



Minutes

State Fair Commission Regular Meeting

July 5, 2022

African American Performing Arts Center

300 San Pedro NE – NM State Fairgrounds

Albuquerque, NM

10:00 A.M. – 12:00 noon

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1. **Call to Order:** the meeting was called to order at 10:00 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 General Manager Mourning.
4. **Introduction of Guests:** None.
5. **Approval of Agenda:** The agenda was approved on a motion from Commissioner Roybal, seconded by Commissioner Chavez. All voted in the affirmative.
6. **Approval of Minutes of April 15, 2022, Regular Meeting:** The minutes of the April 15, 2022, Regular meeting were approved on a motion from Commissioner Roybal, seconded by Chairman Serna. 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 group has decided to work towards having this show during the 2023 New Mexico State Fair. They will continue to work with the Livestock manager.

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

8. **Chairman's Agenda:**

Commission Committee Reports:

- a. Finance Committee Report- None at this time.
- b. Livestock Committee Report- None at this time.
- c. Arena and Rodeo Committee Report- None at this time.
- d. Entertainment Committee Report- None at this time.
- 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 he had several questions related to the financial statements provided by CFO Nordin.

Commissioner Chavez asked about the receivables and what that line item entailed. CFO Nordin stated that this line item related to the Downs Racetrack lease, including the grandstand, which before there was a lease, that was the property of Fair. CFO Nordin continued by saying that as a result of the current lease all of that property became the responsibility of Downs Racetrack. CFO Nordin added that once the current lease was finished the properties would revert back to the Fair. CFO Nordin continued by stating that this provision has always been part of the lease, the only difference with new lease is that the Downs Racetrack received a 10-year extension for the repayment of the deferred rent during the 2020 pandemic.

Commissioner Chavez asked about the Statement of Revenue and Expenses, specifically the Operating revenues. Commissioner Chavez stated that it was his opinion that the Federal Direct Operating revenue was not really operating revenue and suggested that it would be more accurate to reflect those receipts after Operations, in which case operations would reflect a loss of \$2.4 million dollars.

CFO Nordin stated that the Audit financial statement made be adjusted to reflect a loss of \$2.4 million dollars which would result in a loss at end of year closer to \$3.3 million dollars because of the year end bills paid in June that would add up to \$800,000.00. CFO Nordin stated that this was a better outcome than he had anticipated.

General Manager Mourning stated that the money had been requested through the Legislature and Governor's office, and since there is money available the Fair will ask for more funds during the next session. General Manager Mourning added bringing us back up to zero was not where we were prior to the pandemic, prior to the pandemic there had been a balance of \$1.4 million dollars in operating cash, which had been used to keep Expo NM/NM State Fair open until June during pandemic.

Commissioner Chavez stated that all of this was understood and appreciated, but the mission of the State Fair is to generate our own revenue. Commissioner Chavez stated that even before the pandemic, Expo NM/State Fair was operating at significant losses. Commissioner Chavez added that he felt it was important to reflect that in the financial statements. CFO Nordin stated that he will move the information to other lines on statement so the information will be separated into Operating and Non- Operating revenue.

Commissioner Chavez asked about the upcoming audit in July 2022. CFO Nordin stated that the Audit company had been assigned and the work will begin the first week of August and will continue after Fair in September. The final version of the audit is due early November.

Commissioner Chavez asked how many years had Expo NM/NM State Fair been with this company? CFO Nordin stated that because there had been a change in ownership of the auditing company, this was technically the first year with this company, but the company has been providing auditing services to the Fair for seven years. Commissioner Chavez stated he thought that seven years was too many years with the same company and suggested that the Fair choose another company. CFO Nordin stated that he would look into other companies for the next audit.

General Manager Mourning asked that the Commission remember that all of the Audit Companies available are approved and vetted by the State Auditor's office, even though Expo NM/NM State Fair pays for the audit, the companies work for State Auditor. General Manager Mourning stated that they will look into a new company for next years' audit. Commissioner Chavez stated that he wanted a fresh set of eyes.

Commissioner Chavez then asked about the revenue from the various events held at Expo NM/NM State Fair. Where is that revenue listed on the financial statements? CFO Nordin stated that those revenues show up in several line items such as "Building-Rental or Lease", "EXPO- Parking" and "EXPO- Food and beverage".

Commissioner Chavez then asked what the average revenue from an event and added that based on the financial statement he thought the average would be about \$3,000.00. CFO Nordin stated that it is difficult to come up with an average because each event was unique. Commissioner Chavez added that the amount of \$694,000 seemed low for as many events as are held at Expo NM/NM State Fair. CFO Nordin stated that the \$694,000.00 was just for building rent, that amount does not include other revenues such as parking and concessions.

Chairman Serna asked what was the largest amount ever charged for a single event? CFO Nordin stated that was a difficult question to answer because of the unique nature of each event and the rental fees for each facility. Chairman Serna then asked if Expo

NM/NM State Fair loses revenue from an event. CFO Nordin stated that we do not lose revenue from events.

General Manager Mourning added that Expo NM/NM State Fair has to compete with the entertainment market, and we do our best with what the market will allow. General Manager Mourning asked the commission to remember that the cost of everything has gone up also.

Commissioner Chavez stated that the financial statement indicated that it costs Expo NM/NM State Fair more for temporary employees than for fulltime employees. Commissioner Chavez asked was that correct? CFO Nordin stated that yes that is correct but further explained that Expo NM/NM State Fair may hire up to 500-700 temporary employees during Fair. CFO Nordin also added that at this time there are only about 35 full time employees and many more temporary employees. CFO Nordin added that we run the day-to-day business mostly with temporary employees. Commissioner Chavez asked if the temporary employees were W-2 employees? CFO Nordin stated that yes, they are W-2 employees. Commissioner Chavez then asked where on the financial statement was the Workers Comp information? CFO Nordin stated that the Workers Comp information was in the Employee (Salary and related costs) line item. CFO Nordin added that if Commissioner Chavez would like he could break down of that information. Commissioner Chavez stated that that would not be necessary.

Chairman Serna asked about how many employees had Expo NM/NM State Fair had hired at one time. General Manager stated that during the Fair anywhere from 500 to 800 employees had been hired in the past. General Manager Mourning added that currently the number of employees hired during the Fair is much lower and that like the rest of the country Expo NM/NM State Fair has discovered that hiring employees is a challenge.

Chairman Serna then asked if Expo NM/NM State Fair can compete with the rest of businesses in the area, specifically with the current minimum wage. General Manager Mourning stated that Expo NM/NM State Fair is paying more than minimum wage, we are paying closer to \$15/hour per the mandate from the Governor. General Manager Mourning stated that he wanted to add that the current staff does an incredible job, everyone working together to get the job done.

Commissioner Cloer stated that she had taken a drive around the grounds and added that everything looks really good, and she is eager to see the new and improved food court area.

Chairman Serna stated that prior to pandemic Expo NM/NM State Fair had regular part time employees who would work as needed. He knew that those people have been reliable and wanted to know if their numbers were down and further asked if the majority of them still work for Expo NM/NM State Fair? General Manager Mourning

stated that yes, the majority of those employees do still work for Expo NM/NM State Fair. General Manager Mourning added that they are an integral part of the staff, he knows them by name and feels like they part of the Expo NM/NM State Fair family.

Commissioner Chavez asked at this time if Expo NM/NM State Fair had experienced any significant Human Resource issues this year? Deputy Director Holloway stated that there had not been any Human Resources issues at all.

Commissioner Chavez asked about the \$16 million dollar capital projects request. General Manager Mourning stated that if it was alright with the Commission, he would address this inquiry during the management report.

CFO Nordin stated that the next financial statements will look different due to the new GASB rule which goes into effect statewide. CFO Nordin explained that GASB requires all future potential from long term leases be brought into the balance sheet going forward. The Downs Racetrack lease will impact the balance sheet for Expo NM/NM State Fair. CFO Nordin added that he is still waiting on direction from the State on what exactly must be included.

- i. Contracts- no report/discussion at this time.

B. Manager's Report- Dan Mourning

Expo NM

General Manager Mourning began his manager's report with topics related to year-round events and ongoing projects.

Upcoming Events at Expo NM-

July:

- Let Freedom Ring
- Mild Mini Horse Show
- Snowflakes in the Summer
- NM Home Improvement Marketplace
- Valencia Valley KC Agility Trial
- Vitalant Battle of the Badges blood drive
- Duke City Cornhole Classic
- Low Class New Mexico Car Show
- BernCo 4-H Fair
- Journey Concert

August:

- Great SW Antique Show
- Crusin' the 505 Concert
- Slightly Stoopid Concert
- ASCA Agility Trial

Legacy Boxing
APD Training
ETA Smoke school
SWAT Agility Trial
NAGA ABQ Grappling Championship
Kevin Gates Concert

September:

State Fair- September 8-18, 2022
NM 4-H Rodeo Finals
NMDOT Training for Equipment Excellence
Maintenance Mania
Jack White Concert
ABQ Fall Gem & Mineral Show

Disaster Relief Efforts: -

- FEMA, Army Corp of Engineers- Expo NM was able to provide space for them and their equipment and still hold events on our grounds.
- Livestock evacuees- The group that needed a place for the horses from Carnuel is an example of Expo NM being able to help the community in their time of need. We have found that Expo NM is usually the first location they call, even if they do not use our facility, they call Expo NM first because they know we can and will help.

Capital Projects-

- Food court- The infrastructure in the pavilion lot was in bad shape and needed improvements to the electrical distribution, water lines, sewer lines, and grease trap for all vendors. The footprint has changed to include the bar/beer garden area along with the Pavilion stage and food court. There will be gateways into this “destination” to be able to control access to this area because of the bar area. The new Food Court will be an area where everyone can enjoy entertainment and food all in the same location. There will also be shade structures, and a dance floor.

Commissioner Roybal asked if the remodel of the food court would reduce the flow of fairgoers into this area? Commissioner Roybal continued by asking if General Manager Mourning anticipated any issues with access and where are the entrances? General Manager Mourning stated that he would be happy to provide a rendering to the Commissioners to show them the plan for this remodel which will help answer any questions they might have.

Lujan Kitchen remodel-

- The food vendor spaces in Lujan A are getting remodeled. The spaces will be larger and the electrical and water systems are getting an upgrade.

Station A- Public Safety building remodel-

- Expo NM is working with state police/homeland security on this remodel. The plan will address housing the State Police year-round, but will also include space for APD, and the Bernalillo County Fire department.

- During the Annual Event, Homeland Security will bring their command post, like at balloon fiesta, in a big tent to be placed on the Public Safety lawn at no cost to Expo NM.

Commissioner Roybal asked about the remodel to the Public Safety building, will the building be taken down or will the plan be to remodel the existing structure. General Manager Mourning stated that there will be a new expanded building which will be built on the existing foundation which is stable.

ICIP-

- Expo NM has requested Capital Improvement funds for broad infrastructure projects.
- This year Expo NM received \$4.5 million dollars for projects identified as roofing and building safety.

2022 New Mexico State Fair

General Manager Mourning continued his manager's report with plans and highlights from the upcoming 2022 New Mexico State Fair.

WFA Feature Fair Tour-

- The group from the WFA will be at the Fair from September 14th to September 16th.
- Staff will prepare a couple of short break-out sessions to explain some of the unique ways we execute the programming we've been recognized for by WFA.
- There will be a couple of dinners/events that the Commissioners will be invited to attend.

Livestock Shows & Sale –

- Entries are live on the website. The deadline for entries is August 1, 2022.
- Erin Dorsey was in town last week. Made a lot of progress on processing all of the DNA samples submitted by exhibitors.
- The Junior Livestock Sale will take place in the Indoor Horse arena. This venue allows for buyers and kids to mingle before the sale.
- The Ag Science and Ag Public Speaking competitions will be held on the fairgrounds for the first time. The competitions have been held virtually for the last 2 years and we are excited to see them compete in person.
- Staff is working with one of our media partners to host a street dance one evening for the 4H & FFA kids. The logistics are still being worked out.

Spectaculars –

- All contracts have gone out for signature.
- Staff is working with returning and new spectaculars to provide the best free entertainment for 2022 Annual Event.

Sponsorship –

- Sysco Foods will be a new sponsor for Fair 2022 and it will be a great benefit for our concessionaires to have them on grounds for the entire Annual Event.

- The sponsorship department is moving towards contract finalization with Pattern Energy. They have chosen to focus their attention and efforts on the north end.
- The Sponsor Hospitality area will move out of its current location to the Branding Iron space at the Indoor Horse Arena. The current Sponsor building will be turned into an employee snack bar with snacks and grab-and-go meals available for our hard-working staff

Media -

- The Concert line-up will be announced today. Tickets will go on sale on July 15.
 - Martina McBride – 9/9
 - Dwight Yoakam – 9/10
 - Brothers Osborne – 9/15
 - Mark Chesnutt – 9/16
 - We are working to fill one last concert date for September 17.
- Outdoor billboards will go up along I-25 and I-40 at the end of this month. Radio & TV ads will begin running the first week of August
- Media sponsorship contracts are being negotiated. KOAT will be out doing their KOAT Day again broadcasting their 4, 5, and 6 newscasts live from the Fair
- Volunteer and Community Outreach Coordinator – Kathleen Mansmann, came on to help coordinate Info Booths last year and has returned to do the same, along with developing our volunteer program.
 - Kathleen has made contacts with local high school activities directors. Other organizations and volunteer networks – Bike ABQ, One ABQ Volunteers, UNM Student Activities, UNM Greek Life, UNM ROTC
 - Many of these organizations are looking for opportunities to fundraise for their groups during the year and our community outreach coordinator has made excellent contacts with several of these groups.
 - Manzano High School, for example has a couple of groups that have expressed great interest in sending kids to the Fair for a few hours to earn some money.
 - Volunteers will fill in some of the staffing issues we may experience.

Commissioner Roybal asked at this time to have photographs of the Governor and the Commissioners included in the program insert. General Manager Mourning stated that this request will be addressed and asked that each Commissioner coordinate with Michele Clement to make sure their photographs are included in the program insert.

Sign Shop – Elias Eversole

- Our sign shop is fully functional, and we are able to design, produce, and install 90% of our sign needs.
 - This will save us thousands of dollars in outsourcing
 - We are also able to help some of our long-term vendors acquire access to reasonably priced design, print and installation services from us which

makes us a good partner for small business and ensures that we maintain a high-quality product and create an aesthetically pleasing venue

Concessions & Commercial Exhibits/Food Court and “U” -

- Food court- we broke ground at the beginning of June, the project will be completed before the Annual Event.
- The Creative Arts Bldg. lot is being redesigned into “The U”. This area will be similar to the food court but will be packed with entertainment and spectacles. The anticipation is that the new design will attract crowds and participants to this area.

Commissioner Chavez asked about the vendors in the Lujan Building. General Manager Mourning stated that 2/3 of the vendor contracts have been generated and there has been a good response.

Events -

- The Rodeo Stock contract was awarded to Hi-Lo Pro Rodeo.
- Entertainers for the different stages are being booked.
- Staff will be meeting with the NM Autism Society in the coming weeks to begin planning for the Sensory Station.
 - Incredibly successful and impactful during previous fairs.
 - WFA visitors are especially interested in taking a look at the Sensory Station.
- The School Days program is looking like another very busy year. We have well over 1,000 New Mexico students, teachers and chaperones have already signed up.
 - KOB School Days promo will begin running the first week of August (School starts on August 5)

Cannabis-

- Staff has been developing an educational exhibit to showcase the cannabis industry. This area will be called “Discovering Cannabis”.
- Two locations are being considered: Lujan C or the Flower Arts Bldg.

Arts/School Arts/School Days/Parade-

- The Art department will begin receiving entries on August 5, 2022
- The School Arts program will be live this year. We haven’t been able to have a live event since 2019 due to the pandemic and storage of the state’s PPE in the School Arts building.

Commissioner Roybal asked when the Art Preview event will be held. General Manager Mourning stated that event would be held on Wednesday, September 7, 2022.

Entry/Carnival/Ticketing –

- The Carnival MegaPass will go on sale on August 8, 2022, for \$30.00
- Ticket prices and discount days have been decided. Commissioners have been given a handout with this information.

General Manager Mourning opened the floor up for questions/comments at this time:

Commissioner Chavez asked about firearms detection? General Manager Mourning stated that there will be metal detectors and/or wands along with bag checks at each gate during the Fair.

Chairman Serna asked if there had been any problems with firearms last year? General Manager Mourning stated that there had not been any problems with firearms last year.

Chairman Serna stated that he hoped the weather will cooperate this year during the Annual Event, adding that hopefully there will be cooler weather and no rain.

Commissioner Roybal asked for a list of vendor contractors that includes the issue date/expiration date of each contract.

Commissioner Roybal asked if a “box” at the Racetrack could be reserved for commissioners to use during the Fair meet. CFO Nordin stated he will talk with Downs Racetrack management to arrange this request for the commissioners.

- C. **Discussion of Meeting Calendar:** Chairman Serna stated that the next meeting will be held in October and will ask the commissioners for their input on the date.
- D. **Discussion of Agenda Items of Next Meeting:** Chairman Serna asked that Commissioners provide him with agenda items prior to the next meeting.
- E. **Adjournment:** Chairman Serna called for a motion to adjourn the meeting. Commissioner Cloer made a motion to adjourn the meeting, which was seconded by Commissioner Roybal. All voted in the affirmative. The meeting was adjourned at 11:41 a.m.