

**MINUTES OF THE REGULAR MEETING OF THE BOARD OF DIRECTORS
OF THE NAPA COUNTY FAIR ASSOCIATION
THURSDAY, FEBRUARY 8, 2018**

STAFF PRESENT: CEO Carlene Moore

1. CALL TO ORDER

A regular meeting of the Board of Directors of the Napa County Fair Association was held Thursday, February 8, 2018, in the Tucker Room at the fairgrounds with the following directors present: Chairperson Karan Schlegel, Directors Bob Beck, Bob Fiddaman, Gary Heitz, and Ricky Hurtado. Directors absent: Dana Cole. Allowing time for the board and members of the public to review the information provided at the start of the meeting, the meeting was called to order at 6:20 pm by Chairperson Schlegel.

2. PUBLIC COMMENT

None

3. CONSENT CALENDAR

- a. Minutes of the Regular Meeting held on January 11, 2018
- b. Financial Report of January 2018
- c. Correspondence

Motion by Fiddaman, second by Hurtado to approve consent calendar as presented. Motion passed unanimously, 5-0-0.

4. DISCUSSION OF ITEMS REMOVED FROM THE CONSENT CALENDAR

None

5. STRATEGIC GOALS

To create a unique, relevant, annual fair that is owned with pride by the community as “our county fair.”

- a. Fair Redevelopment Update

Staff report: CEO Moore. The Napa Valley Olive Oil Competition has been scheduled for May 2 and the Fiesta is scheduled for May 6. Staff continues to work on development of other components of the Fair & Fiesta. The designer in residence for ENGAGE Art Fair was selected as vonsaal design of Napa and plans and the call for artists are well underway.

To create a master plan of the facility and programs that strategically develops our business enterprises.

To develop a top-ranked RV Park destination that delivers the Napa Valley experience.

To perform as, and be recognized as, the community’s number one event center and ranked in the North Bay Area’s top ten.

- b. Potential Joint Powers Authority (JPA) Formation for Fairgrounds Operations and Management; Impacts of JPA Formation on Napa County Fair Association: Accept summary of the Special Meeting of February 1, 2018

Staff report: CEO Moore
Board discussion: None
Public comment: None

c. Policy Update: License Agreement Usage Hours

Staff report: CEO Moore
Public comment: Tommy Hunt
Board discussion: Beck

Motion by Fiddaman, second by Beck to approve staff's recommendation to use the City of Calistoga's Persistent Noise ordinance as a guideline to modify the License Agreement language for Usage Hours from "Music and/or amplified entertainment must end by 10:30 pm for indoor events and by 8:30 pm for outdoor events" to "...must end by 10:00 pm for both indoor and/or outdoor events." Motion passed unanimously, 5-0-0.

6. ADMINISTRATIVE ITEMS

a. 2017 Annual Membership Meeting

Staff report: CEO Moore
Public comment: None
Board discussion: Beck, Hurtado, Heitz. General discussion of the timing of the meeting to allow the board to gather more information about the future role of the Association in the new governance structure.

Motion by Heitz, second by Beck to approve the 2017 Annual Membership Meeting date as Thursday, June 14, 2018 at 5:30 pm. Motion passed unanimously, 5-0-0.

b. 2018 Golf Course Operational Plan

Staff report: CEO Moore
Board discussion: Beck, Heitz, Fiddaman
Public comment: None

Motion by Heitz, second by Hurtado to approve the 2018 Golf Course Operational Plan as presented and to invest \$60,000 of reserves in support of it. Motion passed unanimously, 5-0-0.

c. Budget: 2018 Operating budget

Staff report: CEO Moore
Public comment: None
Board discussion: Beck, Fiddaman, Heitz, Hurtado, Schlegel

Motion by Fiddaman, second by Heitz to approve the 2018 Operating budget as presented with the addition of \$60,000 in reserves invested into the golf course budget. Motion passed unanimously, 5-0-0.

d. 2018 Standing Committees

- i. Executive Committee: Bob Beck (committee chair) past chairperson, Karan Schlegel, current chairperson, Gary Heitz, vice-chair, and Ricky Hurtado, treasurer
- ii. Audit & Finance Committee: Ricky Hurtado (committee chair), Gary Heitz

Motion by Beck, second by Fiddaman to approve the Chairperson’s appointment of board members to the Executive and Finance-Audit committees. Motion passed unanimously, 5-0-0.

e. CEO Report

i. Revenue Protection Insurance for Fair Events

Staff report: CEO Moore presented the options available for revenue protection insurance and noted that with the approval of the 2018 budget, she will purchase \$50,000 revenue protection insurance for both the May Fair & Fiesta and the July Star-Spangled Social events.

Public comment: None

Board discussion: None

ii. Other items reported

Staff report: Deferred Maintenance project job walks were completed on January 29th with three contractors appearing for each project; bids will be returned in February. Our forklift rotator and hopper lids have been ordered through the Upper Valley Waste Management Authority grant. Staff and the Volunteer Program Development Committee will be attending the Center for Volunteer & Nonprofit Leadership Heart of Napa awards on March 15th in Napa. A full-time janitor has been hired and both of our facilities employees are attending a training especially for their department, Maintenance Mania, this week in Sacramento.

Motion by Beck, second by Hurtado to adjourn to closed session at 8:10 pm. Motion passed unanimously, 5-0-0.

7. ADJOURN TO CLOSED SESSION

- a. Public Employee Performance Evaluation (Government Code Section 54957)
Title: Chief Executive Officer

CONVENE TO OPEN SESSION TO REPORT FROM CLOSED SESSION

The board reconvened in Open Session at 9:12 pm. Chairperson Schlegel reported that the board authorized the payout of 100 hours of vacation time to CEO Moore.

8. ADJOURNMENT

Motion by Heitz, second by Fiddaman to adjourn at 9:16 pm. Motion passed unanimously, 5-0-0.

Certified to be a true and correct copy.

Carlene Moore
Chief Executive Officer

Date

Karan Schlegel
Chairperson

Date

Napa County Fair Association

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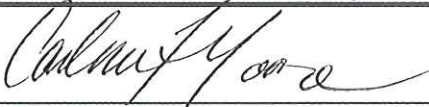
Calistoga

Page 1

Fair Name

Fair Code

Location

STATEMENT OF OPERATIONS - OPERATING FUND	Reference	Account Number(s)	Jan 1 to Dec 31, 2017
TOTAL NET RESOURCES, January 1			
Net Resources-Unrestricted	Prior Year	29100	\$112,096
Unrestricted Net Position-Pension	Prior Year	29400	(\$297,653)
Net Resources-Restricted	Prior Year	29300	1,786
Net Resources-Capital Assets, Less Related Debt	Prior Year	29000	1,330,784
Prior Year Audit Adjustment(s)	Prior Year	various	0
TOTAL NET RESOURCES, JANUARY 1			1,147,013
RESOURCES ACQUIRED:			
Operating Revenues	from page 2	various	1,384,607
State (Local/Base) Allocation(s) (F&E)	to page 2	31200	38,190
Training Allocation & Other Fiscal & Admin Assistance (F&E)	to page 2	31300	2,419
Capital Project Reimbursement Funds	to page 2	31900	18,778
One-time Revenue Sources (fire camp, sale of property, capital project audit adj)	to page 2	32500	88,824
Contributions from Other Gov't (non-F&E) Sources	to page 2	33000	0
Other (e.g. Flex Capital)	to page 2	34000	0
TOTAL RESOURCES ACQUIRED			1,532,818
RESOURCES APPLIED:			
Operating Expenditure	from page 2	various	1,295,066
Depreciation Expense	from page 2	90000	114,253
Pension Expense	from page 2	96000	0
TOTAL RESOURCES APPLIED			1,409,319
INCREASE/(DECREASE) IN NET RESOURCES DURING THE YEAR			123,499
TOTAL NET RESOURCES, December 31			
Net Resources-Unrestricted	from Sch 1	29100	269,250
Unrestricted Net Position-Pension	from Sch 1	29400	(297,653)
Net Resources-Restricted	from Sch 1	29300	31,786
Net Resources-Capital Assets, Less Related Debt	from Sch 1	29000	1,267,129
TOTAL NET RESOURCES, DECEMBER 31			\$1,270,512
Unrestricted Reserve Percentage			20.79%
			
CEO's Signature	Date		
	3/5/2018		
		Celebrate! Napa Valley	
		2017 Fair Theme	

Fair Name: **Napa County Fair Association**

Fair Code:

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SUMMARY OF OPERATIONS	Reference	Account Number	Jan 1 to Dec 31, 2017
OPERATING REVENUES:			
Admissions to Grounds	Fair	41000	\$232,535
Industrial and Commercial Space	Fair	41500	6,105
Carnivals	Fair	42100	0
Concessions	Fair	42200	58,470
Exhibits	Fair	43000	11,915
Horse Show		44000	0
Horse Racing (Fairtime Pari-Mutuel)		45000	0
Horse Racing (Satellite Wagering)		45005	0
Fair Attractions		46000	
Motorized Racing	Speedway	46109	195,779
Interim Attractions	Golf Course	46009	72,213
Miscellaneous Fair	Fair	47000	97,666
Miscellaneous Non-Fair Programs	RV Park	47005	526,963
Interim Revenue	Events Center	48000	151,753
Prior Year Revenue Adjustment	General	49000	419
Other Operating Revenue	General	49500	30,788
TOTAL OPERATING REVENUES	to page 1		1,384,607
OPERATING EXPENDITURES:			
Administration		50000	260,528
Maintenance & General Operations		52000	192,612
Publicity		54000	64,185
Attendance Operations		56000	12,231
Miscellaneous Fair		57000	207,754
Miscellaneous Non-Fair Programs	RV Park	57005	132,804
Premiums (For Exhibit programs only)		58000	3,242
Exhibits		63000	3,231
Horse Show		64000	0
Horse Races (Fairtime Pari-Mutuel)		65000	0
Horse Races (Satellite Wagering)		65005	0
Fair Entertainment Expense		66000	173,735
Motorized Racing	Speedway	66109	74,517
Interim Entertainment Expense	Golf Course	66009	142,318
Equipment (Funded by Fair)		72300	17,408.47
Prior Year Expense Adjustment		80000	74.37
Cash (over/under)		85000	-1,408.69
Other Operating Expense		94000	11,835.15
TOTAL OPERATING EXPENDITURES	to page 1		1,295,066
NET OPERATING PROFIT/(LOSS) BEFORE DEPRECIATION & PENSION			\$89,541
Depreciation Expense	to page 1 & sch 7	90000	114,253
Pension Expense	to page 1	96000	0
NET OPERATING PROFIT/(LOSS) AFTER DEPRECIATION & PENSION			(\$24,712)
State (Local/Base) Allocation	from page 1	31200	38,190
Training Allocation & Other Fiscal & Admin Assistance (F&E)	from page 1	31300	2,419
Capital Project Reimbursements	from page 1	31900	18,778
Other Funds (e.g. County, Supplemental, Fiscal Ass't)	from page 1	Various	88,824
NET PROFIT/(LOSS) BEFORE DEPRECIATION & PENSION			\$237,752
PROFIT MARGIN RATIO BEFORE DEPRECIATION & PENSION			17%
NET PROFIT/(LOSS) AFTER DEPRECIATION & PENSION			\$123,499
PROFIT MARGIN RATIO AFTER DEPRECIATION & PENSION			9%

Fair Name: **Napa County Fair Association**Fair Code: **NCF**

Schedule 1

STATEMENT OF FINANCIAL CONDITION	Account Number(s)		Dec 31, 2017
ASSETS			
Cash-Unrestricted	11100-11800 *	\$322,381	
Cash-Restricted	11000		
Total Cash			322,381
Accounts Receivable, Net of Allowance for Doubtful Accounts	13100-13300		101,732
Deferred Charges	14300		9,466
Deferred Outflows of Resources	16000		
Other Assets	14100, 14700-16200		4,163
Property, Plant & Equipment:			
Construction in Progress	19000	25,783	
Land	19100	0	
Buildings & Improvements	19200	2,952,159	
Less Accumulated Depreciation-Buildings & Improvements **	19201	(1,900,794)	
Equipment	19300	554,906	
Less Accumulated Depreciation-Equipment **	19301	(328,010)	
Leasehold Improvements	19400	0	
Less Accumulated Depreciation-Leasehold Improvements **	19401	0	
Total Property, Plant & Equipment			3,532,848
Total Accumulated Depreciation			(2,228,804)
Net Property, Plant & Equipment			1,304,044
Intangibles:			
Computer Software, Land Use Rights, Patents, Copyrights, Trademarks, etc.	19500	0	
Less Accumulated Amortization **	19501	0	
Non-Amortizable Intangible Assets	19600	0	
Net Intangibles			0
TOTAL ASSETS			\$1,741,787
LIABILITIES			
Insurance Fees Payable	21100		(\$120)
Accounts Payable	21200 & 21250		26,153
Payroll Liabilities	22100-22600		9,523
Deferred Revenue	22800		21,137
Deferred Inflows of Resources	25600		
Other Liabilities	21300, 22700, 22900 & 23000		7
Guaranteed Deposits	24100		1,847
Compensated Absences Liability	24500		21,160
Long Term Debt (current and long-term portions)	25000		93,915
Net Pension Liability	26000		297,653
TOTAL LIABILITIES			\$471,275
NET RESOURCES			
Junior Livestock Auction Reserve	25100		0
Total Net Resources (without JLA Reserve):			
Net Resources-Unrestricted	29100	269,250	
Unrestricted Net Position-Pension	29400	(297,653)	
Net Resources-Restricted	29300	31,786	
Net Resources-Capital Assets, Less Related Debt	29000	1,267,129.15	
Total Net Resources (without JLA Reserve):			\$1,270,512
TOTAL NET RESOURCES			\$1,270,512
TOTAL LIABILITIES & NET RESOURCES			\$1,741,787
Debt ratio (total liabilities/total assets)			27%
Ratio of Leave Liability Covered by Cash***			15.24
Debt-to-equity ratio (total liabilities/total net resources)			37%

* If restricted funds are included in cash accounts #11100 through #11800, these funds must be disclosed in a footnote to this report.

** Accumulated depreciation and accumulated amortization should be entered in this form as negative amounts.

*** If number is under 1.0, the Fair has insufficient funds to fully payout leave.

Napa County Fair Association

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Schedule 2

Fair Name

Fair Code

FY 2016/2017 General Allocation

**This schedule is only required by Class I-X to IV+ fairs that received
FY 2016/2017 general allocation funds during calendar year 2017.**

Description	Amount
Administration Expenses (travel, audit, office supplies, training)	\$7,901
Capital Improvements (building improvements, land improvements, new construction)	
Fair Event Expenses (advertising, attendance supplies, exhibit supplies)	
Horse Racing Expenses (supplies)	
Large Equipment (vehicles, forklifts, tractors)	
Long-Term Debt (payoff/down loans)	
Maintenance & General Operations Expenses (payroll, training, utilities, supplies and equipment)	30,289
Premium Expenses (awards, ribbons, trophies)	
Satellite Wagering Facility Expenses (supplies)	
Other (please specify)	
Total General Allocation Spent in 2017	\$38,190
Total General Allocation Received in 2017	\$38,190
Remaining Unspent FY 16/17 General Allocation	\$0

Napa County Fair Association

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Schedule 3

Fair Name

Fair Code

FY 2016/2017 Training Allocation

This schedule is only required by Class I-X to IV+ fairs that received training reimbursement(s) during calendar year 2017.

	Amount
Board of Director Training	\$200
Event Sales & Management Symposium	
Fair Regional Training	
Fall Managers Conference	315
Maintenance Mania	
New Fair CEO Orientation	
State Required trainings	
Strategic Planning	
Western Fairs Association Annual Convention	2,064
Other (please specify)	
Total Training Allocation Spent in 2017	\$2,579
Total Training Allocation Received in 2017	\$2,419
Remaining Unspent FY 16/17 Training Allocation	(\$160)

Napa County Fair Association

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Schedule 4

Fair Name

Fair Code

2017 FAIR STATISTICS

GROUPS ADMISSIONS	Price per Ticket	Number of Tickets	Amount
PAID ADMISSIONS:			
Gate Admissions			\$0
General Admission	\$25.00	2,294	57,350
Premium Access	\$30.00	323	9,690
Youth	\$20.00	625	12,500
General Admission - Fiesta	\$50.00	912	45,600
Youth - Fiesta	\$20.00	172	3,440
Discounted Admissions			0
Combo GA	\$42.50	143	6,078
Combo Youth	\$12.50	79	988
General Admission	\$20.00	738	14,760
General Admission - Fiesta	\$45.00	1,173	52,785
General Admission - Fiesta	\$30.00	71	2,130
Youth - Fiesta	\$15.00	191	2,865
Youth	\$15.00	260	3,900
Senior Citizens	\$15.00	61	915
VIP	\$100.00	9	900
Gala	\$40.00	83	3,320
Gala	\$45.00	11	495
Preview Party	\$135.00	71	9,540
Senior Citizens	\$20.00	225	4,500
Exhibitor Passes			0
Vendor Passes	\$10.00	78	780
TOTAL PAID ADMISSIONS		7,519	\$232,535
FREE ADMISSIONS:			
Courtesy Pass Admissions		102	
Credential Admissions		406	
Children under 12 Admitted Free			
Military Personnel in Uniform Admitted Free			
Children under 6 Admitted Free		479	
TOTAL FREE ADMISSIONS		987	
TOTAL ADMISSIONS TO FAIRGROUNDS (Account 41000)		8,506	\$232,535
Cash over/under (Account 85000)			\$0

Courtesy Pass Admissions as Percent of Prior Year Gross Paid Admissions

(Not to exceed 4% per Food and Ag Code Section 3026)

Courtesy pass admissions - current year	102
Total number of paid admissions - prior year	8,376
Percent	1.2%

PARKING REVENUE	NUMBER	PRICE	TOTAL REVENUE	% PAID TO
Fairtime (Account 47100)	447	\$5.00	\$2,235	0
			0	
			0	
			0	
			0	
			0	
TOTAL Account 47100	447		\$2,235	

Napa County Fair Association

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Schedule 6

Fair Name

Fair Code

Permanent Positions on Payroll for 2017

Total # of Permanent Positions (see below)

Expenditure Classification Civil Service Class Title	Total	Pay Rate		Total Per Account		Compensated Leave Liability
	Number of Months	Amount	Per	Acct No.	Account Totals	
Chief Executive Officer	12	9,004.63	month	50000	108,056	18,491
Programs Assistant	12	18.50	hour	50000	38,480	1,064
Facilities Service Technician	2	24.00	hour	50000	8,320	825
Programs Coordinator	1	22.50	hour	50000	3,900	780

Permanent positions must include all permanent full & part-time employees (only employees receiving medical benefits). Please include permanent intermittents.
 Do NOT include seasonals or 119 day employees.
 Please provide the breakdown of permanent full and part-time employees and permanent intermittents.
 This data is required for the full year, not year-end figures. However, please avoid double-counting the same position.
 E.g. A position that is filled throughout the year by 2 individuals should be counted as one permanent position.

Napa County Fair Association
Fair Name

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Schedule 7

PROPERTY, PLANT & EQUIPMENT ACQUISITIONS & DISPOSITIONS	Reference	Jan 1 to Dec 31, 2017	Jan 1 to Dec 31, 2017
PROPERTY, PLANT & EQUIPMENT, January 1:	Prior Year		\$3,519,319
ACQUISITIONS OF FIXED ASSETS:			
Land			
Buildings & Improvements:			
Major Maintenance Projects (MMP)			
ADA Projects			
Building Improvements			
Land Improvements			
Leasehold Improvements			
New Construction			
Construction in Progress		8,529	
Net Buildings & Improvements			8,529
Equipment			5,000
Other Fixed Assets			
Other (provide description):			
TOTAL ACQUISITIONS OF FIXED ASSETS			13,529
DISPOSITIONS OF FIXED ASSETS (Salvaged, Sold, etc.):			
Land			
Buildings & Improvements			
Equipment			
Other Fixed Assets			
Other (provide description):			
TOTAL DISPOSITIONS OF FIXED ASSETS			0
PROPERTY, PLANT & EQUIPMENT, December 31			3,532,848
DEPRECIATION:			
Accumulated Depreciation, January 1	Prior Year		2,114,551
Less: A/D on Dispositions of Fixed Assets above			
Less/Add: Prior Year Audit Adjustment			
Add: Annual Depreciation Expense	from page 2		114,253
ACCUMULATED DEPRECIATION, December 31			2,228,804
PROPERTY, PLANT & EQUIPMENT, NET OF DEPRECIATION, December 31			1,304,044
DEBT (ASSOCIATED WITH FIXED ASSETS)			36,915
NET RESOURCES-CAPITAL ASSETS (less related debt), DECEMBER 31:	from Sch 1		\$1,267,129

6. CDFA DEFERRED MAINTENANCE GRANTS

Background:

In FY15/16, the California Network of Fairgrounds was approved for \$7M in general fund as one-time monies. 81 projects at 43 fairgrounds were identified and approved for funding based upon the 2014-15 Deferred Maintenance Survey provided by the fairgrounds to the California Department of Food & Ag (CDFA). Napa County Fair Association was awarded two project grants: 1) New 6" backflow prevention devices for \$38,273, and 2) Replace emergency lighting system at grandstands for \$27,338. Both projects were identified as priorities under the Fire, Life & Safety category. The backflow prevention devices were initially identified to us by the City of Calistoga in 2013, and it was agreed upon with the City Manager at the time that when we had the funding to correct the problem, we would and so we took the first opportunity we had to identify it as a priority project for grant funding. The grandstand emergency lighting system was identified through a routine safety inspection of the facility.

It took over a year for the various state agencies involved to identify the grant process in order to allocate the monies directly to the fairgrounds. As part of the grant requirements, fairgrounds had to identify either the Department of General Services (DGS) or California Fairs Financing Authority (CFFA) as the Public Construction Management Entity (PCME) to assist with all aspects of the project(s) to ensure timely completion and adherence to all planning/construction requirements. We selected CFFA.

On January 12, 2018, the bid packages were issued and on January 30, job walks for both of our projects were conducted. Bids closed on February 13, 2018. It was anticipated that the Notice to Proceed would be issued on March 1, 2018 with the project completion and close-out of April 20, 2018; however, the bids received were more than the grants awarded for each. Per the latest update from CDFA, **the grant monies must be spent by June 30, 2018.** The Association has the following options for each project:

Backflow

The lowest bid was \$40,323 including orientating the equipment parallel to the fence. Based on the deferred maintenance guidelines the construction grant is approximately \$24,877, with an additional \$3,827 as contingencies, for a total of \$28,705. Options are: (1) the Association comes up with the difference, approximately \$16,000, keeping the contingency in-place which would be refunded to us at the completion of the project if not used, or (2) the project is rebid using some of the contingency funds, but with only one of the backflow device locations (not two as currently outlined for the project), or (3) the project is not completed and the remaining grant monies are returned to the State's General Fund.

Grandstand Emergency Lighting

The lowest bid was \$53,980. Based on the deferred maintenance guidelines the portion of the construction grant is approximately \$17,700, with an additional \$2,734 as contingencies, for a total of \$20,503. Options are: (1) the Association comes up with the difference, approximately \$36,210, keeping the contingency in-place which would be refunded to us at completion of the project if not used, or (2) the project is rebid using some of the contingency funds, but with a revised scope, or (3) work with the only bid received to revise the scope and reduce cost, or (4) the project is not completed and the remaining grant monies are returned to the State's General Fund.

Staff Update:

Staff has made a request to the City and County for assistance on both of these projects and the requests are under consideration.