



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

**Minutes of the Board of Directors Meeting
Monday, September 20, 2021**

Call to Order:

Director Rodriguez called the meeting to order at 5:11 PM in the Association Office.

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 | | |

Chairwoman Rodriguez requested a motion to approve the excused absences of Director Johnson and Director Lidgett. Motion made by Director Espericueta, seconded by Director Chavez. Motion passed by all Directors.

Public Comment:

Kristine Hudson - Thank you for lunch on Saturday at the livestock cleanup.

Consent Calendar: *(Discussion/Action by Board)*

- a. Review of Minutes of August 16, 2021
- b. Review of Minutes of September 9, 2021
- c. 2021 Standard Agreements
- d. 2021 Concession Agreements
- e. 2021 Commercial Agreements
- f. 2021 Sponsorship Agreements
- g. 2021 Livestock Judges Agreements

h. 2021 Competitive Exhibits Judges Agreements

Mike – There won't be any agreements due to last minute changes. We will need to push those to next month.

Chairwoman Rodriguez requested a motion to approve items A and B and table items C – H to October 2021 Board Meeting on Consent Calendar. Motion made by Director Torres, seconded by Director Chavez. 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 | | | |
| David Lidgett | | | |
| Blodgie Rodriguez | X | | |
| David Torres | X | | |

Committee Reports

Finance Committee - Lucas Espericueta, Chairperson

- a. Review of Financials Report (*Discussion/Action by Board*)
- b. Review of August 2021 Financials (*Discussion/Action by Board*)

Lucas- Cash balances are strong. There is \$2.3 million in cash compared to last year at this time, \$450,000. Spending a lot getting ready for the fair. Balance sheets are strong as expected, lots of cash, minimal payables, and a better financial condition than last year. You will see a lot more items there on our revenue page than usual. In expenses you will see that maintenance is a lot higher than it usually is. Big utility bill and getting ramped up for fair. Net for the month is \$230,000 in red, to be expected. So far year to date we are \$306,000 in the red not including the funds received from outside sources and grants. Year to date including all grants we are at \$175,000 in the green. We did get a grant for the Shuttered Venues Grant, which will be on next month's financials.

Cesar - What is the amount of the grant again?

Mike- It was \$2,090,000. We will be pulling expenses from March of 2020 to December 31, 2021. It's going to be a sperate budget item that Diane will create so you can see what is being used against that from this year and last year, because it overlaps two years. That money will go right into our operating account. It is in our savings account right now. We will reimburse our operating account for those expenses.

Chairwoman Rodriguez requested a motion to approve Financial Report and the August 2021 Financials. Motion made by Director Dunphy, seconded by Director Torres. 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 | | | |
| David Lidgett | | | |
| Blodgie Rodriguez | X | | |
| David Torres | X | | |

Livestock Committee - Jared Britschgi, Chairperson

Jared - Talked to Dawn and everything is on track. Numbers being down makes it easier. So far so good.

Torres - What is the overall percentage down?

Mike - From 2019 over 50%. There are 400 hogs this year and there was over 800 hogs in 2019, there was 400 sheep, and we have 250 now, and in poultry there was 700 now there is 250.

Jack- The last couple years we were at 45 sprinters, this year we have 30- 35 so off by 10. Beef is down, 35 Helper and Beef.

Britschgi- Hopefully no issues and we can start bringing animals in.

Facilities Committee - Cesar Chavez, Chairperson

Cesar- We have not had a meeting, but everything is looking good out there. Mike and staff have been doing a great job.

Business Development Committee - Ned Dunphy, Chairperson

Nothing to report.

KC's Farm Committee - Ned Dunphy and Lucas Espericueta

Mike- Everything is looking great.

Old Business

No old business

New Business

a. Review and Discussion of the 2019 Annual Financial Audit. Addendum A

Lucas - This is the 2019 year, that is about how long it takes. This is an 18 month turn around if not more. This is an Audited Report and so on page 2 it goes over what they did. I asked Diane and Mike exactly what they are doing as far as auditing our expenses, revenue, and all our items that we have. Getting an audited report is expensive. We are a state agency, we are audited; they will go through it randomly sample expenses and income items. In 2019, they found very little to no discrepancies in our audit.

Mike – The only item found was wanting more staff in our accounting department.

Lucas – That was the year we had turn over in the accounting department. We know have Diane who has done an amazing job. Diane is from the Sacramento area, she was supposed to be a

temporary employee, but has been one of those long temp jobs that we have benefitted from greatly. Hopefully her knowledge and training get passed on to the person who will be filling that position.

Cesar – We appreciate your help and have a wonderful retirement.

Diane- Thank you, it's been fun.

Lucas - This was after our last successful fair, right before the pandemic Attendance was good but not as good as we wanted. The expenses that have been providing you guys were higher than normal tracking ahead of time, lot of maintenance expenses. We had \$1.2 million cash after the fair, about \$1 million against it as far as payables. We were running light on cash at that point in our finances. Through the beginning of the next year, we had just hired Lilia and started to ramp up on booking events and we had a successful spring. That really set us up for having receivables and in a position that gave us \$700,000-\$800,000 in excess cash. We hit our goal as far as what we had budgeted for the year for total revenue. We had budgeted \$8.1 million in revenues, we hit \$8.3 million in revenues. The expenses we had budgeted for was \$7.9 million, we had \$8.3 million not including our pension expenses at \$560,000, so we hit about \$9 million in expenses last year. We try our best to budget, but things always come up each year. For the year, the Net Operating Revenue, we had lost \$820,000, but granted that includes depreciation which is not a real loss its just us writing off money on equipment.

Torres - Was this pre-pandemic?

Blodgie- Yes, pre-pandemic, 2019.

Mike- The depreciation expenses and pension expenses, those are just number we owe, it doesn't mean they were expenses that were paid out.

Lucas - As we get people and accrue employees we are paying into their pension. We keep it on our balance sheet how much we owe of that pension.

Mike - So like in 2020 when we had the layoff, the pension expense line 566 was paid out at the end of the year. That was the State of California came in for laying everyone off and paid those pensions expense out through the money that the Governor had, the \$40 million, that he budgeted for the fairs to lay everyone off.

Blodgie - So we were reimbursed that money?

Mike- Yes

Lucas - In a normal year we set aside that money in case someone leaves or is terminated, but in 2020 we had to pay it as they left. Those are on our Revenue stream as expenses, but they are not a payment. They are just an accounting for and appropriated amount for CalPERS. How much are we paying a month?

Mike - For a pension about 60% of their Salary.

Diane- No, pension and liability has gone down 29.5 just under 30%.

Mike Including all benefits?

Diane- No that is just for pension. We still have medical, workers comp, so we are running at about 45% benefit load for civil service employees, for benefits on their behave.

Lucas - With that said 2019 was not a stellar year, but when we back out the non-real numbers we broke about even. When you back out pension, liabilities, and depreciation which are not actual expenses, but are treated as expenses, about \$800,000 we basically broke even. When we budget, we want to budget to make a profit. For example, on 2019 we budgeted to make a profit of \$215,000.

Torres- Overall we have done well in comparison to the other 58 fairs.

Lucas - 2018 was a stellar year, we knocked it out of the park. When we look at our actual balance sheet that is where we are, but cash is an indication on where we are. It'll take some time to run through expenses and revenue, but cash is an indication how well you are doing. Right now, you are seeing our cash position our working capital, which is always an important thing in finance, is as strong as we've ever been. Granted a lot of that is from outside funds that are coming in supplementing our income, but at the same time we cut our staff hard and are working our existing staff currently at a level that is unsustainable. As we get back to normal, we will start to hire more people and relieve those pressures.

Torres- Are we looking at the possibility for generating our former events like the one in March, the boat show?

Mike- Yes, we are pretty much booked. We have everybody that was booked for Spring 2021 are moving to October, so the weekend after the fair ends, we are booked solid all the way through into the summer of next year.

Chairman Rodriguez asked for a motion to approve 2019 Annual Financial Audit. Motion made by Director Torres, seconded by Director Britschgi. 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 | | | |
| David Lidgett | | | |
| Blodgie Rodriguez | X | | |
| David Torres | X | | |

- b. Review and Discussion of the amendment to the contract/agreement between the County of Kern and the 15th District Agricultural Association, Kern County Fair and Event Center for Emergency use of the property as activated by the Kern County Emergency Operations Center (EOC).

Mike- That is not in your packets, if we can hold this to the next meeting, they just got it signed on the 14th and I couldn't add it to the packet. They amended the contract with us so they can utilize Harvest Hall for vaccinations, the 3rd covid shot. They will be down there through January 31st of next year. They will use the little parking lot and Harvest Hall Tuesday - Friday. Blodgie and I discussed it and they will get the property for free, so they can vaccinate all the people that were first and second shot. I don't know what is going to happen, if they will have the booster shot or not. Last time I talked with Tom Becket, 160,000 need to vaccinate with Pfizer.

Torres - Do you know what the allocations are going to be in terms of Johnson & Johnson, Pfizer and Moderna during Fair? I think a lot of people that are unvaccinated would be willing to get the Johnson & Johnson.

Mike- I do not have those numbers. We are giving at least 2,000 tickets while they are here during fair, so they can return a second time for free. They are in Harvest Hall now doing vaccinations.

Chairman Rodriguez asked for a motion to table the amendment to the contract/agreement between the County of Kern and the 15th District Agricultural Association, Kern County Fair and Event Center for Emergency use of the property as activated by the Kern County Emergency Operations Center (EOC) to next meeting. Motion made by Director Torres, seconded by Director Dunphy. 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 | | | |
| David Lidgett | | | |
| Blodgie Rodriguez | X | | |
| David Torres | X | | |

- c. Request approval for the CEO to attend Fall Managers Conference in Sacramento, California November 2-4, 2021

Mike - We are not sure yet if this will be virtual.

Torres – Assuming that it may be live, I move to approve.

Chairman Rodriguez asked for a motion to approve the CEO to attend Fall Managers Conference in Sacramento, California November 2-4, 2021. Motion made by Director Torres, seconded by Director Dunphy. 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 | | | |
| David Lidgett | | | |
| Blodgie Rodriguez | X | | |
| David Torres | X | | |

Next Regular Board Meeting

Next scheduled board meeting is Monday, October 18, 2021, at 5:00 PM.

CEO Reports

- a. 2021 Fair Updates
- b. Fairgrounds and Facilities Updates

Mike- Everything is coming together nicely it just has been a different year, with people not able to come, and other people coming from other fairs. Just recently, Antelope Valley Fair cancelled their fair because they are in LA County. We are trying to see if we can get any vendors and have them come over here. Our Health Department cut us off on food last Wednesday, but we were able to get maybe 2-3 vendors that were needed in the buildings and the grounds. The KC Lange Stage and the Good Time Stage will not be here, but there is still a lot of entertainment. At the Bud Pavilion the entertainment is stronger this year. We are lucky to have what we have. The fairgrounds facilities never cease to amaze me, like the sewer lines, we usually pay about \$5,000-\$6,000 to clean out sewer line, well now its \$15,000 because we have been idle for two years. This is exactly what CFSA, our insurance carrier said was going to happen because we are sitting here without utilization that some of the facilities will need repairs or need more work or upgrades. Our expenses will probably be higher. We graded the Union Parking lot, the grass is green, looking good. We are going to have a good fair.

Directors Comments

Ned Dunphy- Thank you Mike and staff for the substantial hours out in for putting on the fair with 30% of your normal staff. The fact that you can put anything together is nothing short of astounding. A big thank you to Blodgie for the sacrifices you are making.

David Lidgett- No Comment

Cesar Chavez- No Comment.

David Torres- Thank you Mike and his wonderful staff, you guys have done a wonderful job. Thank you Blodgie for your leadership.

Lucas Espericueta- Looking forward to the fair, it's been a long road. This week is exciting. Thank you to all the staff, I am sure you guys are running ramped.

Jared Britschgi- Thank you to the staff for putting this on short notice. I don't think people will be able to tell that it was put together so fast.

NaTasha Johnson- My apologize for being late. I am thankful for being here, the kids are excited to be here. Thank you to our Chair, our CEO, Lili, Chelsey, and everybody on board.

Mike- It is amazing when the industry gets together, from livestock, concessionaires, to the vendors constantly asking what they can do to help. It is amazing what we do in this industry.

Ned – It was a little odd seeing Mike going around on a forklift.

Blodgie Rodriguez- It spoke volumes of his dedications to the fair and character. The fact that we have a CEO, at our size of a fair, driving a forklift moving porta potties speaks volumes. We have an awesome staff.

Director Rodriguez adjourned the September 20, 2021, Board of Directors Meeting.

Time is 5:46 PM.


Certified to be a True Copy

Signed 

Blodgie Rodriguez

Title: Chairman of the Board

Date: September 20, 2021

Signed 

Michael G Olcott

Title: Chief Executive Officer

Date: September 20, 2021