



NEBRASKA STATE FAIR BOARD

Nebraska State Fair Board Room, Grand Island, NE

Meeting Minutes

October 23, 2020

A regular meeting of the Nebraska State Fair Board was held on Friday, October 23, 2020, at 10 a.m. Public notice of this meeting was published in the October 7 & 8 issues of the Grand Island Independent newspaper and posted to the Nebraska Public meeting calendar website from October 6, 2020 and on the Nebraska State Fair Website. The public and press were invited to attend via Zoom due to Covid-19 social distancing recommendations.

Roll call was read with the following members present: Dawn Caldwell, Vice Chair; Bob Haag, Secretary; Ryan Hassebrook, via Zoom; Lanna Hubbard; Jeremy Jensen, via Zoom; Kevin Jorgensen; Chris Kircher, via Zoom; Jeff Kliment, via Zoom; Kathleen Lodl; Chuck Rolf, via Zoom; Beth Smith, Chair; Boyd Strope, Treasurer; and Steve Wehrbein, via Zoom. Others in attendance at the board room were: Bill Ogg, Executive Director; Jaime Parr, Director of Sales; Tish Eckstrom, HR/ Finance Admin/ Board Liaison; Janna Kuklis, Sales Deputy; Judy Trent, Administrative Office Assistant; Kelly O'Brien, Livestock/Competitive Exhibits Manager; Scott Yound, Director of Operations, via Zoom; Terry Galloway, CPA; Lindsey Koepke, 1868 Foundation, via Zoom; and Cindy Johnson, President of Grand Island Area Chamber of Commerce.

Smith asked if there were any amendments to the Agenda.

Motion by Caldwell to amend the agenda to add an Executive Session at the end of the meeting for Personnel Discussion.

Haag seconded the motion.

Jensen questioned if board members participating via Zoom were excluded from the Executive Session. Smith responded they were excluded.

Upon roll call vote, motion passed 8 for, 2 against.

Caldwell requested for Item #9 on the Agenda to be move up on the agenda before Item # 6.

Smith announced the meeting had been properly advertised as an open meeting and informed those in attendance of the posting location of the Open Meetings Act.

Approval of August- September Fair Board Meeting Minutes

Motion made by Jorgensen to approve the August- September Minutes as printed.

Haag seconded the motion.

Discussion: none

Upon roll call vote, motion passed unanimously.

September Financials

Jaime Parr stated she has been working on Tax reporting, internal controls and Budget preparations.

Terry Galloway presented the full financial report referencing documents sent out to Board members on October 14, 2020.

Jensen asked Galloway to explain the Aksarben Income Statement.

Galloway noted expenses and premium checks are still outstanding and yet to be accounted for.

Ogg noted the reports are as of September 30, 2020 which do not include all expenses for Aksarben. Once October numbers are in there will be a more complete financial picture.

Approval of September Financials

Motion by Strope and seconded by Haag that the following financial documents presented by Terry Galloway through September 30, 2020 be approved by the Board as presented:

- 1. Balance Sheet**
- 2. Income Statement**
- 3. Income Statement vs. Year-to-Date Budget**
- 4. Statement of Revenue**
- 5. Statement of Expenses**

Upon roll call vote, motion passed unanimously.

The NebraskaN Livestock Show

Cindy Johnson, Grand Island Chamber of Commerce, spoke about the opportunity to assist the cattle producers, that would normally be involved in the National Western Stock Show, by hosting a Livestock Show at the livestock facilities in Grand Island. This is an opportunity to develop into a World Class Show for this year. Projections show 3600 exhibitors over the 16-day event. Those exhibitors bring 2.7 people with them. With dozens of judges and spectators, this is projected to be a large event. Cattle arrive on January 8th and leave on January 24th bringing significant revenue to a normally challenging time financially for hotels in the area. The National Western Board has endorsed our show and is willing to provide assistance as we move through the process. Mayor Steele was involved with the initial contact with National Western offering assistance to step up and host an event if needed.

Jensen asked if this is a one-time event.

Johnson responded this is a one-time offer to assist the National Western in providing a venue for the livestock show. This could help spawn future livestock shows at these facilities. There is no intent to create an event that competes with the NWSS going forward.

Ogg gave a short history of events that led up to Grand Island offering to host the Open Class Livestock Shows for the National Western in 2021. Grand Island is offering to facilitate and accommodate the National Beef Cattle breeds in participating in their 115-year history of showing in Denver Colorado by offering a substitute for those Beef Cattle Breeds in cooperation and with the endorsement of the National Western Stock Show. The unique NWSS Pen Show component will be replicated at the NebraskaN show.

Ogg originally recommended another organization assume responsibility for the show and the NSF assist them. This event needs underwriting and sponsorship. The 1868 Foundation Board voted unanimously to assume the financial component of this show. The revenues will be directed to the Foundation and the expenses will be paid out of the Foundation. This will benefit the Nebraska State Fair. Ogg is committed that this event will be at no financial risk to the Nebraska State Fair. Ogg is asking 'on paper' the 1868 Foundation and Nebraska State Fair be recognized as the hosts of this event. If event happens as planned, it could be huge financially and benefit community connections. Ogg stated on paper there will be risks, but he assured there would be no financial risks to the State Fair. Ogg has the full endorsement of the 1868 Foundation to have checks written under the umbrella of the

Foundation's 501(c)3. The Foundation can't act upon that until the Nebraska State Fair Board endorses that.

Jensen asked about financial risk to the 1868 Foundation.

Ogg responded that there is a risk to both the 1868 Foundation and Nebraska State Fair on paper. If event happens it will be successful. If unforeseen circumstances were to take place there could be \$300,000 - \$400,000 in committed expenses. A larger amount has already been pledged if there is a 501(c)3 involved. There is always risk but it is manageable

Jensen asked about the upside of event.

Ogg responded that the upside is huge. All use of equipment will be reimbursed. Staff involvement time will be reimbursed. The training period for new hires to NSF staff vacancies will be reimbursed and multiple contacts will be made that otherwise would take months. The Nebraska State Fair is a key player and Ogg will be a part of the group making the decisions, but the Nebraska State Fair will not be running the event. Ogg mentioned the replacement for the Ag Director. Smith commented that Ogg hopes to have someone to fill that vacancy in December.

Jensen expressed his concerns about the upcoming event and the financial risk.

Strope commented that the statement, 'It's the Fair's event' is incorrect. Strope explained the LLC group is running the event. The only State Fair involvement is assisting to provide individuals to work for that organization. That organization would be in the lead. If the State Fair does not provide those individuals the LLC would go out and get others to fill those positions. It's a great opportunity for the State Fair to rent our facilities and our employees and get paid for it.

Rolf asked who the members of the LLC are.

Ogg only knew of Van Neidig and Tam Allan being members of the LLC.

Jensen asked what the formal involvement of Fonner Park, GILCA, Grand Island Chamber, CVB and Nebraska State Fair was with the LLC.

Ogg replied there was no formal involvement. Grand Island Chamber and CVB are contributing financially. Fonner Park is getting a significant amount of rent and utilities for the facilities used for the event. Ogg had encouragement from two state departments representing the Governor of Nebraska to get the event in place.

Jensen asked about sharing of profits from LLC back the NSF.

Ogg stated the funds will be channeled through the 1868 Foundation. The LLC will get a management fee provided there is profit to pay that. Ogg does not know the amount of the management fee.

Kircher questioned the funding of the event and what keeps a potential contributor from making funding contingent on the event actually happening.

Ogg responded the sponsorship or underwriting is nonrefundable. If they are not committed to that, then we would not sign contract.

Jensen stated it would be foolish for Nebraska State Fair to support the event without protection.

Ogg agreed and repeated it was positive for the 1868 Foundation to be the conduit for the event.

Lindsey Koepke stated the request was made to the Foundation with the understanding that there would be nothing against the Foundation moving forward. If there was a scenario where the event wasn't successful or didn't move forward, there would be no financial burden, no extra insurance policies, no extra cost to the Foundation.

Kircher stated he is hearing there is significant risk.

Ogg stated there is significant risk if NSF doesn't join the team.

Jensen requested confirmation that if the event does not take place, the State Fair would be out nothing.

Ogg stated that is his expectation and repeated that is the same expectation if the event should occur.

Strope stated his understanding of what is being proposed is if there is any risk to the State Fair, that is going to be covered by the commitments of the sponsors without recourse of not having to give it back. If the event does not take place, Nebraska State Fair would be paid out by the 1868 Foundation.

Jensen question if enough money can be raised.

Ogg stated he is confident that enough can be raised.

Smith called for a motion.

Motion made by Jensen for the Nebraska State Fair to engage in the Nebraska Livestock Show with zero financial liability to the Nebraska State Fair.

Seconded by Kircher.

Strope advised against voting for motion. Suggested a motion where the State Fair would get reimbursed.

Jensen reiterated the risk to State Fair. He felt risk should lie with the promoter.

Ogg stated that Allen and Neidig have \$350,000 committed and waiting to come in of there is a 501(c)3 to give the money to.

Upon roll call vote, motion passed 8 for, 2 against.

Motion made by Strope for the benefit of Grand Island businesses and community and for the benefit of the nation's cattle producers to promote their cattle at an alternative show, The Nebraska State Fair accepts the endorsement of the National Western Stock Show for a cattle show to be held in January 2021 at the Nebraska State Fair grounds and the Executive Director is authorized to enter into contracts for the Nebraska State Fair staff and facilities to be utilized by the organization conducting the operation of the show.

Seconded by Caldwell.

Discussion: none

Upon roll call vote, motion passed unanimously.

Smith noted that Ogg was a key player in getting this event to Grand Island.

Executive Director's Report/ Department Reports

Bill Ogg commented on the Financials and expressed appreciation to Terry Galloway, Randy Skalka, and staff for the improvement in financial reports. He thanked the Board for approving to go ahead with the State Fair this year. Ogg credited staff for hard work and frugal management to earn success with the 4-H and FFA Showcase. Ogg is optimistic about the budget and position the State Fair is in financially pointed. 4-H and FFA departments expenditures were paired down significantly. Ogg thanked Lodi and Hassebrook for that work. There is inevitable risk in hosting a State Fair, but will position ourselves to minimize the risk. Staff will have a budget to the Board at the November Board meeting.

Ogg also pointed out the design of the Nebraska State Fair Logo and the history it represents and encouraged pride of the Board. Ogg requested the Board be more proactive when asked to participate or respond when asked for feedback about Fair or Aksarben in the future.

Ogg reported for Department Heads:

Ag Department still finalizing premiums and P & L's. Overall, it will be positive. Ogg is excited about next year.

Media and Sponsorship Departments will have staff reorganization for NSF and Aksarben. There will be consolidation resulting in more efficiency.

Scott Yound, Director of Operations reported being in the process of Fair/ Aksarben/ GILCA show clean up. Have some things they are still working on. There was a lot learned during this year. Brian Hoffman was great in assisting.

Jaime Parr, Director of Sales, reported on Sales Department rolling over from 2020 to 2021. Have begun working on the NebraskaN trade show. Also working on P & L's for the department. Parr thanked staff and particularly Janna Kuklis for stepping up.

Aksarben Report

Bill Ogg reported that as mentioned previously, the completed financials for Aksarben are yet to come.

Fair Board Committee Reports

a. Finance –

Boyd Strobe reported the Finance Committee met and the RFP for Accounting Service will go out next week.

b. Livestock-

Dawn Caldwell reported the Livestock Committee discussed the drug testing of the Champion and Reserve Champion animals. There was one violation for State Fair. The family was notified of the violation in writing and responded to.

Motion made by Caldwell that the State Fair Board move forward with the sanctions that were identified in the written communication to the family. Those sanctions would include withholding premiums, withholding carcass value of the animal, withholding scholarship, and indicated they would be allowed to show at the Nebraska State Fair with their animals in 2021 and future fairs will be tested.

Seconded by Strobe.

Upon roll call vote, motioned passed unanimously.

Caldwell reported there were also 2 animals from Aksarben that did not pass drug clearance from the Champion and Reserve Champion line up. They will receive the initial communication and have 10 days to respond. The Committee also spent time discussing the NebraskaN Stock Show and the Ag Director position.

c. Executive-

Beth Smith reported the Executive Committee met and discussed the NebraskaN, follow up for 2020 Fair, staff structure, the accounting position and the open Ag Director position.

1868 Foundation Update

Lindsey Koepke reported working on year-end campaigns and fundraising for Rock the Lot. \$60,000 has been raised so far. Grow Grand Island gave a significant amount of funding as did several others. Have also been working on some internal planning and viable sources for funding mechanisms and sources. Koepke spoke about the NebraskaN and the Foundation's involvement.

Terry Galloway spoke about mission to fundraise and support the Nebraska State Fair. The Foundation will act as the conduit for the contributions received and follow all federal guidelines.

Other Business

Smith clarified the accounting RFP. This is not for an internal accounting role; this is for an outside accounting service.

Future Nebraska State Fair Board Meeting Dates

- a. November 20, 2020
- b. December 11, 2020

Jensen requested to be physically present at Executive session. Permission was granted for Jensen's request.

Executive Session

Motion made by Caldwell to go into Executive Session to discuss pending legal action and personnel.

Seconded by Jorgensen.

Upon roll call vote, Motion passed unanimously.

Meeting moved to Executive Session at 12:14 p.m.

Motion made by Strobe to exit Executive Session at 12:57.

Seconded by Hubbard.

Upon roll call vote, motion passed.

Adjourn

Motion made by Haag to adjourn.

Caldwell seconded the motion.

Upon voice vote, motion passed unanimously.

Time adjourned: 12:59 p.m.