



**15th District Agricultural Association
Kern County Fair and Event Center
Bakersfield, California**

**Minutes of the Board of Directors Emergency Meeting
Wednesday, April 29, 2020**

Call to Order:

Chairman Rodriguez called the meeting to order at 5:05 PM via zoom teleconference.

Directors Present:

<u>Board Member</u>	<u>Present</u>	<u>Absent</u>	<u>Excused</u>
Jared Britschgi	X		
Cesar Chavez	X		
Ned Dunphy	X		
Lucas Espericueta	X		
NaTasha Johnson	X		
David Lidgett	X		
Blodgie Rodriguez	X		
David Torres	X		

Public Comment:

None

New Business

- a. Review and Discussion of the financial impact from the COVID-19 Pandemic on the California Fair and Festival Industry from meetings with California Department of Food and Agriculture and California Fairs Alliance.

CEO Olcott reported on the status of events and fairs in California in regard to COVID-19. He stressed that the industry is currently in crisis mode without current funding from the State of California and no way to secure income from interim event rentals due to the current Governor's orders. Olcott informed the board that the Network of California Fairs have been called upon by the Governor to assist in emergency services during the Pandemic, being used as emergency overflow hospitals, COVID testing sites, food pantries, and homelessness housing.

CEO Olcott explained that the Network of California fairs lost State funding in 2011 and that the money accepted from AB 1499 would only last fairs 1 – 3 months at the most and is being used to cover State Employee Salaries, State Employee Benefits, Utilities, and upkeep maintenance of the facility. He further noted that because of losing the funding in 2011, fairs already had to adapt to working year-round with minimum staffing levels. He noted that a lot of people say the solution to this current situation is to start layoffs, but, in order to be here to serve the community in emergency situations, there is no more people to layoff.

Olcott stated that it is easy for the government and people to forget about the fairs when it comes to funding because they think of us as the annual event that brings our community together. However, they need to remember that we are here year-round helping our communities in times of emergency.

Olcott stressed that as a District Agricultural Association, we are here to promote agriculture and education and during this time, we really need some help. In 2019 California ranked number 1 in agricultural sales and Kern County was the second top producing county in California.

Olcott explained that we need the funding to help us survive until the state opens back up to where we can start making money again.

Olcott went on to emphasize the importance of California Fairs and how it would be sad if we had to permanently close our doors on years of traditions and memories. “We help stimulate our local economies, educate our youth, and provide a safe haven in times of need.”

The Network of California Fairs according to the 2015 report indicates:

- Spending Impact 3.9 Billion
- Income Impact 1.2 Billion in Wages
- Employment Impact 30,000 Full time Jobs
- Sales and Use tax from Fairground Operations \$66 Million

Economic Impact of the Kern County Fair according to the 2014 report indicates:

- Spending Impact \$39,143,000
- Income Impact \$13,396,000
- Employment Impact 454 Jobs
- Sales and Use Tax from Fairground Operation \$544,000

Additional Overview of impacts on the Kern County Community with Kern County Fair:

- The Kern County Fair and Event Center is home for over 130 public and private events every year at our fairgrounds.
- We have 12 non-profit food vendors who participate each year during the annual Fair. For many of these non-profits, the fair is their main fundraiser throughout the year.
- These nonprofit vendors grossed a total of \$607,253.74 at the 2019 fair.
- We partner with local businesses who purchase tickets at a discounted rate to reward their employees.
- The fair also brings people from outside of our community who come to the 12-day event, and spend money at our local hotels, restaurants, and stores.
- Annually, the fair hires over 500 seasonal employees within our community, not including those who are hired on by food vendors and the carnival company.
- 2018 Fair Grounds Revenue \$7,796,839
- 2019 Fair Grounds Revenue \$8,367,600 + \$570,761 above 2018

Currently our bare bones monthly obligations are:

- Payroll and Benefits
- Workers Comp Insurance \$22,987
- Liability Insurance \$10,119
- Deferred Compensation \$3,597
- Property Lump Sum July 1, 2020
- Unemployment Insurance \$28,000 per quarter.

Layoffs will take 6 months to a year per CalHR laws

- Based on seniority points
- Pay out Leave Balances to those laid off

- b. Review and Discussion to Authorize CEO Olcott to send letters on behalf of the Board of Directors, stressing the need for emergency funding to support the Network of California Fairs, especially the Kern County Fair and Event Center.

Chairwoman Rodriguez requested a motion to approve CEO Olcott to send letters on behalf of the Board of Directors, stressing the need for emergency funding to support the Network of California Fairs, especially the Kern County Fair and Event Center.

Motion made by Director Johnson, seconded by Director Torres.

Chairwoman Rodriguez wanted to elaborate further on what CEO Olcott had said so that everyone could realize the severity of the situation before going to a vote. Without the state's assistance the Kern County Fair's funds are depleting at a rapid pace. Rodriguez commended CEO Olcott for his skills and foresight for building up the reserves to get the fair as far as he did. She further stated that the Kern County Fair would only be able to make payroll until June 1. "It is not a no fair for 2019, it is a no fair again". She noted that it was not just Kern County Fair, but all fairs in California, with some closing sooner than others.

Board member Torres reiterated what Chairwoman Rodriguez said. And asked if anyone knew the status of other Fairs in California. Olcott answered that there are other fairs who may only last another 15 days without any assistance from the state. Torres pointed out the importance of the Kern County Fair and the impact that it has made on livestock exhibitors. Torres stated that the board of directors will do everything in their power to keep this fair afloat.

Director Dunphy encouraged the media participating in the meeting to report on the statistics that CEO Olcott shared and to educate the community that the Kern County Fair is in fact a state agency and therefore have to cover the salaries, medical, pensions, etc. of state employees without any income currently. Dunphy reiterated that because of the pandemic, it has forced the fair to use almost all of their rainy-day fund that took years to build up. He stated that the fair generates millions for the state, county, and city through taxes and spending.

Rodriguez wanted to expand on the status of fair employees. Stating that the fair cannot just lay off or furlough state employees like most businesses, they have to follow the guidelines by CalHR which would

take 6 – 12 months. Olcott said he had a meeting with HR coming up where he would be discussing details further on options.

Director Johnson asked if there was a possibility of opening the swap meet back up for essential goods only. Chairwoman Rodriguez stated that she reached out to Kern County Public Health with that same question and they told her that the answer was that swap meets are not considered essential so they will not be allowed to open.

Director Espericueta stated that the state is the one who put us in this position to not be able to make payroll and disrupted our business and inability to make revenue. Director Dunphy added that this isn't just like other business who are not able to make profit during this time, but that the state took away the means that the fair used to pay the state's employees. The fair isn't asking for a handout to cover lost profit, but to cover the salaries of their employees during this time. Espericueta further went on to state how we are required to close by the state, required to maintain our workforce by the state, but do not qualify for any loans, line of credits, or grants that many other businesses do. Dunphy agreed with adding "You got to pay our employees, but you can't earn any money to do it."

Torres said he believes the media had a misunderstanding of the financial nomenclature of this organization and that they are going to have to fully grasp the severity of this information.

Director Chavez would like to get a Call to Action organized online and on social media to help get people involved.

Chairwoman Rodriguez stated that the letters being sent out are going to be uniformed throughout the Network of California Fairs.

Director Torres encouraged the Livestock community to speak out on our behalf on the importance of Livestock and Fairs. Chairwoman Rodriguez opened the floor to local FFA teacher Julie Beechinor to make a comment on behalf of the Livestock Community.

Julie Beechinor shared with the board that as an ag industry person, they have the boards back. They want to help write letters and share the importance of California Fairs. She stated that she is a member of advocates for fair reform and would like to help "release the beast" on trying to get funding. Director Chavez asked how much money we would need to cover payroll and benefits for June, CEO Olcott responded with \$200,000.

Julie Beechinor encouraged reaching out to Kevin McCarthy, KCSOS, Grimmway, and local Ag businesses. CEO Olcott stated that he has reached out to Kevin McCarthy and has been sending information to his office.

Director Torres shared that he received a message from someone wanting to help out.

Director Espericueta thanked Julie for taking the time for sharing her comments and encouraged the community to reach out to Sacramento. He also noted that the Kern County Fair Board serve on this board because they love it and serve on it without any compensation. He added that we have had an extremely strong balance sheet that has got us this far.

Chairwoman Rodriguez added that if we have to cancel the annual fair, the kern county fair will need essentially 3 million dollars to get through the end of the year.

Director Dunphy would like a call to action added on the kern county fair website with tools to help people reach out to the government. CEO Olcott wanted to reiterate that this is not just a Kern County Fair or California Fairs problem, International Association of Fairs and Expositions are also trying to help get funds on a federal level for Fairs.

Director Dunphy shared that the Kern County Fair is more than corndogs and rock bands, more people see the artwork of Kern County residents than they would if it were at the Kern County Museum. He stated that the things that give our community texture are now in danger because we are not loud enough. People need to get their voices out there.

CEO Olcott wanted to add that Livestock touches on all of our agriculture and is an important component of our teaching and community with agriculture.

Director Lidgett agreed with CEO Olcott and shared that this is his daughters first year able to show a pig and that his son already has his pig and how devastating it would be for them to not be able to have that learning component.

Motion passed by all Directors.

<u>Board Member</u>	<u>Approved (Yes Vote)</u>	<u>Not Approved (No Vote)</u>	<u>Abstain</u>
Jared Britschgi	X		
Cesar Chavez	X		
Ned Dunphy	X		
Lucas Espericueta	X		
NaTasha Johnson	X		
David Lidgett	X		
Blodgie Rodriguez	X		
David Torres	X		

Next Regular Board Meeting

Next scheduled board meeting is Monday, May 18, 2020 at 5:00 PM

Directors Comments

Director Torres – Shared that he is getting emails and messages requesting information on how they can donate or help. He shared how emotional this is how much the fair means to everyone.

Director Chavez – Would like to see some posts on our social media

Director Britschgi – Wants to see a spot on a page online on how people can help.

Director Dunphy – Wants to have a link on ways people can donate to the Friends of the Kern County Fair. He shared that he did not grow up with a fair in Canada and did not know anything about agriculture until he moved here. He is amazed by all the hours that leaders and volunteers spend on the fair and thinks it would be such a tragedy to see fairs go away because it was not important enough.

Director Lidgett – Wants to encourage people to add old pictures of themselves showing at the fair on social media.

Director Espericueta – Wanted to share how great the fair is to so many people. It is the largest exchange of culture of the year in our community. There is no other place that shows more art, collections, quilts, and jams. There is someone behind each of those who puts their life into it and looks forward to the fair. There are thousands of people in the community who go and see all these displays. Everyone has their own route they follow every year and his always includes seeing all the exhibits. He wanted to praise the staff and people who help make the fair as great as it is. Financially we have had a very good past three years where we were committed to keeping prices down while still building on our successes each year. We were able to complete some major capital improvements pre COVID chaos. He thinks that this is a speed bump but thinks we can get through it. It hurts him to know that he can see the media trying to turn this around. He would hate to see the media portray the fair in a poor way like they did less than a year ago, in regards to a unanimous state audit. He believes we are going to figure out a way to survive because he knows the community will not stand for us not having a cultural exchange like the annual fair. He is excited that there will be some good out of all this chaos.

Director Johnson – Wanted to know if we could do something similar to a GoFundMe account.

Chairwoman Rodriguez – We are so much more than those 12 days of fair, we're currently providing housing for the homelessness community facing COVID, shelter for those affected by fire or flood, housing for the Budweiser Clydesdales when they are traveling across the country. This is truly the community's fair. She wouldn't trade growing up showing in Casa Loma 4H for anything. This whole event center has supplied so many members of our community so much more than what they get in those 12 days.

Director Rodriguez requested a motion to adjourn the April 29, 2020 Board of Directors meeting. Motion made by Director Espericueta, seconded by Director Johnson. Time is 6:11 PM

Certified to be a True Copy

Signed


Blodgie Rodriguez

Title: Chairman of the Board

Date: April 29, 2020

Signed


Michael G Olcott

Title: Chief Executive Officer

Date: April 29, 2020