



Minutes of the Oregon State Fair Council Regular Meeting

January 26, 2017

Oregon State Fair & Exposition Center – Cascade Hall-McKenzie Room

Audio Recorded: Yes

I. Call to Order & Roll Call: The meeting convened at 1:30 p.m. with Chair Craig Smith presiding.

The attendance, both in person and by phone, was recorded as shown below:

Present:

Craig Smith, Chair
Jon Chandler, Vice Chair
Vicki Berger, Council Member
Kevin Cameron, Council Member
George Jennings, Council Member
Austin McGuigan, Council Member
Leah Perkins-Hagele, Council Member
Mike Nearman, Advisory Council Member
Mike Paluszak, CEO

Non-Present:

Loyal Burns, Council Member
Gene Derfler, Council Member
Kerry Tymchuk, Council Member
Steve Powers, Advisory Council Member
Sen. Arnie Roblan, Advisory Council Member

II. Pledge of Allegiance: The Pledge of Allegiance was made by all parties present.

III. Action Items Regarding 2017 Council Officers and Meetings

a. Election of Council Officers for 2017

- i. Chair**
- ii. Vice Chair**

By unanimous vote, the Council re-elected Chair Smith and Vice Chair Chandler for a second term for 2017.

b. Adoption of 2017 Council Meeting schedule

Chair Smith reviewed a proposed meeting schedule for 2017. There being no objection, the schedule was approved as presented, subject to change if need arises.

All meetings begin at 1:30 pm

February 16	Executive Committee Meeting
March 16	Council Meeting
April 20	Executive Committee Meeting (if necessary)
May 18	Council Meeting
June 15	Executive Committee Meeting (if necessary)
July 20	Council Meeting
August	No Meetings
September 21	Executive Committee Meeting (if necessary)
October 19	Council Meeting
November 16	Executive Committee Meeting (if necessary)
December 21	Council Meeting

IV. Presentations: None

V. **Approval of Minutes:** Chair Smith asked if there were any changes or corrections to the minutes presented for approval. A motion was made by Council Member McGuigan and seconded by Council Member Chandler to approve the minutes of the 11/10/16 Council meeting as presented. The motion carried unanimously.

VI. **Public Comment on Agenda Items:** None

VII. **Council Chair's Report:**

Chair Smith discussed Council Committees, handed out committee assignments from 2016, and asked if any Council Members wish to be assigned to, or removed from, particular committees to let him know.

Committees are:

- Executive Committee, which is defined in the Bylaws and will be Chair Smith, Vice Chair Chandler, Immediate Past Chair Derfler, and two additional Council Members (in 2016 Council Members McGuigan and Peterson). There is at least one opening as Anna Peterson is no longer on the Council.
- Governmental Affairs Committee
- Collaboration Committee
- Nominating Committee

VIII. **CEO's Report:** Mr. Paluszak reported that, as often happens, there were a couple delays with regard to the bond projects from money that was granted to DAS for improvements to State Fair facilities. The first step toward proposing projects is conducting two assessments, roofs and HVAC systems. The assessment were first delayed until there was assurance that we would be reimbursed for costs associated with contracting for the assessments, and second for safety reasons due to severe winter weather. OSFEC has contracted with McBride Architecture to complete the roof assessments on eight buildings, and HVAC systems of seven buildings. The scope of work for the HVAC systems assessment include current conditions, options and recommendations, as well as estimated operating costs. McBride Architecture is expected to continue on-site work regarding the assessments in the next week or two, depending on weather conditions.

IX. **Information Items:**

- a. **State Fair Report:** Mr. Hillman stating that the attached financial statement is a close summary of what the final numbers will look like. Moving forward into 2017, we are off to a good start. Goal for 2017 cash sponsorships is \$500,000. The Oregon State Fair web site is migrating to a larger server to provide a better service to our guests. One of the big challenges we face this year is the minimum wage increase.

X. **Action Items**

a. **State Fair Council**

- i. **Receive 2015 Financial Review by Boldt Carlisle + Smith, Certified Public Accountants:** Doug Parham from Boldt Carlisle + Smith presented the 2015 financial review. Council Member Berger asked Mr. Parham if this review of financials would satisfy decision makers and our stakeholders with regard to presentation and content. Mr. Barham responded that yes it will.

A motion was made by Council Member Chandler and seconded by Council Member McGuigan to accept the 2015 financial review by Boldt Carlisle + Smith. The motion carried unanimously.

- ii. **Financial Statement 1/1/16 – 11/30/16:** There being no questions or comments, a motion was made by Council Member Jennings and seconded by Council Member Cameron to accept the financial statement 1/1/16- 11/30/16 as presented. The motion carried unanimously.
- iii. **Preliminary Financial Statement 1/1/16-12/31/16:** Mr. Paluszak commented that legislation during the 2016 session retroactively removed language from ORS stating that money coming through the DAS budget to the Council was an obligation due back to DAS. An adjustment has been made, and is reflected in the 12/31/16 financials, that reduces liabilities by \$1,015,299 created by the funds received via DAS’s budget in 2015, which in turn increases the OSFC equity by the same amount.

There being no further comments or questions, a motion was made by Council Member Jennings and seconded by Council Member Cameron to accept the preliminary financial statement 1/1/16- 12/31/16 as presented. The motion carried unanimously.

- iv. **2017 Operating Budget:** Mr. Paluszak explained that the proposed 2017 operating budget is consistent with the strategic financial goals adopted by Council with regard to contingency funds and minimum ending reserves. This operating budget does not include capital improvements.

Following discussion, it was moved by Council Member Cameron and seconded by Council Member Chandler to:

- 1. Approve a Calendar Year 2017 Budget of:

Beginning Available Resources (Projected)	4,179,568
Operating Budget:	
2017 Operating Revenue	6,463,350
2017 Operating Expenses	(7,058,350)
Profit/Loss From Operations	(595,000)
2017 Contingency Budget - General:	(400,000)
Ending Available Resources: (Projected)	3,184,568
<i>Minimum Available Resources</i>	1,500,000
Ending Available Resources In Excess of Minimum (Projected)	1,684,568

2. Authorize the CEO to conduct the activities of the Oregon State Fair & Exposition Center within the approved Operating Budget without further action by the Council, subject to previously approved delegated authority.
3. Authorize the CEO to transfer of funds from the Contingency Budget to the Operating Budget as necessary.

The motion carried unanimously.

- v. **Delegate Expenditure Contracting Authority to the Executive Committee for Contracts Not to Exceed \$125,000:** Mr. Paluszak explained that this is the time of year that we are renewing and entering into a variety of contracts, some that will exceed the CEO's delegated authority. Since the Council will only meet every other month, the recommendation is to delegate expenditure contracting authority to the Executive Committee for those contracts falling between the CEO's delegated authority and \$125,000 per contract year.

A motion was made by Council Member Jennings and seconded by Council Member Chandler to approve the delegated expenditure contracting authority to the Executive Committee for contracts not to exceed \$125,000. The motion carried unanimously.

b. Committee Reports and Action Thereon

- i. **Executive Committee:** Chair Smith reported that the Executive Committee's evaluation of the CEO is complete. The evaluation concluded that the CEO often exceeds expectations.
- ii. **Governmental Affairs Committee:** Council Member Berger reported that the bill that Sen. Roblan is sponsoring on our behalf is expected to move out of committee quickly with no objection from DAS, and that any capital funding request will be difficult due to current state budget issues.

XI. **Public Comments on Non-Agenda items:** None

XII. **Council Members' Comments:** None

XIII. **Adjourn:** There being no further business the meeting was adjourned.

Meeting Materials:

Agenda

2015 Financial Review by Boldt Carlisle + Smith, Certified Public Accountants

Financial Statement 1/1/16 – 11/30/16

Preliminary Financial Statement 1/1/16-12/31/16

2017 Operating Budget