

**Oregon State Fair Council Meeting
Monday, February 24, 2014**

Oregon State Fair and Exposition Center – Floral Building
2330 17th St NE Salem, OR 97301

MEETING MINUTES

Approved 3-20-14

Council Members in attendance:

Those unable to attend:

Loyal Burns	X	Rep. Vicki Berger, Advisory	X	Linda Norris, Advisory
Janet Carlson	X	Sen. Arnie Roblan, Advisory	X	
Jon Chandler	X			
Gene Derfler	X			
George Jennings	X			
Austin McGuigan	X			
Leah Perkins-Hagele	X			
Anna Peterson	X			
Craig Smith	X			
Larry Tokarski	X			
Kerry Tymchuk	X			

Business Meeting convened at 1:07 p.m.

1. Approve 1-14-14 Meeting Minutes

Action:

Councilmember Tokarski moved to accept the minutes as submitted. Councilmember Tymchuk seconded the motion. The motion passed unanimously, 11-0.

2. Election of Officers

There was a discussion about officers at the Temporary Executive Committee meeting, consensus was reached that given the amount of work in the first year that needs to be done, the Committee feels it is important to have people in Salem in the leadership positions who have the time to devote to the Council. The Temporary Executive Committee offered that at some point the Council will want to look at an officer outside of Salem as it is important to retain statewide representation.

Action:

Councilmember Tymchuk made a motion to forward a unanimous recommendation from the Temporary Executive Committee to nominate Senator Gene Derfler as Chair and Craig Smith as Vice Chair to serve until January of 2015. Councilmember Chandler seconded the motion.

Temporary Co-Chair Roblan asked whether there were any other nominations from the floor. There were none. The motion passed unanimously, 11-0.

3. Formalize Bylaws

With a Chair and Vice-Chair in place, the bylaws were signed by Council Chair Sen. Gene Derfler, Vice-Chair Craig Smith and Councilmembers Jon Chandler, Leah Perkins-Hagele, Kerry Tymchuk, Loyal Burns, Austin McGuigan and Mayor Anna Peterson.

4. Establish Sub-Committees

Chair Derfler provided an overview of the proposed subcommittees and the opportunity for Councilmembers to make changes to their initial requests. The Chair explained that an Executive Committee would be comprised of the Chair, Vice-Chair and chairs of the subcommittees along with an advisory member of the Council. Subcommittees and chairs will include:

- Business Operations, Vice-Chair Smith
- Communications, Councilmember Tymchuk
- Facilities, Councilmember Chandler
- Programming, Councilmember Perkins-Hagele

Chair Derfler asked Councilmembers to let staff know if they would like to make a change to the proposed assignments. He plans to appoint the subcommittees within the week.

Under this agenda item Vice-Chair Smith noted that although there is authorization in the bylaws for the Council Chair to identify committees and make appointments, there is no mention of specific committee names, charges or responsibilities. He offered that the Council will begin to keep a “parking lot” of issues that may require a change in the bylaws.

5. Budget Overview

Tanya Crane with the Oregon Parks and Recreation Department (OPRD) provided an overview of the state budgeting process and historical cash flow for the state fair and exposition center.

Ms. Crane provided also provided information about revenues and expenses for the 2013 State Fair, what is obligated for the 2014 State Fair and exposition center activities and considerations to begin looking at projections for the remainder of the 2013-2015 biennium.

To secure ongoing funding beyond the 2013-2015 biennium, the Council will need to work with the Department of Administrative Services on a budget request that will go to the legislature.

6. Agreements under Development

There are three agreements under development:

- 1) Lease agreement between the Council and the Department of Administrative Services (DAS);
- 2) Intergovernmental Agreement between the Council and DAS; and
- 3) Intergovernmental Agreement between the Council and Parks Department.

The lease agreement is the priority, as it is necessary to put in place to transfer oversight authority for the Fair and Exposition Center from the Parks Department to the Council. Parks began discussions with DAS in October to lay the foundation for the lease agreement. Chair Derfler and Vice-Chair Smith have continued to work on the agreement with DAS.

DAS provided the most recent copy of the agreement to the Councilmembers at the meeting and MG Devereux with the Parks Department walked through the issues with the Council.

The Council discussed various provisions in the agreement. Councilmember Tymchuk suggested that it would be good to have legal counsel review the lease agreement. Councilmember Carlson asked if it would be necessary to renegotiate the lease if provisions within Senate Bill 7 change such as requiring the Fair to be held at its current location in Salem. The general thought is that the Council will need to renegotiate the lease if there are substantive changes to Senate Bill 7.

Chair Derfler asked for any additional input from the Council as the negotiations with DAS move forward. Vice-Chair Smith acknowledged the unique nature of this agreement and the work of DAS and Parks to date.

7. Timing of hiring Executive Director

Councilmember Perkins-Hagele advised the Council that the timing of recruiting and hiring a CEO is problematic with the timing of Fair events, in that if someone is not hired within the next 60 days or so, it is likely that a new hire could not come on board until after Fair season in September. The industry is small and CEOs are passionate about the Fairs and facilities they run, it is unlikely a potential candidate would be willing to leave their Fair the closer the timing approaches to the Fair season this summer.

Councilmember Perkins-Hagele consulted with Don Hillman, a recognized hiring expert in the Fair and Exposition Center industry. Mr. Hillman recommended that the Council contract with the California Fair Services Authority (CFSA) and provided a proposal from the organization which laid out a hiring process within the next 60 days.

Action:

Councilmember Tokarski made a motion to move forward with the proposal from the California Fair Services Authority to do a search for a CEO and come back to the Council with candidates in 30 days, up to 45 days and to have a CEO in place within 60 days. Councilmember Tymchuk seconded the motion.

Council discussion on the motion included:

- 30 days as an aggressive time frame, would like to confirm 30 days is reasonable with the CFSA. Can come back at subsequent meeting and extend 30 days if needed.
- Council does not have authority to enter into a contract until the lease assignment is signed with DAS.

- Without a signed lease agreement with DAS, entering into a Memorandum of Agreement may be an option for moving forward.
- Parks contracting with CFSA is not a good option if it has to go through a long procurement process, possibly there would be another option to contract through Parks.
- Need to be considerations for a budget and compensation package.
- A Fair manager is too narrow a scope for the CEO, there is no business plan in place yet; Senate Bill 7 requires the operations of the Fair and Exposition Center to be profitable within the next three years.

The motion passed unanimously, 11-0.

Action:

Vice-Chair Smith made a motion to give the Executive Committee the authority to proceed with moving forward with the process to hire a CEO. Councilmember Perkins-Hagele seconded the motion. The motion passed unanimously, 11-0.

The Council asked if Don Hillman is willing share his expertise to serve in an advisory capacity as a liaison to the Council until a CEO is in place. Mr. Hillman said that he is willing to serve in that capacity.

8. Demographic Research

Councilmember Tokarski provided a summary of discussions he has had with JD Cornutt to provide demographic research and market analysis to better understand what Fair patrons want.

Discussion included:

- Benefits of having market research.
- Need to have similar information for the exposition center side of the operations.

Action:

Vice-Chair Smith suggested that this issue be referred to the Communications subcommittee to come back at the next meeting with a recommendation for the full Council. The Council agreed.

Councilmember Tokarski provided councilmembers with a proposal from Powell Banz Valuation, LLC to assess potential uses for the fairgrounds property.

Discussion included:

- Senate Bill 7 requires the Fair to be held in its current location at the Fairgrounds in Salem.
- Proposal is not specific to moving the Fair; it is broader to assess the feasibility of how the property could be used.
- Councilmember Peterson offered that the Council needs to have a discussion about whether the current location is the best option for the future financial health of the Fair.

- Councilmember Carlson offered that Marion County’s experience with the Fair is that while the location was ideal 150 years ago, the neighborhood and city have grown up around the Fair and the location may not be ideal in the future.
- Council is comfortable with pursuing the proposal to better understand the feasibility of the property although the need is not immediate.
- The Council cannot enter into an agreement to proceed with the proposal until the lease agreement is signed with DAS.
- Parks Department Director Lisa Van Laanen offered that Parks can proceed with the agreement.

Action:

Councilmember Tymchuk made a motion to support the Parks Department entering into an agreement with Powell Banz Valuation LLC to pursue a feasibility assessment for the Oregon state Fairgrounds. Councilor McGuigan seconded the motion. The motion passed unanimously, 11-0.

The Council referred the issue to the Facilities Subcommittee.

9. Executive Committee Authorization

The Council reviewed the items for granting authority to the Executive Committee. Of the items on the agenda:

- The Council authorized the Executive Committee to pursue the hiring process for a CEO in a previous motion.
- The JD Cornutt issue for demographic research was referred to the Communications Subcommittee to come back to the full Council with a recommendation.
- The Council authorized the Parks Department to pursue an agreement with Powell Banz Valuation LLC for a feasibility assessment of the Fairgrounds property and referred the issue to the Facilities Subcommittee.
- The remaining three items: legal counsel, Errors and Omissions insurance and the lease agreement with DAS were all referred to the Executive Committee.

Action:

Councilor Tymchuk moved that the Council grant authority to the Executive Committee to secure legal counsel and Errors and Omissions insurance. The Council also authorizes the Executive Committee to continue lease negotiations with the Department of Administrative Services and bring a recommendation back to the full Council for approval. Councilmember Chandler seconded the motion. The motion passed unanimously, 11-0.

10. Future Meeting Schedule

The Council set a regular schedule to meet on the third Thursday of each month from 1:00 p.m. to 3:00 p.m.

11. Wrap-up and Next Steps

Councilmember Roblan offered congratulations to Lisa Van Laanen on being recently offered by the Oregon Parks and Recreation Commission the position of Director of the Oregon Department of

Parks and Recreation. The rest of the Council joined Senator Roblan in congratulating Ms. Van Laanen.

Chair Derfler asked each Councilmember to think about their goal for net profit in the next year and come back to the next meeting ready to share their thoughts.

Meeting adjourned at 3:02 p.m.

Materials included:

- Agenda
- Draft minutes from the 1-14-14 Council meeting
- Draft minutes from the 2-12-14 Temporary Executive Committee meeting
- Draft Department of Administrative Services lease agreement (provided at meeting by DAS)
- Draft Council subcommittee assignments
- Framework for Issues to Consider
- California Fair Services Authority proposal for hiring a CEO
- Powell Banz Valuation LLC proposal (provided at meeting by Councilmember Tokarski)
- Area Sports & Recreation Facility report (provided at meeting by Councilmember Tokarski)

Minutes submitted by Andrea Fogue, Oregon Parks and Recreation Department