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Minutes

State Fair Commission Regular Meeting
January 3, 2022
African American Performing Arts Center
300 San Pedro NE – NM State Fairgrounds
Albuquerque, NM
11:00 A.M. – 1:00 P.M.

11:00 A.M.

1. Call to Order: The meeting was called to order at 11:02 am.
2. Roll Call: Michele Clement called the roll.
The following commissioners were present:
Chairman Eric Serna
Commissioner Benny Roybal
Commissioner Carol Cloer
Commissioner Larry Chavez
3. Pledge of Allegiance: Pledge of Allegiance was led by Commissioner Carol Cloer.
Chairman Serna asked if the Salute to the New Mexico State Flag could be included during this portion of the agenda.
Salute to the state flag:
I salute the flag of the state of New Mexico and the Zia symbol of perfect friendship among united cultures.
4. Introduction of Guests: Katy Lente, Oveja Project.
5. Approval of Agenda: the agenda was approved on a motion from Commissioner Roybal, seconded by Commission Cloer, all voted in the affirmative.
6. Approval of Minutes of July 9, 2021 Regular Meeting: the minutes for the July 9, 2021 regular meeting were approved on a motion from Commissioner Cloer, seconded by Commission Roybal, all voted in the affirmative.
7. Public Comment:
Katy Lente thanked the commission for allowing her to introduce them to the Oveja Project, which is a group that represents the sheep industry of New Mexico and to present a plan for a new show during the Annual Event. Ms. Lente continued by explaining that the Oveja Project

works with all aspects of the sheep industry. The Oveja Project is made up of four divisions: wool, meat and milk, education, and, communication.

Ms. Lente continued by stating that the Oveja Project would like to propose a plan to re-introduce sheep breed shows during the New Mexico state fair in a different way.

They would like the new show to take place in the Jr. Livestock Pavilion for three days during the Annual event, (potentially September 16,17,18). The footprint of the show would include the eastern portion of the Pavilion, the show ring, restrooms, and cabinetry with Fair approval.

The show would include an historic perspective of sheep in New Mexico. Ms. Lente explained that New Mexico was the first place in the USA to have sheep, which began with Onate in 1598 and blossomed from there. New Mexico has blood lines from the original sheep, known as the Navajo Churro Sheep. The show would also showcase other breeds specific to New Mexico.

The Oveja Project has buy-in from 3 breed associations: the Navajo Churro Sheep Association Navajo, the Sheep is life Association and, The Debouillet group.

They also have buy-in from an international group and the Livestock Conservancy. All of the Associations will be invited and expected to provide representatives, to display their product at a booth during the show. Additionally, the breed associations will provide awards for wool shows and, special awards for the conformation process.

Ms. Lente continued by stating that this show would also dove-tail with the Sheep to Shawl event that occurs every year at Fair. The Oveja Project and Las Aranas have a very good working relationship and the new show would enhance that partnership.

The new show would invite juried vendors, who would be expected to showcase their work in an educational format during the show and allow public participation. The breed shows and wool shows would be required to show their end product to the public as well.

The proposed new show would not a part of the Jr. livestock show, but representatives from the Oveja Project could assist with that event if needed. The goal would be to draw more people to north end of fairgrounds.

Ms. Lente stated that the Oveja Project believes this is a fresh way to showcase the sheep industry in New Mexico. The group is ready to go, and has a plan along with a layout to present to management of the New Mexico State Fair. The group will follow all rules and procedures set forth by New Mexico State Fair. The Oveja Group has a good relationship with the livestock board to address any health regulations. They also have judges, ring stewards, and some awards. The group would ask the New Mexico State Fair to provide ribbons.

The organizers of the show would want three years for exploration, experimentation and critique. The group would ask the Fair to provide the space and logistical assistance for three years at no cost for all participants. If necessary, a small entry fee would be fine, but would ask that it be small to accommodate remote participants that might not be able to otherwise afford to attend.

The Oveja project asks for positive communication and promotion of this show and requests positive logistical support to be able to comply with the rules, regulations and expectations of the New Mexico State Fair.

Ms. Lente then open the floor for questions and comments:

Commissioner Cloer stated that she thinks this is a great idea and asked about the Oveja Projects' relationship with Navajo sheep herders. Commissioner Cloer added that she would suggest that the group present this plan to the Navajo tribal council. Ms. Lente agreed and stated that the group could do that.

General Manager Mourning stated that the Fair does have the room for this type of show and he thought that the show could work on the last weekend of the Annual Event. Mr. Mourning added that he would like to meet with the group to review their plan and work out the logistics. Dan added that anytime a group of folks bring a plan that would enhance the north end and the agriculture and livestock component of the Fair, that is something that he would like to explore. Commissioner Roybal asked how many vendors would be present? Ms. Lente stated that they anticipate about 20- 25 vendors. Commission Roybal asked if there would be sufficient room to accommodate that many vendors. Commission Roybal also asked if the vendors work would be available for purchase to the general public. Ms. Lente stated that yes, the vendors could sell their work to the general public.

Commissioner Chavez asked if the vendors would be required to pay a fee? Ms. Lente stated that the Oveja Project would like the vendors to not be required to pay a fee for three years. Commissioner Chavez asked what the cost to the Fair would be to put on this show? Ms. Lente stated that the cost to the Fair would be for the space, parking, logistics, ribbons/trophies. Commissioner Chavez asked that a cost analysis for this show be done.

Commissioner Chavez the asked if this group was a non-profit group? Ms. Lente stated that the group was not a non-profit, and that the financial executor for the Oveja Project is the New Mexico Livestock bureau. The Oveja project hosts other events such as the "Make it with Wool event", and other contests for anything made with fiber of wool and/or sheep. The Oveja Group also has a sheering school, which will be offered again this March. The largest project of the Oveja Project is a two- year internship designed to train spinners and weavers so that they are ready to utilize products for specific producers.

Commissioner Chavez stated that he also thinks this is a great project but is worried about the cost to the Fair.

General Manager Mourning stated that he would need to sit down with the Oveja Project and his staff to assess the cost to the Fair. Mr. Mourning invited Ms. Lente and her group to visit with fair team in the near future.

Commissioner Roybal stated that he had concerns about a three- year commitment. He thought that the Fair should look at a one-year commitment and then re-evaluate the show after the first year to see if it is a viable endeavor. After the re-evaluation the Fair may extend for the additional two years. Ms. Lente stated that an evaluation of the event is in the plan, which would provide the need the information to make the show better each year and build over three years.

Chairman Serna then stated that he had heard Ms. Lente say that the project had the buy-in of three associations, is that state-wide? Ms. Lente stated that it was state-wide as well as having buy-in from an international association as well. Chairman Serna then added that his family had been in the Sheep business for years and he had great memories of his families' involvement in

that industry. Ms. Lente stated that it would be interesting to collect sheep related stories and photos from New Mexicans to display during event.

Ms. Lente then introduced Dr. Alex Eckhoff who is a part of the Oveja Project and is a Veterinarian with the New Mexico Livestock Board.

Chairman Serna thanked Ms. Lente and Dr. Eckhoff for presenting the project to the commission and that the commission would take this request under advisement.

Commissioner Roybal stated that the discussion of this presentation should be tabled until the group meets with Fair management and staff and a cost analysis has been done.

8. Approval of Annual Open Meetings Resolution: the 2022 Annual Open Meetings Resolution was approved on a motion from Commissioner Roybal, seconded by Commissioner Chavez, all voted in the affirmative.

9. Election of Officers: Chair, Secretary-Treasurer

Chair State Fair Commission:

Commissioner Serna asked for nominations for Chairman of the State Fair Commission.

Commissioner Cloer made a motion to nominate Commissioner Eric Serna for Chairman of the State Fair Commission, Commissioner Roybal seconded the motion.

Commissioner Serna called for a vote on the nomination for Eric Serna for Chairman of the State Fair Commission, all voted in the affirmative.

No other nominations were made at this time. Commissioner Serna was elected Chairman of the State Fair Commission.

Secretary-Treasurer State Fair Commission:

Chairman Serna asked for nominations for Secretary-Treasurer of the State Fair Commission.

Commissioners Cloer made a motion to nominate Commissioner Roybal for Secretary-Treasurer of the State Fair Commission, Chairman Serna seconded the motion.

Chairman Serna called for a vote on the nomination of Benny Roybal for Secretary/Treasurer of the State Fair Commission, all voted in the affirmative.

No other nominations were made at this time. Commissioner Benny Roybal was elected Secretary-Treasurer of the State Fair Commission.

10. Chairman's Agenda:

- a. **Commission Committee Reports**

- i. Finance Committee Report- None at this time
- ii. Livestock Committee Report- None at this time
- iii. Arena and Rodeo Committee Report- None at this time
- iv. Entertainment Committee Report- None at this time
- v. Arts Committee Report- None at this time
- vi. Farm and Agriculture Committee Report- Report from Commissioner Cloer- please see attached document.

11. Expo NM/ State Fair Management Report: Dan Mourning

General Manager Mourning stated that a budget request had been submitted to the LFC which had been approved by the Governor's office. Mr. Mourning stated that during the LFC budget hearing the members brought up their concerns about the Livestock show, and the 4H and FFA kids. Mr. Mourning added that during the Capital hearing held in October, the top three capital improvement requests had been approved. Expo NM had requested \$9.5 million and we are hopeful that a good portion of this request will be awarded.

Mr. Mourning then asked CFO Bill Nordin to give the Financial Report.

A. Financial Report: Bill Nordin, CFO

Mr. Nordin stated that the information provided to the commissioners relates to end of year report. As per the November financial report, provided to the commissioners, Expo NM will carry \$1.6 million deficit.

Commissioner Chavez asked if this amount was an actual bank overdraft. Mr. Nordin stated that no, it was not a bank overdraft. Commissioner Chavez continued by asking about the deferred rent on the report. Mr. Nordin stated that was the deferred rent from the Downs Racetrack and Casino. The Downs has paid their rent for September, October, November and December of 2021. The \$3.85 million is the rent owed during the Pandemic shutdown. Chairman Serna asked if the Downs will be obligated to pay the deferred rent eventually. Mr. Nordin stated that yes, they would have to pay the deferred rent.

Commissioner Chavez then asked about the restricted cash on the financial statement. Mr. Nordin explained that Expo NM has that money which I held and tracked to use for projects around the grounds. This money is from events, shows held on the grounds.

Commissioner Chavez then asked about any changes to audit. Mr. Nordin stated that there have been no changes to the audit. Commissioner Chavez then asked why it takes so long to get the audit done. Mr. Nordin stated that for all state agencies the reports are due early November, at which time they are turned in for review. Once the review is complete, they are ready to print. Mr. Nordin added that the process does take time, but this is the normal time frame.

Commissioner Chavez stated that the last couple of years have been tough. Mr. Nordin stated that yes, they had been tough and he anticipates that it will continue to be tough for the next couple of years.

Commissioner Chavez then asked how did the Pattern Energy sponsorship work out? Mr. Mourning stated that the Pattern Energy sponsorship worked well very well and Pattern has indicated that they will come back for multiple years. Mr. Mourning added that Fair management and staff are in negotiations with Pattern to finalized the sponsorship contract for the 2022 Annual Event.

Mr. Nordin then continued his financial report by stating that in the budget request, Expo NM has asked for a significant increase to cover upcoming increases in minimum wage which will be going up from \$8.00 per hour to \$12.50 per Hour. This represents a 56% increase in cost of

wages. The previous budget for wages was \$6.5 million. Expo NM asked for increase which would raise the budget for wages to \$7.75 million.

Mr. Nordin added that there will be other increases such as an increase of 4% to cover Utilities and an increase to contracts across the board. Mr. Nordin added that the Total budget request went from \$12 million dollars to \$14 + million dollars. Expo NM also asked for \$2.18 million dollars in deficiency funds to cover losses. Mr. Nordin stated that the LFC will present the budget request next week and we will know more at that time.

Commissioner Roybal asked about a transfer of money for other agencies indicated in the financial report. Mr. Nordin stated that money to fund the AAPAC foundation (\$285K) has been transferred to Expo NM and we have been asked to manage and disburse those funds. This was a request from the Administration.

Commissioner Chavez asked about upcoming contracts such as the stock contract and others. General Manager Mourning stated that there are three big RFP's coming up in next couple of months- the Rodeo stock Contractor, Long Term food vendors and Ticketing.

B. Manager Report: Expo NM and the New Mexico State Fair

1. 2021 Fair re-cap:

General Manager Dan Mourning began his managers report with a 2021 New Mexico State Fair re-cap:

- a. Expo NM was given permission to re-open on July 1, 2021. Staff had been making plans for the Annual Event in anticipation of being able to re- open.
- b. On August 17th a public health order from the Governor's office was issued that placed vaccination requirement and restrictions on attendees of the Fair.
- c. At this time Expo NM hired Hubert Allen who is an expert on the screening process and training to address vaccination requirements. Mr. Allen assisted Expo NM with a plan to provide the procedures and training to best implement the public health order. This plan is now being implemented at the State Capital, the Pit, and other location such as State museums.
- d. The Media department created a PSA- to let the public know about the public health order and to help dispel false information

General Manager Mourning continued his report by stating that the Fair had been a great success and most attendees were very positive about their experience.

General Manager Mourning added a few statistics:

- State Fair Parade had about 80 entries with over 200 vehicles.
- Fair attendance was down by about 40% (275,467 attendance)
- Merrill Award- The New Mexico State Fair was given the Merrill Award for the Presenting Sponsorship and the New Mexico State Fair Blue Corn Lager by the Western Fairs Association.
- Scor-it App- great addition to Rodeo. Will come back in 2022.

Mr. Mourning then opened the floor for discussion/questions:

Commissioner Cloer stated that during the 2021 Annual event she took the opportunity to “shadow” General Manager Mourning for a day. Commissioner Cloer stated that she attended a Staff meeting where she watched staff as they worked together with the safety/security team, all working as team. Commissioner Cloer added that General Manager Mourning had given her a tour of grounds, showing her the improvements, and sharing ideas for the future . Commissioner Cloer added that she hopes that the State realizes the quality of this Fair and all of the hard work Mr. Mourning and his staff do to make it one of the best in the country.

Commissioner Cloer added that she had attended the Staff Appreciation luncheon and had a great time meeting staff and watching the comradery amongst management and staff. Mr. Mourning thanked Commission Cloer for attending this event, and added that it means a great deal to the staff to see the commissioners at this function. Mr. Mourning added that he wanted to thank Chairman Serna also for attending and for his inspiring message to the staff. Mr. Mourning also added that he had shared Commissioner Roybals’ best wishes to the staff even though he was unable to attend.

Commissioner Cloer stated that receiving the Monthly report has been great and is a good tool for commissioners to get ready for their commission meetings.

Commissioner Cloer added that she is working on an idea to partner with the Hydrogen Industry with the manager of San Juan County and she suggested that they could participate in some way at the Fair. Mr. Mourning stated that he would be happy to work with the Hydrogen Industry to have them have a presence at the Annual Event.

Commissioner Cloer thanked Mr. Mourning for all that he and his staff do. Mr. Mourning stated that he would like to thank the commission for allowing him to work with staff and do the work he does.

Commissioner Roybal stated that he also appreciated getting the monthly report and especially liked the “Fair by the Numbers” document. Mr. Mourning explained that those numbers were from a Survey taken during the Fair and put into the document mentioned by Commission Roybal.

Commissioner Roybal asked what the average attendance at the Fair was before the pandemic. Mr. Mourning stated that the average attendance was approximately 500,000. Commissioner Roybal added that he had noticed that the free parking at Gate 8 had helped with parking back-ups.

Chairman Serna stated that he thought the weather had cooperated this year. Mr. Mourning stated that yes, the weather had been good. Mr. Mourning added that staff is working on finding opportunities for additional shaded areas and making sure fairgoers can stay well hydrated. Mr. Mourning added that there was not one confirmed covid case from the State Fair reported by the New Mexico Department of Health.

General Manager Mourning continued his report with an update on the activities on Expo NM grounds.

2. Expo NM report:

Mr. Mourning stated that there are several Capital Projects planned on Expo NM grounds throughout the year.

- Youth Hall upgrade in conjunction with the New Mexico National Guard Youth Challenge Program
- Public Safety Building remodel with input from the New Mexico State Police and Homeland Security
- Indian Village dance area- changing out sand for grass
- Lujan Building Kitchens- remodel of food vendor spaces in Lujan A and Lujan B
- Fair time Food Court- looking at foot print of food court and how to enhance it
- JR Livestock Pavilion- south entrance wheel chair ramp
- Infrastructure improvements- electrical, plumbing, etc. around the grounds

Commissioner Roybal asked for clarification on the Lujan Building kitchens remodel. Was Mr. Mourning talking about the kitchens on southside of the Lujan Building? Mr. Mourning stated that yes, he was talking about the kitchens which are located in Lujan A. Mr. Mourning added that the kitchen in Lujan B was also being upgraded.

Commissioner Roybal asked about the food court project, what will this project entail? Mr. Mourning stated that in addition to paving the lot, there would be upgrades to the grease traps, and to the electrical infrastructure. Mr. Mourning added that this project is still in the planning stages and Mr. Mourning will update the commission as more information is available.

Commissioner Cloer stated that during her tour of the grounds with Mr. Mourning had pointed out the improvements to the parking lot of the flea market. Mr. Mourning showed Commissioner Cloer the ground hooks put in place to hold down the vendor tents, which had been very well received by vendors.

Commissioner Chavez asked for an update on the administrative challenges Mr. Mourning discussed in the monthly report. Mr. Mourning stated that Expo NM, as well as many other businesses, is still experiencing labor shortages and would likely continue to experience these challenges for the foreseeable future. Mr. Mourning added that staff is working on a Community Outreach plan to have volunteers to supplement the work force during the Annual Event.

12. Discussion of Meeting Calendar: Chairman Serna asked Michele Clement to provide dates for future commission meetings to the commissioners for their input and approval. The meetings will be held quarterly (January, April, July, October/November).
13. Discussion of Agenda Items of Next Meeting: Chairman Serna asked the commissioners to submit any agenda items to him prior to the next commission meeting.
14. Adjournment: Meeting was adjourned at 1:07 PM on a motion from Commissioner Chavez, seconded by Commissioner Roybal, all voted in the affirmative.