



Minutes
State Fair Commission Regular Meeting
July 9, 2021
Fine Arts Building
11:00 A.M. – 12:30 P.M.

11:00 A.M.

1. **Call to Order:** Meeting was called to order at 11:06 AM

2. **Roll Call:** Michele Clement called the roll
The following commissioners were present:
Chairman Eric Serna
Secretary/Treasurer Benny Roybal
Commissioner Larry Chavez
Commissioner Carol Cloer

The following commissioners were not present: The opportunity to call in was provided.
Commissioner Tom Spindle
Commissioner Trudy Healy

3. **Pledge of Allegiance:** Pledge of Allegiance was led by Chairman Eric Serna.

4. **Introduction of Guests:** No guests were present.
The following staff were present:
Antoinette Kulinna, Procurement Officer
Wyndham Kemsley, PIO
Oona Gonzales, Media/Marketing Manager
J.R. Laberge- Esparza, Booking 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 the January 6, 2020 Regular Meeting:** The minutes from the January 6, 2020 meeting were approved on a motion from Commissioner Roybal, seconded by Commissioner Chavez. All voted in the affirmative.
7. **Public Comment:** No public comment at this time
8. **Chairman's Agenda:**
 - a. Committee Reports
 - i. Finance Committee Report- No finance committee report at this time.
 - ii. Livestock Committee Report- No Livestock Committee report at this time.
 - iii. Arena and Rodeo Committee Report- No Arena and Rodeo Committee report at this time.
 - iv. Entertainment Committee Report- No Entertainment Committee report at this time.
 - v. Arts Committee Report- No Arts Committee Report at this time.
 - vi. Farm and Agriculture Committee Report- No Farm and Agriculture Committee Report at this time. Commissioner Cloer asked for contact information for those people who are directly involved in the Agricultural activities during the Annual Event.

9. **State Fair Management Report: Dan Mourning, General Manager**
Expo NM/New Mexico State Fair:

General Manager Mourning stated that Expo NM/New Mexico State Fair staff had worked hard during the pandemic and had done an amazing job of keeping the facility open and maintained while providing much needed services to the people of New Mexico. General Manager Mourning stated that Expo NM/New Mexico State Fair is pivoting back to being an entertainment venue. Expo NM/New Mexico State Fair was given the green light to open July 1, 2021 and several events have been scheduled to take place between now and the Annual Event, as well as many events in October, November and December.

Commissioner Roybal asked for a list of those events.

General Manager Mourning stated that he would be glad to provide a list of events to all of the commissioners.

General Manager Mourning stated that during the pandemic, Expo NM/New Mexico State Fair worked closely with the New Mexico Department of Health regarding Covid safe practices and guidelines. The New Mexico State Fair's incredible performance in shifting its entire function and purpose from an entertainment venue to the states premiere COVID-19 pandemic response site has led to its designation as the New Mexico Receive, Stage and Store site ("RSS") by the New Mexico Department of Health. The RSS falls under Strategic National Stockpile ("SNS") which is managed and funded by the Centers for Disease Control and Prevention and the Federal Assistant Secretary of Preparedness and Response. The Fair as an RSS site will use its infrastructure and resources to receive, stage, and store materiel to be used in the event of a catastrophic

incident (e.g., pandemic influenza, terrorist attack with biological or chemical agents, natural disaster such as a hurricane or earthquake, etc.). This designation makes Expo NM/New Mexico State Fair the Primary location and incident command center for the State of New Mexico. We will continue to provide critical resources for New Mexico and provide storage space for critical PPE and other medical equipment.

General Manager Mourning added that over the last 1 ½ years, staff have worked hard to rise to the challenges presented by the pandemic. Expo NM became a beacon of hope, healing, and resources for local, state, and federal organizations. We worked closely with the City of Albuquerque, NM Department of Health, Department of Homeland Security, FEMA, and a number of local non-profit organizations like Roadrunner Food Bank, MoGro Food Pantry, and Vitalant Blood Services throughout the pandemic. Expo NM/New Mexico State Fair received letters from Roadrunner Food Bank and MoGro Mobile Grocery, thanking us for our assistance with their programs during the pandemic. General Manager Mourning added that he is very proud of Expo NM/New Mexico State Fair staff for all of their hard work and dedication.

General Manager Mourning stated that during the pandemic several substantial upgrade projects on the grounds have been completed:

- ✓ Flea market footprint has been completely upgraded with new pavement and painted vendor lines. Flea market has been a huge success since we reopened in May.
- ✓ Manual Lujan complex has been renovated. Interior is completely refreshed with a sleek and modern design.
- ✓ Entire Tingley Coliseum lighting system has been upgraded
- ✓ Entire Horse Arena lighting system has been upgraded
- ✓ Fiber is being updated in Villa Hispana, Indian Village, School Arts Building, and Flower Building.

Commissioner Roybal stated that he had been getting inquiries about the Gladiators and asked if they will be returning to Expo NM/New Mexico State Fair.

General Manager Mourning stated that because Expo NM/New Mexico State Fair was shut down during the pandemic, we were unable to have any events on the fairgrounds including the Gladiator Indoor Football games. The Gladiators organization was able to find an alternate location to hold their games and made the decision to stay in Rio Rancho for this season. General Manager Mourning added that the Gladiators will be back at Expo NM/New Mexico State Fair next season.

New Mexico State Fair 2021:

Staff returned to the office on June 1st and it has been all hands-on deck getting ready for this year's Fair.

Commissioner Cloer asked about the dates of fair and the theme of fair.

General Manager Mourning stated that the dates of the 2021 New Mexico State Fair are September 9 - September 19. General Manager Mourning added that the Theme of the 2021 New Mexico State Fair is "Back to the Fair". The theme has an 80's feel to it and

encourages everyone to come back to the Fair after the difficult year we have all had. That is what we want, everyone to come back to the fair. State Fair staff is excited about the upcoming annual event and ready to get back to normal, ready to see our fair patrons.

General Manager Mourning added that the Art Preview night is scheduled for Wednesday, September 8, 2021 and will showcase all of the great artists and artwork in our galleries.

General Manager Mourning stated that there will be Horse racing during the fair, once again. There will be some night racing prior to rodeo along with the regular afternoon races.

Chairman Serna asked if the Rodeo would be the same as in previous years?

General Manager Mourning stated that yes, the Rodeo/Concert performances in Tingley would be the same. The PRCA is back, and there have been three concerts booked so far. The concerts/shows booked for Tingley include; Pepe Aguilar, Goo Goo Dolls, and Chris Janson. General Manager Mourning added that staff is in the process of booking several more concerts. The Pepe Aguilar show is scheduled for Sunday, September 12, 2021.

General Manager Mourning stated that other entertainment has been booked including the following:

- 20 spectaculars have been booked. This entertainment value for the public has resulted in the New Mexico State Fair being ranked one of the best venues for this type of entertainment.
- The entertainment stages are 100% booked with many local artists as well as out of state artists.

General Manager Mourning stated that the Flower Arts program has been temporarily moved to Lujan C and the School Arts program will be 100% virtual this year. The Flower Arts and School Arts buildings will be offline so that they can continue to be used for PPE/medical supply storage by DOH.

General Manager Mourning stated that for the first time the New Mexico State Fair will have a Presenting Sponsor. This is a substantial sponsorship that has the potential to last multiple years. An announcement was made today that our first-ever presenting sponsor of the New Mexico State Fair is Pattern Energy. Pattern Energy is one of the nation's leading private renewable energy companies and delivers high-quality wind, solar, transmission and energy storage projects through intentional engagement in the communities where they have a presence.

General Manager Mourning added that he would like to thank Commission Tom Spindle for the introduction to Pattern Energy.

Commissioner Chavez asked the how many years for this sponsorship.

General Manager Mourning stated that this is a one year sponsorship with the possibility of it becoming a multiple year sponsorship. General Manager Mourning stated that both parties wanted to start with the one year contract and then future years could be discussed.

Commissioner Chavez asked if this sponsorship had to go out to bid?

General Manager Mourning stated that sponsorship agreements do not have to go out to bid.

Commissioner Chavez stated that there might be others interested in this opportunity. Commissioner Chavez then asked if Mr. Mourning had looked into sponsorship consultants for guidance and additional opportunities.

General Manager Mourning stated that staff had reached out to other sponsorships coordinators at other fairs to get input and guidance for this agreement. General Manager Mourning then added that if the commissioners know of others interested in this type of opportunity to please let him know about them and staff will be happy to visit with them to talk about their interest and opportunities.

Commissioner Cloer stated that she thought the hydrogen energy industry needs to have a presence at Fair.

General Manager Mourning suggested that Commissioner Cloer get in contact with Craig Vencill to invite them to participate during Theme days. General Manager Mourning then added that if Commissioner Cloer would like to bring in representatives from the Hydrogen Energy industry to explore sponsorship opportunities, he and staff would be happy to meet with them.

General Manager Mourning then continued his 2021 Fair report stating that there will be a State Fair Cocktail this year. Tumbleroot Distillery, out of Santa Fe, have agreed to partner with the Fair and will produce the state fair cocktail, an Angry Moscow Mule. This cocktail will be sold state wide beginning labor day weekend.

General Manager Mourning added that the CEO of Pattern Energy stated that he had always wanted to be a part of producing a signature Beer. Tumbleroot and Pattern Energy are talking about partnering to produce a State Fair beer if possible. The State Fair beer will be sold on the fairgrounds during the Annual Event.

Commissioner Roybal asked if there would be park and ride for the 2021 New Mexico State Fair.

General Manager Mourning stated that staff is working with the city to come up with a plan for park and ride but it would depend on if the city could find drivers.

General Manager then mentioned that the Mathews (Gathering of Nations) would be coordinating events in the Indian Village. He is looking forward to there new and innovative ideas for the Village.

General Manager Mourning then added that the Food Network would be on grounds, they are following a contestant in one of the baking competitions. General Manger Mourning encouraged the commissioners to take part in food contests.

General Manager Mourning stated that to comply with Covid safe practices a decision had been made to not have the livestock exhibitors stay in the dorms during the Annual Event. Staff has arranged for a special rate on hotels for the exhibitors and their families.

General Manager Mourning then added that there have been a record numbers of entries and he is looking forward to having the kids back. General Manager Mourning then stated that a new Livestock Manager had been hired, Brittini Allerkamp. Her Bio is on the website if the commissioners would like more background information about her.

General Manager Mourning ended his management report by stating that he is very proud of Expo NM/ New Mexico State Fair staff for all of their hard during this pandemic and while preparing for the upcoming Fair. General Manager Mourning announced that a couple of long-time employees had retired, Larry Trujillo has retired and has been replaced by Issac Trujillo and Ken Salazar has retired and Joseph Holloway has taken his place.

General Manager Mourning then opened floor for comments and questions.

There were no questions or comments at this time.

10. Financial Report: Bill Nordin, CFO

Commissioner Chavez asked for a report on the May 31st financial statement provided to the commission. Commissioner Chavez asked about the overdraft shown on the financial statement.

General Manager Mourning explained that because the Fair was shut down March 11, 2020 due to the pandemic, we were temporarily put out of the entertainment business and unable to generate the income we would have normally generated. Expo NM/New Mexico State Fair knew we would accrue losses during this period.

General Manager Mourning continued by saying that Expo NM/New Mexico State Fair had pivoted to being a facility to assist the people of NM to get through pandemic with covid testing and covid vaccinations, food drives, etc. General Manager Mourning added that the legislature has given Expo NM/New Mexico State Fair/New Mexico State Fair a \$4.2 million general fund appropriation that will be on the next financial statement.

General Manager Mourning stated that Federal money had also been appropriated and with Governor approval, Expo NM/New Mexico State Fair/New Mexico State Fair is eligible for another \$6 million to cover operating expenses going forward. General Manager Mourning stated that because of the pivot to assisting the people of New Mexico through the pandemic, the Governor has committed to making Expo NM/New Mexico State Fair “whole” again. Expo NM/New Mexico State Fair is working with Department of Finance on the details of how that will be done. General Manager Mourning added that Expo NM/New Mexico State Fair was told to carry on our mission, keep the grounds in good shape, and keep staff working. On July 1st Expo NM/New Mexico State Fair was allowed to re-open for entertainment events and now will pivot back to entertainment business as well as continuing our pandemic responsibilities.

Commissioner Chavez asked if Expo NM/New Mexico State Fair had received any of the funds yet.

General Manager Mourning stated that yes, we have received the \$4.2 million.

CFO Bill Nordin added that in the month of June, Expo NM/New Mexico State Fair received two payments from the Legislative Finance committee; 1) \$200,000 payment which was a deficiency request for FYI 20 and 2) the \$4.2 million supplemental funds for FYI21.

Chairman Serna asked what are the financial expectations for this coming year. CFO Bill Nordin stated that since Expo NM/New Mexico State Fair just got permission last week to re-open on July 1st, it will take some time assess the financial future of Expo NM/New Mexico State Fair. CFO Bill Nordin added that Expo NM/New Mexico State Fair may need assistance from the Legislative Finance Committee through 2023.

CFO Bill Nordin offered once again to meet with the commissioners to review the financial statements and audit, and to answer any questions they may have.

Commissioner Chavez stated that staff had offered to meet before but he has not had the opportunity to take them up on the offer, but will do so.

Commissioner Chavez asked if the mission of Expo NM/New Mexico State Fair/New Mexico State Fair had changed from enterprise to state agency? Enterprise meaning that Expo NM/New Mexico State Fair is supposed to operate on its own and not to have to use tax payer funds to operate.

General Manager Mourning stated that Expo NM/New Mexico State Fair became a part of the Share system in 2012, which means the money generated goes into the State Treasury. We are a state agency with the ability to generate our own revenue. We also receive appropriated money as a state agency. General Manager Mourning added that the mission of Expo NM/New Mexico State Fair/New Mexico State Fair is still the same, but extraordinary times call for extraordinary solutions.

Chairman Serna asked about the employees of Expo NM/New Mexico State Fair, are they state employees?

General Manager Mourning stated that yes, they are all state employees.

Chairman Serna asked if all of the Expo NM/New Mexico State Fair employees are classified?

General Manager Mourning state that no, the Expo NM/New Mexico State Fair employees are not classified. Expo NM/ New Mexico State Fair has benefited employees that are EXOT's and a few classified employees grandfathered in. All of the Temporary employees go through outside payroll company, but are still considered state employees.

Chairman Serna stated that he thought it might be helpful to the commission to get a list of the number of permanent and temporary employees.

Commissioner Roybal asked does the LFC approve the FTE for temporary positions?

General Manager Mourning stated that Expo NM/ New Mexico State Fair does not have to have legislative approval for temporary employees. We are exempt from that due to enabling legislation.

Commissioner Roybal asked for clarification, does the legislature identify the number and classification of the permanent employees at Expo NM/New Mexico State Fair?

General Manager Mourning- stated that the legislature does identify the number and classification of the permanent employees at Expo NM/New Mexico State fair.

Commissioner Roybal asked about the status of the Downs lease agreement.

General Manager Mourning stated that because of the pandemic the Downs had also been closed down. The Downs has subsequently filed a Force Majeure claim and has spoken with the Governor's office regarding the repayment of their rent per their lease agreement. The Governor has agreed to defer the repayment of their rent until September of 2021. The Downs has also asked for an extension of their lease for another 10 years which would allow them to pay the back rent during that time period. The request is being reviewed at this time.

Commissioner Chavez asked how much the Downs owes in back rent.

CFO Bill Nordin stated that they owe \$572,000 in receivables from FYI 20 and for FYI 21 they will owe \$2.8 million.

Chairman Serna asked if the Downs received any pandemic relief funds, either state or federal? General Manager Mourning stated that he does not know if the Downs received any pandemic relief.

Commissioner Chavez stated that it the \$572,000 is still on the books from FY20.

CFO Bill Nordin stated the yes that was true, and because the Downs will not have to start paying rent again until September 2021, that dollar amount remained a receivable when we closed the books for the previous fiscal year.

Commissioner Cloer asked if ten years is the normal time for a lease such as the Downs.

General Manager Mourning stated that the rule for this type of lease agreement is if it is 25 years or less it is approved by the Board of Finance, if the lease is for more than 25 years it is approved by the Legislature. General Manager Mourning added that The Downs is able to request an extension of lease at any time, 24 months prior to the end of the lease.

Commissioner Chavez asked about the status of the 2020 audit.

CFO Bill Nordin stated that the 2020 Audit has been completed and is available online to view.

Commissioner Chavez asked if Expo NM/ New Mexico State Fair was considering selecting next auditor for 2021.

CFO Bill Nordin stated that Expo NM/ New Mexico State Fair will have same company for the current audit. CFO Bill Nordin added that this audit was supposed to be done by June 1st, but was extended to July 1st using the same company. Expo NM/New Mexico State Fair will select a new auditor for the next fiscal year audit. Bill Nordin added that it was important to keep the continuity with this company through the pandemic year. General Manager Mourning added that it is important for the Commission to know that the Auditors have to be approved by state auditor.

Commissioner Chavez asked if an Auditor's contract was normally a four-year contract and how is Expo NM/New Mexico State Fair extending the contract for an additional year? Deputy Manager Holloway stated that the State Auditor's office decided to institute a policy statewide because of the pandemic that would allow every agency to keep their current auditor. The Auditor's office has the ability to approve extensions on audit contracts and since the majority of state agencies were shut down during the pandemic and unable to operate in a normal manner, every agency was given approval to extend the contract with their current audit company.

Commissioner Chavez asked about the transfer of \$2.998 million dollars indicated on the financial report. Commissioner Chavez asked did that money come from the state?

CFO Bill Nordin stated that money is capital money.

General Manager Mourning added that Expo NM/New Mexico State Fair is able to apply for capital money like all state agencies.

Commissioner Roybal asked how much capital money Expo NM/New Mexico State Fair will receive this fiscal year.

General Manager Mourning stated that Expo NM/New Mexico State Fair will receive \$3 million dollars in Capital money.

Commissioner Roybal stated that in his experience as a commissioner in the past the agency would identify capital projects and then LFC decides what they are going to fund. Commissioner Roybal asked what did state fair submit for this year.

General Manager Mourning stated that he would be glad to have a meeting to show Commissioner Roybal what was submitted to the ICIP. General Manager Mourning stated that Expo NM/New Mexico State Fair is given a lot of latitude because of the age of the property and the number of structures we have. General Manager Mourning added that most requests are not specific to one building, the requests are for upgrades to electrical, plumbing, etc. and for repairing infrastructure.

Commissioner Chavez asked what major contracts have been approved since last time commission met.

General Manager Mourning stated that the Carnival and Liquor contracts are still under the previous RFP. General Manager Mourning added that the most significant contracts up for renewal at this time would be the stock contractor and then the carnival in a couple of years. The new Liquor contract was awarded in 2019 and they have yet to work a Fair. The first one would have been in 2020, but now it will be in 2021. General services did not allow any contracts to be extended because of losing a year due to pandemic and they will not be extended per a statewide policy. The Security contract is out for RFP right now.

Procurement Officer Antoinette Kulinna stated that she would be happy to visit with commissioners to review the list of major contracts and their status.

Commissioner Chavez asked how long the contracts were awarded for.

Procurement Officer Antoinette Kulinna stated that typically they are awarded for 4 years.

Commissioner Roybal asked who was awarded the liquor contract.

Procurement Officer Antoinette Kulinna stated that Ventures NK, LLC owned by Nick Kapnison, had been awarded the contract.

Commissioner Roybal stated that he would like list of who has what contract; what is coming up for renewal, and what is going out for RFP.

Procurement Officer Antoinette Kulinna stated that she would provide that list to all of the commissioners.

Commissioner Chavez stated that the commission would like to be more involved in the awarding of major contracts. Commissioner Chavez added that informed maybe a better way of putting the request, somewhere between involved and informed.

Chairman Serna stated that this issue had been raised at previous commission meeting and he reiterated that the commission would like to be more involved in the contract, RFP process.

Procurement Office Antoinette Kulinna stated that during all of the previous meetings, she had extended an invitation to the commissioners to visit with her regarding contracts, RFP's and to answer any questions the commissioners may have. That invitation still stands.

Chairman Serna asked what the commission may be involved in and what they cannot be involved in.

General Manager Mourning stated that the commission cannot be involved in the selection process and/or the evaluation process. The contracts must be awarded only after an independent selection process is followed.

Procurement Officer Antoinette Kulinna added that the procurement rules have changed, now when it is time to issue an RFP, anyone who wants to be involved before it goes out can be involved, we can and do consult with outside experts all the time. However, once the RFP is written and ready to be sent out, it is closed to anyone except herself and her assistant. Once the RFP is written and sent out for response, an independent evaluation

committee chooses the best response based on a points system provided in RFP. The independent committee then decides who to award the contract to. The general manager then negotiates the contract details and approves the final contract. The general manager should not/cannot not, unless there is a compelling reason, overturn the committee decision.

Commissioner Chavez asked what rules have changed? State regulations, or just how Ms. Kulinna does things?

Procurement Officer Antoinette Kulinna stated that she and her office diligently follow all procurement rules, and again offered to sit down and go over the rules and review the RFP process with the commissioners.

Chairman Serna ask Deputy Manager Holloway to clarify the changes to the process/rules.

Deputy Manager Holloway stated that the procurement code has changed, and has put the burden completely on the procurement officer. By statute she is legally and criminally liable if she does something wrong in procurement. There were problems with many procurement projects many years ago, so the process has been tightened up, it is much stricter. The whole point of the change was to create independent committees who could not/would not be influenced by a commission or management. Deputy Manager Holloway stated that we would be happy to visit about procurement rules with commissioners.

Commissioner Roybal asked who selects committee members to review proposals.

Procurement Officer Antoinette stated that the general manager chooses the committee members.

Commissioner Chavez asked who is currently on the RFP committee.

Procurement Officer Antoinette Kulinna explained that the committee members change per RFP. Procurement Officer Antoinette Kulinna stated that the committees are usually made up of members of the staff.

Commissioner Roybal asked if a commissioner could be on the committee?

Deputy Manager Holloway. stated that no a commissioner cannot be on the committee.

Commissioner Cloer stated that she had been on RFP committees in her position(s) with the school district in her community and her experience has been very much like Procurement Officer Kulinna and Deputy Manager Holloway have described. An RFP takes a lot of time and there is a lot of paperwork that is generated as you go through the process. The process works well and protects the people of New Mexico. There are often experts that are invited to come in to help write the RFP and research is done to make sure the RFP is done fairly.

Chairman Serna stated that it is not the intent of commission to interfere, the commissioners would like to be to be better informed as to what the appropriate process is. That is what the commission is concerned about.

Commissioner Chavez asked if outside experts can be brought in to contribute to RFP process, then why is the work mostly being done by staff?

Commissioner Cloer stated that is not what was being said, outside experts are often asked to help with writing an RFP and the inside experts (staff) review proposals and decide which proposal will be awarded.

Procurement Officer Antoinette Kulinna added that Expo NM/New Mexico State Fair regularly asks for expert help from outside sources when writing RFP's. Expo NM /New Mexico State Fair has very specific needs but, we regularly reach out to others for advice, for industry standards.

Commissioner Chavez stated that he definitely needs to set up meeting with Antoinette. There was no further discussion at this time.

11. **Discussion of Meeting Calendar:** No discussion of meeting calendar at this time.
12. **Discussion of Agenda Items of Next Meeting:** Chairman Serna asked that Commissioners provide him with agenda items prior to the next meeting.
13. **Adjournment:** Chairman Serna called for a motion to adjourn. Commissioner Roybal made a motion to adjourn, which was seconded by Commissioner Chavez, with all present voting in favor. The meeting was adjourned at 12:53 PM.