events Director  
John D’Amato (counsel)  
Candace Sena, Media Assistant

**Members of the Public present:**

Dupuy Bateman  
Rick Nathanson (Albuquerque Journal)

**Action Item:** Chairman Kennedy asked if there was a motion to approve the agenda. Commissioner Lee made the motion, which was seconded by Commissioner Brown, and passed unanimously.

**Action Item:** Chairman Kennedy asked if there was a motion to approve the minutes of the January 5, 2015 commission meeting. Commissioner Sanchez made the motion, which was seconded by Commissioner Jurado, and passed unanimously.

**Public comment:** NONE

Chairman Kennedy advised that the next item was the Chairman's Agenda.

Racing commission report – Commissioner Sanchez talked about the schedule for the Downs/State Fair Horse races and advised it will be a split meet this year. The Downs is ready to start next week on April 17<sup>th</sup> and then again with the State Fair meet beginning on September 11 running every day through the 27<sup>th</sup> of September. He advised this is not new but rather the way it was for years and we are once again back to original way. Commissioner Sanchez advised there is going to be a meeting at the Racing Commission with state fair management and counsel with their staff to go over our meet and exchange information and see where we are. Chairman Kennedy asked if the meeting was on April 14 and Mr. Mourning responded that it was and that the meeting would be held at the Racing Commission. Commissioner Sanchez stated that the Downs on the back side is looking nice. They have moved in horses as of last Thursday and they are doing a good job and everyone is excited. Spring is good for racing and the horses are fresh.

Chairman Kennedy asked if there were any questions and there were none. He asked if there were any other committee suggestions/need for other committees. There were none. Chairman Kennedy advised that we are in good shape planning for Fair and if anything comes up to let folks know and we will make it happen.

Chairman Kennedy moved onto the State Fair Management Report.

Commissioner Sanchez stated that the new State Fair logo was beautiful and Commissioner Lee agreed. Mr. Mourning addressed the logo and said it was "very 2015" but still holds true to our history and tradition. He thanked media staff who worked with the website designer to come up with the design. The team worked hard and invested numerous hours and we have received favorable comments as well. Chairman Kennedy advised the commission and attendees to check out the new web page and indicated that everything pops, it looks professional and works smoothly while giving the impression of a 2015 website. Mr. Mourning agreed indicating this is our best communication tool to the free world and to folks around the country as well as locally to let them know what is happening. He explained there is a splash page to navigate to both sites and it is very well done. The new site went live in March (for EXPO) and last week (for the Fair site). We are very excited and receiving very favorable comments. He thanked Erin (Thompson) and team, especially Candace (Sena) for her work on the site. He explained that Candace started as an intern in high school and has furthered her education and done great work with surveys and the media department in general. She heads up social media which is an important aspect of fair. Commissioner Lee asked if there is their mobile site. Ms.

Thompson responded that yes there is and Ms. Sena advised there is not an ap yet (but there is the capability). Mr. Mourning advised that we are also working on a new expo logo.

Mr. Mourning talked about the legislative session, advising that only one bill would have affected the Fair, relating to noise control but it didn't make it to floor. We are already voluntarily doing essentially what the bill called for anyway. The Fair's big thing was the capital bill which died before session closed. We will see what transpires but we have contingency plans moving forward. We have typically anticipated these types of things so we are always prepared. Our initial request included \$11.5 million but then the senate brought it down to \$4.5 million. When he first got to the job as manager in March of 2011, the session was about to end and there was no capital for the Fair that year. We were dealing with pennies and didn't receive any more until later. We made it work although our needs are great as it relates to the infrastructure. We are working to address these as we get funding, based on greatest need. It would have been nice to have a kick start in order to be proactive but it just means we will have to be more reactive. Repairs we have already done relating to sewer, water, gas etc have done have helped with needs but we still have roof needs and we will have to repair rather than replace. There is a misperception of doom and gloom but we can assure you that Tingley is not about to fall down - we have done significant upgrades and we brought national televised UFC to the venue. UFC chose us and they are very discerning. While losing the national youth Arabian show was disappointing, the sole reason they went was because of \$100 million in upgrades to State Fair Park in Oklahoma City. If we want to draw those events we have to have upgrades as well. We are becoming very creative and we are looking at other events to fill that time. We have a major motion picture coming to Tingley and Duke City Gladiators football is playing there now, which is entertainment that is awesome for families. We have many events coming and inquiring and we are busier than ever. The philosophy used to be to sit and wait for a call but we are now aggressively going after events. Our staff is great - Shannon (Jacques), Ken (Salazar) and Sabrina (Garza) are doing an excellent job to make sure we are viable and competitive.

Mr. Mourning stated that we are excited to announce our new carnival operator, Reithoffer Shows, which is one of the largest in the country. They predominately operate back east but are branching into the west with our Fair for the first time. It is a great contract and the evaluation committee did an admirable job. They did their due diligence researching and ranking and made a great decision. We are looking at contracts as partnerships to make things better and grow with us. The Fair is a great event and people love it with half a million people attending. A couple of years ago we were 50<sup>th</sup> among fairs and festivals and now we are 40<sup>th</sup>. Big operators want to be part of our business. Formerly we were receiving a 33% split on gross ride revenues and with the new contract we will receive 45%, as well as \$25,000 for advertising. That funding is not just for the midway but for the entire Fair. The contract also requires

\$25,000 to the Fair for capital improvements as we see fit. Reithoffer wants to partner to make our Fair better. Their rides are significant and they have a first class operation. They are environmentally efficient with LED lights, low electricity and generators. It is a great contract and they are easy to work with. Mr. Mourning said he took a team to Florida (Collier County) and they were very impressed. Of great importance is the minimum net of \$700,000 profit to the Fair which we required in contract.

Mr. Mourning stated that we are excited about race meets. People are looking for something to do and races add to the experience. There have been vast improvements to the back side such as drainage improvements, asphalt work and we have worked together with the city on EPA issues.

We are a very viable entity - we had over 7,600 attendees at WWE. Chocolate and coffee was featured in the New York Times and had 16,000 attendees. We are doing well and getting better events. We have turned the infield into a revenue generating place with the Rio Grande Arts and Crafts Festival and others looking at potential use, such as a driving experience course. These events are good revenue generators making our property even more viable. We have State Fair 4 H Rodeo right before Fair and will have another exciting announcement toward June for significant things representing one of our great industries and agriculture.

For the Fair event itself, Mr. Mourning explained that we are a month to two months ahead of schedule. We have all but one concert/rodeo verified. Promotions and spectaculars are on track, including bringing back the diver as well as new attractions such as Olate dogs which are rescue dogs which have been featured on Americas Got Talent. We will have a complementary event for dog adoptions as well which is scheduled for the last weekend of Fair. This year we will have a sea lion exhibit which we have not had in a long time. This is a responsible, educational exhibit from the University of California. There will be new things in the Indian Arts parking lot and we plan to increase educational value including on the north end. The horse show schedule and livestock schedule have been up online for a while. We are very much ahead of last year and years past. Thanks to Sally (Mayer) for the schedule and kudos to Ken (Salazar) for searching for new events and ensuring that rodeo is better than ever. Partnerships for advertising and marketing will once again include Walgreens and Pepsi. We are working with Walgreens on the presale which was a huge success last year and brought people from all over the state. We are excited to continue partnering with UNM ticketing again. Advertising and marketing is well ahead of schedule as well.

Commissioner Jurado asked about karaoke and expanding locations, which the Fair is working on. It proved to be a popular event. Mr. Mourning stated that Bill (Nordin) is working with the carnival on their promotions to make sure we get lots of New Mexicans to the State Fair. Mr. Mourning gave credit to Sally (Mayer) for her efforts with the Flea Market and with the

introduction of a one dollar admission fee. For those coming in on the Central Avenue side we have offered free parking. That has generated over \$70,000 since December. The Flea Market is growing. Kudos to Sally and Gabe (Garcia). We have new things in the works there also. Mr. Mourning offered to answer any questions.

Commissioner Lee thanked Dan and staff for working hard and acknowledged that it is great to see EXPO used year-round as we can't do it with just one event a year. He stated that the carnival contract was good for everyone so good job. With regard to capital outlay, Commissioner Lee asked is there anything they can do to help open doors and find common ground to help us with our financial obligations. He asked if we should attempt to lay ground work with legislators to ask for recurring funds. Mr. Mourning responded that we are at a critical crossroads in which we have turned the financials around but moving forward, what is next step? While we aren't a city property, but rather a state entity governed by the commission but we do have to realize we aren't an island in the metro area. We are a partner with the city and would like to see that expand and make sure people realize we are a viable economic engine and the largest employer in an economically challenged district. The Downs is also a player and people shouldn't discount what we contribute. The people of New Mexico deserve a State Fair Park like Oklahoma City's. We have received great press and local bloggers have commented about a new arena. It is time to stop talking and decide if it is what we want (a state of the art, top notch events center). Mr. Mourning stated that he has teenagers and he asked what are we leaving for them. We want to make sure the Fair goes on for the next 75 years. It's not just about being an economic development driver but also a quality of life issue. Let's give folks something to do. The Fair needs a facility conditions assessment but also master plan of the campus. We developed plans in 2007 and 2009 and it is time to revisit. We have a 25 year lease now with the Downs. Knowing that let's look at the property and how can we make it better. We should look at public-public partnerships, creative financing, and bonding opportunities. The Governor supports the Fair. We need to look at what the future holds and get with the decision makers in the public and private sector to let them know we exist, we matter, and the people of New Mexico love their Fair and like it where it is.

Chairman Kennedy asked if the Fair will be doing the kids carnival again. He said lots of kids and parents utilized the rides, especially where it was located in the heart the Fair near Lujan and the North end. Mr. Mourning advised that it was not the plan for this year as Reithoffer has a different layout and we can't compare to the old set up as it wasn't just for convenience but some folks were scared of the midway. However it is a new environment at the midway now and Reithoffer is making it even better with plans for seating and shade, etc. We will send the commission the official layout. This year the seal exhibit will take up some of that space as well. We are always a work in progress so we will see what folks are clamoring for but give the carnival the opportunity to prove it will work as they have a spectacular kids operation.

Chairman Kennedy stated that along lines of what commissioners can do, he asked how can we get more legislators to come to Fair. He thinks it would be very useful to have them go to the rodeo, see inside Tingley and wants to come up with ideas of how to get them out from every area of state. Perhaps we can create allies for our capital and we should brainstorm how we can get them out there. Commissioner Jurado agreed, and thought it was a great idea to get them tickets and free passes. Commissioner Lee said last year he extended invitations to all of them in the Northeast corner but putting something physically into their hands might help. We could invite them out on specific days, target getting 20 of them to attend, but also extend the invitation beyond that date as well. Commissioner Brown added that they may be interested in being out here on different days and we should try to have at least a few theme days such as agriculture, Native American days, where we celebrate and have receptions that day or night before rodeo. For those in districts that have commissioners, we should have stuff in our pockets to hand out. Commissioner Lee said that was a great idea and we need to do more, such as placing tickets in their hand with a schedule of day by day events and ask them to let us know when they're coming. Commissioner Brown suggested recognizing them at the rodeo and to insert into the flow of the rodeo. Commissioner Brown advised he is willing to head up a group to explore the idea. Chairman Kennedy agreed and asked Erin, Ken and Sabrina to help do what we can to get them out here to see what is going on and to see the good as well as the challenges, such as a day when we have roto rooter out and what we have to go through and provide a first-hand idea/feel for what goes on during fair and that this is a great place to be. Mr. Mourning agreed, stating that was absolutely right and a good idea to drive people to recognize what we do out here. He said there are great opportunities with the rodeos, concerts etc. He advised we can entertain whatever the suggestions are and to work with Erin on this as it is in her wheel house. He appreciates the support.

Chairman Kennedy said the city just approved spending bonds on rapid ride and he hopes the commission can get notification of how it affects central at the fairgrounds, as well as how it affects Flea Market and that he hopes management will have a dialogue with them about their plans. He said he hopes the city is having those discussions with businesses as well. If rapid ride makes it harder to get here, we may lose those folks and we must be conscious of their plans. Mr. Mourning advised that we have had talks with the city about Bus Rapid Transit and he has told them our challenges and they are addressing them. He stated that when we are more firm on their plans, we will bring it to the commission. He agreed that we want to make sure we are enhancing access to the Fair with the new bus service as well as vehicle and pedestrian traffic. We were waiting for the plan to be passed before we went further but now we can have discussions but he assured the commission that Ken and his team have been working on this.

Commissioner Kennedy asked about the progress of the Downs at the grandstand and green space link between the casino and the grandstand. Mr. Mourning said they have had meetings with Blanchard (Downs) and John D'Amato (State Fair counsel) and discussed issues and there has been progress. They have a lot of challenges in that there was not great record keeping relating to the grandstand so those things are being produced. Dale Dekker (architect) has been working on an initial proposal. It is exciting and the plan includes reduction and expansions as needed which creates nice areas for different events as part of a redesign of grandstand. He said we will make sure commissioners get a hard copy when it is ready. Chairman Kennedy asked Mr. Mourning to stay on them "like flies on fly paper" as he would like to see progress.

Chairman Kennedy asked if 4H Rodeo was coming back and Mr. Mourning responded that state finals were returning and that they met with Rick who represents 4H Rodeo. They are bringing in families pre fair and encouraging folks to come to the pre fair horse show as well. The horse shows are so big we have to extend hunter jumper outside of the Fair. There are new things we are working on which we may be able to discuss for the next meeting. He indicated support for 4H stating that the industry is hurting and it is hard for kids now.

Chairman Kennedy asked if there were any questions or comments before moving on to the financial report. Dan noted that commissioners received the financials and asked if they had any questions for Bill Nordin.

Commissioner Brown said that with the new accounting system it looks like things have been moved around and asked to be reminded what "building rent to others" is. Mr. Nordin advised that any building EXPO rents to another party is "rent to others," such as Tingley Coliseum for UFC. Commissioner Brown asked about a drop in revenue and Mr. Nordin explained that you have to look at the line item before. A specific category looks one way for one year and different for the following and it takes a year or two to get those categories right because we don't match completely with state accounting. Commissioner Brown asked about other contracts/expenses which makes up ¼ of expenses and inquired if we can generate more detail as he assumes there is a lot that goes into that category. Mr. Nordin advised that the Fair is moving away from personal services contracts and moving that information into the "other" category. Commissioner Brown asked for an example of what goes into the category and Mr. Nordin advised a good example was a performer for fair or any contract of that nature that we write. Commissioner Lee asked if that was for both during and outside of Fair time and Mr. Nordin said yes.

Chairman Kennedy asked about income in that there are three "others" categories and asked what "others" includes. Mr. Nordin said we can provide more detail for some of these. He explained that one problem with share is that a lot of their categories don't fit our business.

Mr. Nordin said he will make sure we have accurate information and will get back to them. Mr. Mourning advised that previously it made sense with Mass 90 but SHARE doesn't have the same categories and can't handle the volume of accounts that we have. He said that if they don't have it they add "other" but we do have the detail we can get to you. Chairman Kennedy indicated that they would like to see what "other" means to understand what comes in and what goes out as far as expenses. He asked about page 2 "auto and aircraft" and Mr. Nordin answered that is for mules (vehicles) purchased by the Fair. Mr. Nordin said we have more trouble with the expense side than the income side. Chairman Kennedy stated there are a couple of categories with increases over last year and Mr. Mourning explained that in terms of travel, staff has attended a lot of other fairs and conventions such as IAFE etc. We have been looking at carnivals in preparation for our RFP etc. and checking to make sure we are doing things right. Chairman Kennedy agreed that those things are necessary and we need to know what happens elsewhere so we can get more folks to come here and spend money. Mr. Mourning thanked the commission for acknowledging the need and that staff must also learn by going to other fairs as well. We are bringing back good ideas and other fairs come see us as we are doing some things for first time in the country. Different types of staff need to be able to travel, such as our procurement manager who needs to understand how best to draft the RFP for example. It is important that we learn our craft.

Chairman Kennedy asked if there were any other questions or anything to add. Mr. Nordin reminded the commission that we are on a cash basis, not accrual and that we are doing great this year.

Chairman Kennedy added that for Fair, we should have a mobile application as well if we could work on something like that so people know what is happening. Mr. Mourning responded that we have had it in the past but there is a great deal of expense but we are looking at alternatives that may work. Mr. Mourning advised that we are also looking at wayfaring and signage as well for all events but we recognize that the mobile ap is a good tool. Chairman Kennedy gave kudos to Flower Arts Building which he said looks amazing. Mr. Mourning commended Ken (Salazar) and Gary Zink, our new capital director. He stated that tomorrow John Jaramillo (deputy director) is leaving to take on new challenges at CYFD – he has been here from the beginning and an integral part of our operation and we wish him the best and appreciate his service. He said more projects are coming online such as getting digital signs boards in the next couple of weeks. Gate 4 and Gate 8 are being redone and we are making infrastructure improvements for more leasable space and to create a better experience for patrons. He said the best is yet to come and gave kudos to staff.

Chairman Kennedy asked for a discussion of the next meeting date which he said would probably be in July, perhaps on a Wednesday or Thursday depending on what is best for

commissioners. There was a discussion of a possible July 15 date but ultimately the 22<sup>nd</sup> was decided upon as the tentative date for the next meeting. Chairman Kennedy stated that if commissioners have things for the agenda to let him know.

**ACTION ITEM:** Commissioner Lee moved to adjourn and Commissioner Sanchez seconded the motion with all voting in favor. The commission meeting adjourned at 12:08 PM.