

**MINUTES OF THE SPECIAL MEETING OF THE BOARD OF DIRECTORS
OF THE NAPA COUNTY FAIR ASSOCIATION
TUESDAY, SEPTEMBER 11, 2018**

STAFF PRESENT: CEO Carlene Moore

1. CALL TO ORDER

A special meeting of the Board of Directors of the Napa County Fair Association was held Tuesday, September 11, 2018, in the Tucker Room at the fairgrounds with the following directors present: Chairperson Karan Schlegel, Directors Bob Beck, Bob Fiddaman, and Gary Heitz. Directors absent: Dana Cole and Ricky Hurtado. The meeting was called to order at 6:15 PM by Chairperson Schlegel.

2. PUBLIC COMMENT

Cindy Yant, Tommy Hunt

3. CONSENT CALENDAR

- a. Minutes of the Regular Meeting held on June 14, 2018
- b. Financial Report of August 2018
- c. Correspondence
 - i. FY18/19 Allocation and Training Funds: Authorize CEO to execute Agreement #18-0180 with CDFA for allocation and training program

Item b removed by Chairperson Schlegel. Motion by Fiddaman, second by Beck to approve consent calendar items a and c as presented. Motion passed unanimously, 4-0-0.

4. DISCUSSION OF ITEMS REMOVED FROM THE CONSENT CALENDAR

- a. Financial Report of August 2018

CEO Moore reported that the August financials are understated by approximately \$150,000 in Fair revenue due to changes in our events that were not updated in the accounting system prior to running this report.

Board discussion: Fiddaman, Beck

Public comment: Cindy Yant

Motion by Beck, second by Heitz to approve consent item b. Motion passed unanimously, 4-0-0.

5. STRATEGIC GOALS

- a. Staff report by CEO Moore on the progress of the board's action steps since the last board meeting and as defined at their strategic planning session earlier this year.
 - i. After 12/31/18 the Association will no longer manage or operate the fairgrounds:

Staff report: June 14, 2018, the board publicly received the letter from the County of Napa acknowledging that NCFA will no longer manage the fairground operations beyond December 31, 2018, and that on January 1, 2019, the County will assume operations and management of the fairgrounds.

- ii. Serve as an ally and partner with the County and City in order to successfully transition to County, or any other successive ensuing entity that may arise during the transition period, management of the fairgrounds
 - 1. Appoint board representative to work directly with CEO and County, City, or other successive ensuing entity on transition plans

Staff report: Moved up (was Position 6) to follow Position 1 that the Association will no longer manage or operate the fairgrounds after 12/31/18. In the interest of time remaining on the Association's current contract, tonight the board will appoint a representative to work directly with the CEO and County, City or other successive ensuing entity to smoothly transition the facility operations by year end.

- iii. There is an urgent need for Association transition planning by July 1, 2018:
 - 1. Review draft amended Articles of Incorporation and Bylaws and make recommendation to adopt subject to the approval of the Association membership per California Corporations Code 5342
 - 2. Review timeline for membership notification and voting period

Staff report: The Opportunities Assessment Committee has worked with staff and attorneys to develop the proposed Articles of Incorporation and Bylaws amendments for presentation at tonight's meeting, taking into consideration the board's intentions for 2019 & Beyond as previously identified.

- iv. Support and advocate for the Napa County Fairgrounds to continue to serve the citizens of Napa County with cultural, social, and economic benefits in times of celebration as well as need:

No report.

- v. Preserve open green space for public use:

No report.

- vi. Preserve the county fair as an annual event for community celebration in the up-valley:

No report.

Board discussion: Fiddaman, Beck, Heitz

Public comment: None.

Motion by Beck, second by Heitz to appoint Bob Fiddaman as the board representative who will work with the CEO and County, City, or other successive entity on terms of transition. Motion passed unanimously, 4-0-0.

Motion by Fiddaman, second by Heitz to recommend to the association approval of the Articles of Incorporation and Bylaws as presented. Motion passed unanimously, 4-0-0.

Motion by Fiddaman, second by Heitz to approve Articles of Incorporation and Bylaws as presented. Per California Corporations Code 5342, motion will be voted on following the 45 day consideration period by the membership (at the November meeting).

6. ADMINISTRATIVE ITEMS

a. CEO Report

The 2017 Financial Review is near completion so the Finance-Audit Committee will convene to review it in the next few weeks. PG&E is operating a micro site for the next several weeks to months for one of their vegetation management team. HMC Promotions has requested a rate reduction for the recent Louie Vermeil Classic and upcoming World of Outlaws races; the email requesting the reduction was distributed with tonight's packet.

Board discussion: Fiddaman, Beck, Heitz

Public comment: Tommy Hunt, Kerri Abreu, Cindy Yant

The board directed staff to prepare a detailed report, with full speedway season financials, to present at next month's meeting for their consideration of HMC's request.

Motion by Beck, second by Heitz to adjourn to closed session at 8:20 pm. Motion passed unanimously, 4-0-0.

7. CLOSED SESSION:

Pursuant to Section 54957(b) of the Government Code

- a. Public Employee Performance Evaluation
Title: Chief Executive Officer

CONVENE TO OPEN SESSION TO REPORT FROM CLOSED SESSION

The board reconvened in Open Session at 9:05 pm. Chairperson Schlegel reported that no reportable action was taken and the item is being continued to the next regular meeting.

8. ADJOURNMENT

Motion by Fiddaman, second by Beck to adjourn at 9:06 pm. Motion passed unanimously, 4-0-0.

Certified to be a true and correct copy.

Carlene Moore
Chief Executive Officer

Date

Karan Schlegel
Chairperson

Date

Napa County Fair Association
SUMMARY OF OPERATIONS
September 30, 2018

	Budget 2018	Current Mo. 2018	Current YTD 9/30/2018	Prior YTD 9/30/2017
Revenues				
General/Overhead	59,215	840	24,732	17,067
Fair	451,700	0	434,400	381,095
Speedway	150,540	80,617	123,125	195,151
Golf Course	109,900	6,845	58,749	69,589
RV Park	521,908	36,609	390,756	392,540
Events Center	175,500	6,618	129,105	116,690
Disaster Support	0	0	6,341	0
Total Revenues	1,468,763	131,530	1,167,208	1,172,133
Expenses				
General/Overhead	101,737	16,371	270,170	252,825
Fair	613,371	9,640	550,213	421,303
Speedway	131,713	5,264	38,306	67,337
Golf Course	204,943	12,635	134,442	134,191
RV Park	265,811	7,385	127,529	101,741
Events Center	200,959	15,215	124,937	94,341
Disaster Support	0	145	71,305	94
Total Expenses	1,518,534	66,655	1,316,902	1,071,831
Net Gain/(Loss) Operations				
General/Overhead	(42,522)	(15,531)	(245,438)	(235,759)
Fair	(161,671)	(9,640)	(115,813)	(40,208)
Speedway	18,827	75,353	84,819	127,815
Golf Course	(95,043)	(5,790)	(75,693)	(64,602)
RV Park	256,097	29,223	263,227	290,799
Events Center	(25,459)	(8,596)	4,168	22,349
Disaster Support	0	(145)	(64,964)	(94)
	(49,771)	64,875	(149,694)	100,302
State Allocations	38,190	0	38,190	38,190
Other Allocations	2,419	0	2,419	12,668
One Time Revenue Source	76,275	0	139,925	0
Net Income	67,113	64,875	30,841	151,160
Depreciation	112,138	9,438	84,940	84,940
Net Gain/(Loss) after Depreciation	(45,025)	55,437	(54,099)	66,220
Resulting Net Gain/(Loss) AFTER Allocation of General/Overhead Expense				
General/Overhead	0	0	0	0
Fair	(169,750)	(12,590)	(162,446)	(85,002)
Speedway	14,575	73,800	60,275	104,239
Golf Course	(103,973)	(9,052)	(127,235)	(114,111)
RV Park	246,742	25,807	209,231	238,932
Events Center	(37,365)	(12,945)	(64,555)	(43,663)
Disaster Support	0	(145)	(64,964)	(94)



NAPA COUNTY FAIR
MOUNT ST. HELENA GOLF COURSE
CALISTOGA SPEEDWAY
CALISTOGA RV PARK

September 15, 2018

Ms. Alice Patterson
CSU Chico Geographical Information Center
35 Main Street, Suite 132
Chico, CA 95928

RE: Proposal to Economic Development Administration proposal – Broadband Connectivity at Fairgrounds

Dear Ms. Patterson:

Please accept this letter as our support of and commitment to participate in the proposed project of the CSU Chico Geographical Information Center and CA Fairs Financing Authority (CFFA) to assess broadband connectivity at fairgrounds for emergency response/economic development and develop broadband plans, cost estimates and complete CEQA compliance. We will work with CSU Chico and the CFFA to provide information about our fairground for the proposed connectivity assessment and broadband plans and review the proposed best practices document for fairground-based economic development coupled with high speed broadband. High speed connections to serve first responders and provide wireless internet access to evacuees during disasters will greatly enhance our ability to manage response and recovery during disasters. The connections will also allow us to explore alternative uses of the fairgrounds to support economic development in our communities. We urge you to fund this comprehensive and innovative proposal.

Sincerely,

A handwritten signature in cursive script that reads "Carlene F. Moore".

Carlene F. Moore
Chief Executive Officer

Hunt Motorsports Concepts (HMC Promotions) rate reduction request:

On September 7, 2018 HMC Promotions requested a rate reduction for the Louie Vermeil Classic and World of Outlaws racing events. Additionally, a request was made for consideration for the May AFT event on July 12, 2018. See attached emails. The board discussed HMC's request at their September meeting and postponed decision to the October meeting wherein they would have more information to review.

Background:

Over the course of 4 months in the winter of 2014, CEO Moore representing the Association and Tommy Hunt representing HMC, entered into negotiations of a multi-year contract for HMC to become the exclusive promoter of all motorized racing activity at Calistoga Speedway. Merging the Association's interest to 1) reduce liability exposure, 2) support efforts to enhance our overall racing program by applying dedicated resources to it (*rather than the program being one of several managed by staff that also manages the golf course program, special event rental program, and fair events program*), and 3) provide steady income to Association, and HMC's interest to expand into the realm of overall racetrack promotions (*previously only having promoted a single race*), these negotiations resulted in the parties entering into the attached agreement on February 9, 2015, granting HMC exclusive promotion of all motorized racing events at Calistoga Speedway for 2015-2018.

At the request of HMC, the agreement is a flat rate per race event (Item 4) and therefore does not include percentage calculations (common for items such as attendance, parking, food, merchandise, etc.), providing HMC a fixed cost from which they could calculate their operating budgets per event. Services provided by Association were scaled back in order to reduce HMC's fixed costs, i.e. dumpster reimbursement. Also per HMC's request, the agreement includes use of the Tubbs Building for the Hall of Fame dinner during the Louie Vermeil Classic at no charge. Revenues retained by HMC include front gate admissions, pit gate admissions, sponsorships, daily parking, vendor fees, food sales, and any other fees. Revenues retained by Association include alcoholic beverage sales and overnight camping fees. Per HMC's request, the agreement also does not include a minimum guarantee, placing a similar weather risk on the HMC as well as the Association. Over the course of the agreement, the number of events has varied from 2 to 5 events each year, resulting in fluctuating revenues to the Association.

The attached agreement includes HMC's financial obligations to the Association. Fees (Item 4) are comprised of two components: 1) Rental of the grandstands, speedway, infield, pavilion, and adjacent field, and 2) Reimbursable expenses of fuel for track prep equipment, janitorial products, utilities, and one facility attendant to be on-site during each event. The agreement includes a 5% annual increase.

It should not go unnoticed that the Association has been more than graceful with extending payment deadlines and providing other avenues of support to HMC throughout the years of this agreement.

Examples of extending payment deadlines and discounts previously given include following the close of the 2015 season, the noise curfew violation fine was reduced to \$1,000 (from \$5,000) and the \$5,000 noise curfew deposit for the 2016 season was waived. Following the close of the 2017 season, HMC's outstanding balances totaled \$27,674.15 and payments were received from October 2017 through March 2018 until the balance was paid in full.

Examples of other avenues of support given by the Association include that at HMC's request, by expanding the overnight camping on the Great Lawn and expanding daily parking onto the golf course, HMC received the opportunity to increase admission sales and daily parking revenues. Each year the Association has not charged HMC for use of equipment such as tables, chairs, portable fencing, etc. that are requested during each racing event, nor has the Association charged for the staff time given in assisting HMC with their event setups including forklift operations, and early access to the Tubbs Building has been granted to HMC for the Hall of Fame Dinner...support that is not extended to other users of the facility. Additionally, the Association has made every effort to accommodate HMC's date requests, including incorporating the AFT event into this year's County Fair & Fiesta program.

Early this year, at the request of HMC, the Association extended a discount of \$6,186.87 on the Wine Country Classic event held June 23, 2018.

At the time of this report, HMC still owes the following amounts per the agreement for the 2018 race season: an estimated \$19,722.53 balance due on the May 5th AFT event (still not settled); \$20,271.68 balance due on the September 1st-2nd Louie Vermeil Classic event; \$3,321.68 balance due on the September 15th-16th World of Outlaws event. Other items still to be invoiced for the 2018 season include \$1,221.53 for the use of the Association's dumpster during the World of Outlaws event and \$269.62 Wifi upgrade during the AFT event, for a total of \$1,491.15.

See the attached email received from HMC earlier today for the board's consideration and discussion. Following is clarification of references to HMC's list for consideration.

1. Agreed
2. Agreed
3. Association does not receive support funding from these sources
4. Association does not receive support funding from these sources
5. Association does not receive support funding from these sources
6. Association does not receive support funding from these sources
7. Reference to the "original rental fee" is from 2008 for the Louie Vermeil Classic event only. As detailed above, Rental fee is currently \$7,717.88. Other charges are for reimbursable expenses.
8. Reference to the "initial contract" again refers to his single race rental agreement for the Louie Vermeil Classic event in 2008. Track preparation was done by volunteers which HMC switched from during his tenure as promoter.
9. Irrelevant as the amount is determined by the County and our risk pool (CFSA), which has increased from \$3,000,000 to \$5,000,000 in coverage.
10. Throughout this agreement, the Association initially provided the temporary fencing and installed it as we had when we promoted the races; however, because HMC has not ever provided a layout map for setup, Association passed along the setup of the fence to HMC to eliminate Association staff being called back to change the setup. The setup of the fence was not eliminated due to limited maintenance staff, but eliminated due to lack of preparation for its setup by HMC.
11. At the request of HMC during the agreement negotiations, providing the dumpster was removed as a reimbursable expense to Association in order to lower HMC's costs, with HMC agreeing to provide their own.

12. At the choice of HMC. Prior to this agreement, when Association promoted the races, Association brought in 4 towers per race for additional lighting. Permanent light poles have not changed.
13. Sanitary facilities are the same as they were when this agreement was entered into.
14. Reference to "initially clean up was performed by Fairgrounds..." refers to 2008 agreement for Louie Vermeil Classic race only, which was not inline with rules.
15. HMC did not bring this to attention of Association before making purchase of trash cans.
16. Original ticket booth was condemned.

Carlene Moore

From: tommy@hmcpromotions.com
Sent: Friday, September 07, 2018 12:54 PM
To: Carlene Moore
Subject: Various

Hi Carlene,
Hope the Vermeil worked well for you.
I thought the event was successful from the entertainment stand point. Currently we have not received nor seen unfavorable comments with many positive comments.

I know that we were unfortunately off by about 300 grandstand attendees and 100 pit attendees per day. I did more radio spots than ever and flooded the social media with information.

With that said, I hope that you can help.

I apologize for not discussing a second day rent price reduction as we spoke about but truthfully I have had much to deal with lately (Surprise County Tax assessment, Abreu litigation, and health issues.)

Hopefully you will consider a break for both the Vermeil and the upcoming Outlaw show.

Thanks Tommy

Tommy Hunt
President
HMC Promotions
900 Riverside Ave.
Roseville, Ca 95678
Office: 916-772-8722
Cell: 916-425-7895
Fax: 916-773-7221



The information contained in this communication is confidential and intended only for the use of the recipient named above, and may be legally privileged and exempt from disclosure under applicable law. If the reader of this message is not the intended recipient, you are hereby notified that any dissemination, distribution or copying of this communication is strictly prohibited. If you have received this communication in error, please resend it to the sender and delete the original message and copy of it from your computer system. Opinions, conclusions and other information in this message that do not relate to our official business should be understood as neither given nor endorsed by the company.

Carlene Moore

From: Carlene Moore
Sent: Friday, August 24, 2018 11:18 AM
To: 'Spencer Prock'
Cc: Steve Delorenzi; Domenic Barone; tommy@hmcpromotions.com
Subject: RE: Calistoga Half Mile Vendor/Parking

Steve,

I apologize for not having responded sooner, however, your email came days after I'd left the office for an extended medical leave and I have only recently returned to work and have been trying to catch up from my absence. I am sorry to hear that your event took a substantial loss and am willing to listen to your proposal. Please let me know your availability to meet either over the phone or in person.

Sincerely,

CARLENE MOORE
CHIEF EXECUTIVE OFFICER



1435 N OAK STREET, CALISTOGA CA 94515
707.942.5111 P 707.942.5125 F
WWW.CELEBRATENAPAVALLEY.ORG

CONFIDENTIALITY NOTICE: This email message is intended only for the use of the individual or entity to which it is addressed, and may contain information that is privileged, confidential, and/or exempt from disclosure under applicable law. If you are not the intended recipient of the message, please contact the sender immediately and delete this message and any attachments. Thank you.

From: Spencer Prock [mailto:spencer@sdi-insulation.com]
Sent: Thursday, July 12, 2018 11:31 AM
To: Carlene Moore <carlene@napacountyfair.org>
Cc: Steve Delorenzi <sdelorenzi@sdi-insulation.com>; Domenic Barone <dbarone@sdi-insulation.com>; tommy@hmcpromotions.com
Subject: Calistoga Half Mile Vendor/Parking

Hi Carlene,

Lets touch base regarding parking and vendor money. I can now tell you Calistoga took a substantial financial loss. Id like to come up with a resolution for this. I spoke with Tommy this morning and I'd like to get this resolved with you asap. Please email or call so we can close-out our books for tax purposes.

Best regards,
Steve Delorenzi
SDI Racing, LLC.
(415)606-8789

Carlene Moore

From: tommy@hmcpromotions.com
Sent: Thursday, October 11, 2018 11:59 AM
To: Carlene Moore
Subject: BOARD MEETING

Hi Carlene,

It appears that I may not receive a distribution of funds until next week. I sincerely apologize for the delay in rental fees due to the Napa County Fair Association. The fee will be paid at the latest next week.

As I explained at the last Board Meeting In addition to a number of unexpected additional costs, each event suffered a diminished attendance in comparison to prior years.

One of those unexpected additional costs was a surprise tax bill from the County dating back to 2014. They claim that required paperwork was not filed with the County on a yearly basis and that is why I have not previously been assessed. This Possessory Interest amounts to about \$4000.00 and is due now.

I am aware that a rental fee reduction to HMC Promotions for the 2018 Louie Vermeil Classic and the World of Outlaws event will be discussed this evening at the Board Meeting and I hope that an adjustment in rental fees will be authorized by the board. Unfortunately due to a late afternoon pre scheduled meeting I will not be able to attend the Board Meeting.

I do plan on continuing to promote automobile racing events at Calistoga Speedway and look forward to discussing a new contract at your earliest convenience.

Obviously a number of areas will need to be addressed going forward to make it feasible to continue. It is doubtful that I will entertain the idea of outside rentals as they have been structured in the past.

Please make this communication available to the board members at tonights meeting.

Please consider the following when you make a decision on a rental reduction:

1. HMC Promotions utilized the Speedway property this year for 4 total events staged for 6 days.
2. Each event represented not only rental fee income but also RV camping and alcoholic beverage income to the Napa County Fair Association.
3. Each event represented a considerable amount of lodging income that benefitted the local business community.
4. Each event represented a considerable amount of purchases from local stores (CalMart, Ace Hardware etc.)
5. Each event represented several days and nights of attendance at local restaurants.
6. Every event that was staged was of National or Regional significance which brought sports credibility to the community that they could be proud of.
7. Since HMC Promotions in conjunction with USAC initially started operations at the Napa County Fairgrounds in 2008 the original rental fee of \$5000.00 has been raised by over 240%. (over \$12,000.00 per day)

8. The initial contract included race track prep and many other services that are no longer provide or represent an additional charge.
9. The insurance liability requirements have doubled and caused the insurance cost to escalate considerably.
10. Initially the fencing necessary was provided and installed by the Fairgrounds. Now because of limited Maintenance Staff and increased requirements HMC provides and installs the necessary fencing.
11. Initially trash (dumpster) was supplied.
12. HMC provides supplementary lighting at each event because current provided lighting is not satisfactory to meet the requirements of sanctioning bodies.
13. Sanitary facilities are marginal at best and portables are necessary to service racing crowds.
14. Initially clean up was performed by Fairgrounds prior to, during and post event. Now HMC is responsible to provide a staff to perform this service.
15. Trash receptacles are very limited and not sufficient to service events (HMC has purchased 55 trash receptacles).
16. HMC has constructed ticket booths to be used at their events. The ticket booth originally on site was demolished and the replacement booth was not capable of dealing with event crowd needs.

I remain passionate about the preservation of this historic facility and am committed to staging high caliber racing events in the future. Calistoga Speedway has been recognized on several occasions for it's contribution to the local community and racing teams and fans throughout the country.

I am indebted to many people who have invested time and effort into preserving the legacy of Calistoga Speedway and feel responsible to them to continue forward.

Thanks for your consideration on this matter Tommy Hunt

Tommy Hunt
President
HMC Promotions
900 Riverside Ave.
Roseville, Ca 95678
Office: 916-772-8722
Cell: 916-425-7895
Fax: 916-773-7221

HMC *Promotions*