



Minutes

State Fair Commission Regular Meeting

April 15, 2022

African American Performing Arts Center

300 San Pedro NE – NM State Fairgrounds

Albuquerque, NM

11:00 A.M. – 1:00 P.M.

1. **Call to Order:** the meeting was called to order at 11:05 a.m.
2. **Roll Call:** Michele Clement called the roll
The following commissioners were present:
Chairman Eric Serna
Secretary/Treasurer Benny Roybal
Commissioner Carol Cloer
Commissioner Larry Chavez
3. **Pledge of Allegiance:** Pledge Allegiance was led by Commissioner Cloer
 - a. New Mexico State Flag Pledge- The New Mexico State Flag pledge was led by Chairman Serna.
4. **Introduction of Guests:** No introductions were made at this time.
Vince Maisano and JB Gallegos, Premier Photography were present.

The following staff were present:

Wyndham Kemsley, PIO

Oona Gonzales, Media/Marketing Manager

Antoinette Kulinna, Procurement Manager

Joseph Holloway, Deputy Manager

Dupuy Bateman, Consultant

5. **Approval of Agenda:** The agenda was approved on a motion from Commissioner Roybal, seconded by Commissioner Cloer. All voted in the affirmative.

6. **Approval of Minutes of January 3, 2022 Regular Meeting:** The minutes of the January 3, 2022 Regular meeting were approved on a motion from Commissioner Roybal, seconded by Commissioner Chavez. All voted in the affirmative.

Commissioner Cloer stated that she would like a status report on the Oveja Group who presented a plan for a new event at the January 2022 commission meeting. General Manager Mourning stated that the Livestock Manager has been in contact with the Oveja Group and they are discussing the possibility of having the Oveja Group event during the 2022 Annual Event. General Manager Mourning added that he would keep the Commission updated as progress was made.

7. **Public Comment:** None at this time

8. **Chairman's Agenda:**

Commission Committee Reports:

- a. Finance Committee Report- None at this time, however, Commissioner Chavez stated that he did have some questions regarding the financial information provided for the commission meeting. Please see Financial Report below.
- b. Livestock Committee Report- None at this time
- c. Arena and Rodeo Committee Report- Commissioner Chavez stated that the Arena and Rodeo committee did not have a report at this time, but asked General Manager Mourning to update the commission on any progress made with a plan for a new Arena on the grounds of Expo NM/New Mexico State Fair. General Manager Mourning stated that there is an interest in building an arena in Albuquerque from private entities. General Manager Mourning added that there are ongoing talks with the Governor's office and now that the Downs Racetrack and Casino have been given a 10-year extension on their contract, they would like to be involved.

Commissioner Chavez asked when was the last study done? General Manager Mourning stated that the study was done in 2017, for the benefit of the Fair. General Manager Mourning added that a new study has been recommended, which will include City of Albuquerque and the Governor's office.

Chairman Serna asked General Manager Mourning to give the commission the broad strokes of last study.

General Manager Mourning stated that the study was for a multi-purpose arena. There was talk about using Tingley and that this is still in the discussion phase, and not the action phase. Governor's office understands they need to move forward with something and the Fairgrounds are a great geographical location.

Commissioner Chavez asked if there was discussion about demolishing Tingley and build at that location.

General Manager Mourning stated that the foot print of Tingley is too small for a modern arena, especially since the new ones generally have a plaza incorporated into the footprint.

Chairman Serna asked if there is enough space on the fairgrounds to build an arena.

General Manager Mourning stated that yes, the existing infrastructure can support an arena.

Commissioner Chavez and Chairman Serna both stated that any improvement/modernization to the fairgrounds will be a great addition and the city of Albuquerque needs this type of facility.

General Manager Mourning added that it would be very exciting for Expo NM/State Fair to be a part of this to enhance the lives of New Mexicans.

Commissioner Roybal then asked if the PBR held in March at The Pit at UNM would move back to Tingley Coliseum.

General Manager Mourning stated that we had talked with them about having their event at Tingley and they had said there are challenges in their minds with Tingley and they like the layout and space at The Pit and have signed a long-term contract with UNM.

- d. Entertainment Committee Report- Commissioner Roybal stated that the Entertainment Committee did not have a report at this time.
Commission Roybal added that at this time, he wanted to acknowledge Vince Maisano and JB Gallegos from Premier Photography and stated that he would like to send a thank you out to them. Commissioner Roybal added that over the last two years that he has again been involved in the Fair, he has seen that these two gentlemen do an excellent job for us and added, it is his opinion that we need to keep them on.
Chairman Serna added he didn't know if they get paid to promote the Fair, but he has seen what great promoters of the Fair they are.
Commissioner Roybal stated that he would like to see, if we have a contract with them, their contract in the packet that the commission gets. Commissioner Roybal added again, that he would like to thank these two gentlemen for the work they do.
- e. Arts Committee Report- None at this time
- f. Farm and Agriculture Committee Report- None at this time

9. **Management Report:**

a. **Financial Report- Bill Nordin**

Commissioner Chavez stated that in the past he had not been able to meet with Mr. Nordin in person, but now is able to do that and will make arrangements with Mr. Nordin to meet to discuss specific items with regard to the financial report.

Mr. Nordin stated that he would be happy to meet with Commissioner Chavez at any time.

Commissioner Chavez continued by addressing several items on the financial report.

1. Commissioner Chavez asked about the Statement of Revenues and Expenses ending March 2022, specifically the general fund appropriation, and stated that it should be separate from operations because it distorts the bottom line. Mr. Nordin stated that the lines of the report may not be lining up, the item in question, no general fund received, other is the land/rental lease. Mr. Nordin continued by adding that when the general fund money is received, it will be separated on the report.
2. Commissioner Chavez asked if the Land/rental lease amount is primarily from the Downs. Mr. Nordin stated that the largest portion of this line item is the Downs, but it also includes the flea market space rental, and billboards around the grounds. Commissioner Chavez asked how much of the amount the Downs owes has been paid? Mr. Nordin stated that everything on statement had been paid.
3. Commissioner Chavez asked about the restricted cash line item on the balance sheet. Mr. Nordin stated that this is track money, bond and racinos and it must be used for improvements to the Fair.
4. Commissioner Chavez asked about the extension to the Downs lease. Mr. Nordin stated that we are waiting on guidance from DFA. Mr. Nordin continued by saying that the Downs still owes \$3.8 million, which will be paid over the last 10 years of their new contract.
5. Commissioner Chavez asked for an update on the IRS issue regarding temp employees being state employees or not? Deputy Manager Holloway stated that we are still working with the IRS and this issue should be coming to close to a resolution. GSD is working with Expo NM and the IRS to resolve this issue.
6. Commissioner Chavez asked if the most recent Audit report has been released? Mr. Nordin stated that it had been released in January 2022. Commissioner Chavez then asked about the status of the for an Auditor? Mr. Nordin stated that we are in the process of putting that contract together. Commissioner Chavez asked if Expo NM had considered an alternative to company contracted in the past. Mr. Nordin stated that yes that had been taken into consideration and this new contract could be considered to be with a new company due to a

restructuring of the company. The new company bought the old company and have hired a new head auditor. Mr. Nordin added that there are still some employees left from the old company who are familiar with Expo NM/NM State Fair procedures and that will prove helpful during this transition year. Commissioner Chavez commented that he thought the audit company should be rotated more often. Mr. Nordin stated that he did not disagree with Commissioner Chavez and would look into a different company for next year. Commissioner Chavez asked that the minutes of the meeting reflect that this will be the last year with the current Audit company.

General Manager Mourning added that the auditor's office had recommended using the same company this year because some of the employees did have familiarity with Expo NM/NM State Fair procedures.

Chairman Serna asked if the fees were still the same? Mr. Nordin stated that there was a slight increase in the fee but the contract was still under \$30,000.00.

7. Commissioner Chavez then asked about NM Gross receipts tax and inquired if it was paid by outside vendors coming on to grounds. General Manager Mourning stated that yes, vendors, and promoters are responsible for paying NM Gross Receipts Tax. The Department of Taxation and Revenue is onsite and monitoring the vendors during the Annual Event.
8. Commissioner Chavez then stated that he would like to discuss the role of the commission with regard to contracts. Commissioner Chavez added that he thought somebody in a previous meeting had pointed out a Statute which prohibited commissioners from participating in the contracting process beginning to end.

Antoinette Kulinna stated that during an active RFP, no one but the evaluation committee can be involved in process. Ms. Kulinna added that before an RFP is active anyone can be part of the process.

Commissioner Chavez asked if this was a Statute that prohibits commissioner from being part of the process?

Antoinette Kulinna stated that this is per the Procurement Code of the State of New Mexico through the General Services Department.

Commissioner Chavez asked if a commissioner could be on the committee.

Antoinette Kulinna stated that technically, yes, a commissioner could be on an RFP committee, but it is not recommended because there is a need for layers of protection in the process. Ms. Kulinna added as an example, if there is a protest during an RFP process, the commission must be able to remain impartial in order to review the protest.

Commissioner Chavez stated that he thought a commissioner could exclude themselves from that vote if they had been a member of the RFP committee.

Antoinette Kulinna stated that she could not address that statement because she is not familiar with commission voting rules.

General Manager Mourning added that it is the recommendation from GSD the members of a board or commission not be an RFP committee member.

Commissioner Chavez then asked for clarification and stated so this is a recommendation, and not required statute or regulation.

Deputy Manager Holloway stated that this could be seen as a violation of the Government Conduct Act, having a sitting commissioner on a committee to award a contract. Deputy Manager Holloway added that this could be seen as undue bias and influence and the perception and the opinion of the Attorney General is that a sitting commissioner should not as a practice, because of perception, and could be seen as a conflict of interest be an RFP committee member. This opinion has been the result of issues in the past.

Commissioner Chavez stated that could be said of anyone on an RFP committee.

Deputy Manager Holloway, stated that Commissioner Chavez was correct, however, commissioners are subject to the Government Conduct Act as any appointee or elected official would be.

Chairman Serna stated that the commission has a fiduciary responsibility to the New Mexico State Fair and ask how do they as a commission fulfill that obligation.

Commissioner Chavez stated that he will look into this and asked Deputy Manager Holloway to provide additional information and research on the participation and process of commission participation in the contract process.

Commissioner Chavez then asked what are the contracts that have a big impact on the operating profit of the New Mexico State Fair and added that he thought there should be commissioner participation in some manner at this level. Commissioner Chavez stated that he wanted to look at existing contracts, and get familiar with them. Commissioner Chavez then asked what are the three biggest contracts?

General Manager Mourning stated that for the New Mexico State Fair the three biggest contracts are the Midway contract, the Liquor contract and the Rodeo Stock contract.

Commissioner Roybal made a motion that the Expo NM/NM State Fair staff provide a list of contracts to the Commission for review after awarded, the motion was seconded by Commissioner Chavez. all voted in the affirmative.

b. Expo NM

General Manager Mourning gave his report on Expo NM:

1. General Manager Mourning stated that there are multiple events/shows coming back to Expo NM after the pandemic and many seem to be expanding their footprint and attendance.

General Manager Mourning provided a list of some of the events that will be held at Expo NM in the coming months;

- ✓ Gathering of Nations will be returning and they will not have a vaccine requirement.
 - ✓ SW Chocolate and Coffee Fest are returning and are anticipating about 16-17 thousand people.
 - ✓ Fiesta del Cinco, this is a very well attended event which will be held on April 24th
 - ✓ King and Country concert will be held in Tingley in May
 - ✓ Graduations are back, both APS and CNM.
 - ✓ WWE event will be held in Tingley in June
 - ✓ The ABQ Pride Fest will be back in June.
 - ✓ Additional concerts- looking at bringing Journey in July.
2. General Manager Mourning continued his Expo NM report with a list of some of the on-going Capital Project happening on the grounds.
 - a. There are several infrastructure projects/upgrades being done around the grounds such as, electrical, water, sewer.
 - b. There are ongoing IT improvements around the grounds. The fiber upgrades are in the second phase.

Commissioner Chavez asked if Expo NM/NM State Fair has a secure IT network. General Manager Mourning stated that yes, Expo NM/NM State Fair's IT functions are very secure. Expo NM/NM State Fair is a part of the state system through DoIT and that system is very secure. General Manager Mourning added that we also work with/partner with SW Cyberport and they are very secure as well.
 - c. Upgrades to the Food Court infrastructure and design. There will be a new footprint and design, new black top and hydrology improvements with new utilities. All of these upgrades/improvements will be ready for 2022 Fair.
 - d. Expo NM has Hydrology systems in place in order to move the water away from grounds. EPA- monitors this and Expo NM is in good standing with the EPA and has a good relationship with them.

Commissioner Roybal asked how does Expo NM handle the stalls/race track water. General Manager Mourning stated that in 2011-12 Expo NM

negotiated with EPA to separate the systems. Tingley ceiling being painted black. This project is being done on the recommendation of several of the promoters who have held events in Tingley.

- e. New Turf in Indian Village will be addressed using capital money 2023.
3. General Manager Mourning added to his Expo NM report by stating that the Sign Shop on the grounds is doing a great job on updating and creating signage and banners for Expo NM and NM State Fair buildings and events. General Manager Mourning added that the sign shop has also begun making Banners/signage available to promoters/vendors. General Manager Mourning stated that in addition to the signage and banners, Elias Eversol has been working on creating maps for each of the building on campus, which are digitized and can be used by promoters and event staff to better plan for events.

c. 2022 New Mexico State Fair

General Manager Mourning gave his report on the upcoming 2022 New Mexico State Fair.

1. The new theme and new Logo for the 2022 NM State Fair has been chosen, the theme for the 2022 NM State Fair is “Fair Fanatics”. The campaigns are in the works already.
2. This year the Fair is partnering with Pattern Energy again, the contract is being finalized.
3. Hispanic Heritage Day- The Fair is partnering with the Mexican Counsel to arrange Hispanic Heritage Day on September 16, 2022 in Villa Hispana.
4. Staff is working on Spectaculars for the Annual Event. These are the free entertainment we provided for our Fair patrons and are a great part of the fair.
5. The New Mexico State Fair is the “Feature Fair” of the Western Fairs Association. Members of the WFA will attend the 2022 New Mexico State Fair on September 14, 15, and 16.
6. Staff is working on all of the contests that are held during the Annual Event, such as the Green Chili Cheeseburger Contest and the Beef Jerky Contest. There will also be other contests that the commissioners may be interested in being a part of.
7. The Sensory station will once again be available to those fair goers that need a place to regroup. Changing the location of the Sensory Station is being discussed.
8. The Livestock shows/contests will be back for the 2022 annual event including the Livestock Sale. There will also once again be non- animal contests which will be organized by Frannie Miller from NMSU.

9. The concessions staff is working on vendors for Fair, there has been a lot of interest from many new vendors and the staff is actively working with our returning vendors.

Commissioner Chavez asked about the process for vendor applications and contracts. General Manager Mourning stated that the vendor application is available online and the concessions staff will begin awarding contracts for the 2022 annual event in a couple of weeks.

10. Tingley Coliseum entertainment- Event staff is working on a really good concert line up.
11. There will once again be an Insert in the Journal during the 2022 NM State Fair. Media staff is working with the Journal and Starline printing to create the insert.

Commissioner Roybal made a motion to add photographs of the Governor and the Commissioner to the Journal Insert, Commissioner Chavez seconded the motion, all voted in the affirmative.

10. **Discussion of Meeting Calendar:** Chairman Serna asked for input on the next commission meeting date. The next commission meeting will be held on Monday, June 27, 2022.

11. **Discussion of Agenda Items of Next Meeting:** Chairman Serna asked that Commissioners provide him with agenda items prior to the next meeting. Commissioner Chavez asked that "Contracts" be added to the agenda as a part of the Management Report.

12. **Adjournment:** Chairman Serna called for a motion to adjourn the meeting. Commissioner Roybal made a motion to adjourn the meeting, which was seconded by Commissioner Chavez. All voted in the affirmative. The meeting was adjourned at 1:02 p.m.