



Minutes of the Oregon State Fair Council Regular Meeting

February 27, 2020

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

Audio Recorded: Yes

I. **Call to Order:** The meeting convened at 1:30 p.m. with Vice Chair Vicki Berger presiding.

II. **Roll Call:** The attendance, both in person and by phone, was recorded as shown below:

Present:

Vicki Berger, Vice Chair
Loyal Burns, Council Member
Gene Derfler, Council Member
George Jennings, Council Member
Dana Jung, Council Member
Austin McGuigan, Council Member
Craig Smith, Council Member
Mike Paluszak, Director/CEO

Non-Present:

Kevin Cameron, Chair
Jon Chandler, Council Member
Rep. Mike Nearman, Advisory Council Member
Steve Powers, Advisory Council Member
Sen. Arnie Roblan, Advisory Council Member

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

IV. **Presentations:** None

V. **Approval of Minutes:**

- a. **Council Meeting of December 11, 2019:** Vice Chair Berger asked if there were any changes or corrections to the minutes presented for approval. Hearing none, a motion was made by Council Member McGuigan and seconded by Council Member Derfler to approve the minutes as presented. The motion carried unanimously.

VI. **Public Comment on Agenda Items:** (Re: Agenda Item XIII.i.) Patrick Sieng, Executive Director of Oregon Fairs Association; Dan Cox Trooper, Advertising; Rob Rhew, Amusement Consulting Services, Inc; and Katie Walther, Run Spot Run Media all came to express support for CEO Candidate Kim Grewe-Powell. Don Hillman, Hillman Consulting came to congratulate and thank Mr. Paluszak on his successes with and retirement from Oregon State Fair & Expo Center.

VII. **Council Chair's Report:** None

VIII. **CEO's Report:** None

IX. **Information Items:**

- a. **State Fair Report:** None

X. **Action Items**

a. **State Fair Council**

- i. **Financial Statement 1/1/2019-12/31/2019 (Unaudited):** Mr. Paluszak reminded everyone that the statement is unaudited. Based on this unaudited financial statement, OSFEC showed net ordinary income for 2019 of \$289,143.17 plus capital investments of \$590,646.53, bringing accumulated capital investments after depreciation since 2015 by the Council is \$1,836,339.56.
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A motion was made by Council Member McGugian and seconded by Council member Derfler to accept the Financial Statement as submitted. The motion carried unanimously.

ii. **Resolution Authorizing the Council Chair or Vice Chair to sign documents of behalf of the Council related to employment, compensation and benefits of the Director/CEO.**

Mr. Paluszak explained that certain documents related to employment, compensation and benefits of the Director/CEO require signature by a Council Officer, documented by a resolution by the Council authorizing the Officer to sign on their behalf. Specifically, there is a current need to execute transfer of ownership of the Director/CEO's life insurance funded deferred compensation as specified in his employment agreement.

This resolution was drafted to document Council action taken to authorize the Council Chair or Vice Chair to sign the necessary documents on behalf of the Council. It was written to be broad and open-ended so the Council doesn't need to adopt a new resolution each time the necessity arises. The resolution is written to require a copy of the minutes of the meeting when current Officers were elected, indicating who the current Chair and Vice Chair is.

Council Member Smith suggested that in addition to the minutes identifying current Officers, the minutes of the meeting when the Council took action authorizing a specific transaction for which an Officer can sign on behalf of the Council also accompany the resolution.

A motion was made by Council Member McGuigan and seconded by Council Member Derfler to authorize Chair Cameron or Vice Chair Berger to sign documents necessary to transfer ownership of the Director/CEO's life insurance funded deferred compensation to Mr. Paluszak as specified in his employment agreement; and to adopt the following resolution for this specific purpose:

"WHEREAS on February 27, 2020 the Members of the Oregon State Fair Council, an Oregon Public Corporation, met with a quorum necessary to conduct business present and determined it necessary for Council Officers be authorized to sign documents on behalf of the Oregon State Fair Council; therefore

BE IT RESOLVED, by affirmative vote of a majority of the Council Members present on February 27, 2020 that the Council Chair and/or Council Vice Chair are hereby authorized to sign documents on behalf of the Council related to the employment, compensation and benefits of the State Fair Director/CEO; and

BE IT RESOLVED that this RESOLUTION shall be accompanied by a copy of the approved minutes of the meeting at which Officers were elected, to identify the current Council Chair and Vice-Chair at any time evidence of such authority is required; and accompanied by a copy of the minutes of the meeting identifying the specific purpose that the authority was granted to sign on behalf of the Council."

The motion carried unanimously.

iii. Proposed 2020 Operating Budget

Mr. Paluszak provided an overview of the proposed 2020 operating budget and reported that the budget is consistent with the strategic financial goals adopted by the Council with regard to contingency funds and minimum ending reserves. The operating budget does not include capital investments. In addition to commenting on certain budget items including salaries and wages, insurance, and costs associated with recruiting and hiring a new Director/CEO, he discussed employer benefit contributions.

Mr. Paluszak elaborated on the increase of employer contributions to employee medical insurance benefits included in the proposed budget, explaining that the current benefit policy provides a maximum employer contribution of \$600 per month per enrolled employee. This is not competitive with similar size employers in the market and makes it challenging to recruit and retain employees. The budget proposes to increase the employer contribution to \$800 per month per enrolled employee.

Mr. Paluszak pointed out that the proposed budget as submitted includes an error in amount budgeted for insurance, being understated by \$42,273 due to omission of the 2020 portion of insurance on Buildings owned by DAS that the Council is required to reimburse.

A motion was made by Council Member Smith and seconded by Council Member McGuigan to:

1. Incorporate the adjustment increasing insurance costs by \$42,273 to the proposed budget and approve a Calendar Year 2020 Budget of:

Beginning Available Resources	4,996,015.28
Proposed Operating Budget:	
2020 Operating Revenue	7,315,573.94
2020 Operating Expenses	(7,850,768.06)
Profit/Loss From 2020 Operations	(535,194.12)
Proposed Contingency Budget	
2020 Contingency Budget – General	(350,000.00)
2020 Contingency Budget – Program Investment/Enhancement - Fair	(50,000)
Total 2020 Contingency Budget ¹ (See next page)	(400,000.00)
Ending Available Resources	4,060,821.16
<i>Minimum Available Resources</i> ² (See next page)	1,500,000.00
Ending Available Resources In Excess of Minimum	2,560.821.16

¹ Strategic Financial Goal adopted by the State Fair Council 1/21/16: “Propose an annual budget that includes a contingency fund of \$400,000 for emergency needs, unanticipated opportunities, and/or reallocation to other budget categories.”

² Strategic Financial Goal adopted by the State Fair Council 1/21/16: “Maintain ending available resources of at least \$1,500,000.”

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 approved delegated authority.
3. Authorize the CEO to transfer funds from the Contingency Budget to the Operating Budget as necessary.
4. Amend the Employee Benefit Policy to increase employer contribution to medical benefits to \$800 per month per enrolled employee.

The motion carried unanimously.

b. State Fair

i. Contract for Independent Contractor Services for 2020 Janitorial Services by American Maintenance

Council Member McGuigan asked if the price is static for future extensions. Jim Hinkle Director of Administration and Operations verified that it is.

A motion was made by Council Member Derfler and seconded by Council Member Smith to approve the Contract for American Maintenance for Janitorial Services as submitted. The motion carried unanimously.

c. Expo Center

- i. Trade Proposal in Lieu of Marion County Fair’s Facility Rental Fee** – Item was pulled from the agenda and will be brought back at a future meeting.

d. Committee Reports and Action Thereon

- i. Executive Committee:** None
- ii. Governmental Affairs Committee:** None
- iii. Nominating Committee:** None

XI. Public Comments on Non-Agenda items: None

XII. Council Members’ Comments: Council Members thanked Mr. Paluszak for his service for the past five years.

XIII. Executive Session

- i. Pursuant to ORS 192.660 (2)(a) to Consider Employment of a Director/ CEO (Information Only)**

XIV. Reconvene Public Session:

Upon reconvening into public session Vice Chair Berger reported that the Council received information only in Executive Session and no action was taken.

i. Possible Public Comment and Action Regarding Employment of a Director/ CEO

Vice Chair Berger commented that the Council has been engaged in a good and interesting process to recruit a new Director and CEO, and it was not an easy one. We have had good candidates, which we should because this is a very good fair.

A motion was made by Council Member Burns and seconded by Council Member Smith that the Executive Committee enter into negotiations to work on an employment agreement with Bryan Schulz for the Director/CEO position of the Oregon State Fair and Exposition Center.

There being no public comment on the motion, the motion carried unanimously.

Vice Chair Berger commented that the Council is only moving into negotiations with this candidate and any agreement with this, or any other candidate, will come back to the full Council for ratification. The Council is not making a job offer or hiring anyone for the position at this time.

XV. Adjourn: There being no further business the meeting was adjourned at 2:55pm

Meeting Materials:

Agenda

Council Meeting of December 11, 2019

Financial Statement 1/1/2019-12/31/2019 (Unaudited)

Contract for Independent Contractor Services for 2020 Janitorial Services by American Maintenance