

FSMG Meeting Minutes

Tuesday, January 3, 2012--8:00 a.m. - 9:30 a.m.

CR 623, Public Service Center

Attendees: Sharon Crouch, Judie Stanton, Kelley Babcock, Mark McCauley, Justin Kobluk, John Morrison; Absent: Rosemary Cooke

Meeting was called to order at 8:00 am. Mark opened the meeting by discussing the county's readopted budget. The \$300,000 general fund subsidy was in the budget and was passed along with the rest of the budget. The subsidy was transferred to the Fair Fund before the end of the year and it reduced our line of credit balance. The line of credit balance at the end of December was \$678,507.

John Morrison, Fair CEO:

Fair Report:

The 2011 Fair Report was briefed to the Board of County Commissioners (BOCC) on December 7, 2011 at a regularly scheduled work session. All questions were answered and a discussion ensued about the status of the Fair Fund and the desire to lessen the need for any funding from the General Fund in future years. Also discussed was the difference between the Fair as an event and the Fair Fund as an umbrella term that includes the Fair as well as the entire Event Center.

Beverage Sponsor Update:

John Morrison presented a spreadsheet that detailed the proposals received from Corwin Beverage (Pepsi) and the corporate offices of Coca Cola. The current sponsorship agreement with Corwin Beverage ended its 5-year term at the end of the 2011 Fair. They had previously indicated that it has not been a profitable arrangement the past two years and are looking for some changes. The two proposals have significant differences in the level of customer service, the length of the agreement, product pricing for water and the sponsorship level monetary commitment. A follow up meeting is scheduled on January 8, 2012 with Coca Cola representatives to answer some specific questions. A similar meeting with Pepsi occurred December 20, 2012. A decision is expected the week of January 16-20, 2012.

Fair Preparations:

The Exhibitor Guide changes are almost complete and we are targeting February 1, 2012 for the on-line date. Legislative Days in Olympia is on January 12, 2012. We will make appointments with as many of our Senators and Representatives as are available to discuss the Fair Fund. The Washington State Fairs

Association meeting is the day prior to strategize and prepare for the meetings as well as prepare for the 2012 Fair season.

Justin Kobluk, Event Center Executive Director:

Booking Update:

A comprehensive worksheet was distributed showing the event activity for the concluded year of 2011. The worksheet detailed the event activities for the different venues throughout the year and compared the Exhibition Hall event activities in 2011 to the past two previous years.

An initial event forecast for 2012 was also presented for the Exhibition Hall as compared to the previous two years. We are seeing more event activity book early in 2012 than we have seen in the past few years which is a very good sign.

Operational Budget Ideas:

When the structure of FSMG and the Exhibition Hall was conceived, the Fair and year round events were seen as revenue sources to offset the year-round Event Center expenses and expected shortfall of the Exhibition Hall.

Outside of the slow economy over the past few years, many things have contributed to a growing operational debt including yearly expected operational subsidies from the PFD which never materialized; the restructure of the Amphitheater lease; the reduction and possible elimination of state fair funding assistance; and the addition of significant County operational and equipment costs. The growing debt of the Event Center has been analyzed to discover possible savings in business efficiencies as well as changes in structure that could affect the bottom line. Many ideas will be pursued in 2012, such as reconfiguring the facility maintenance and labor agreements and possibly outsourcing equipment.

FSMG Staff:

Due to the addition of many shows and a tremendous amount of marketing and sales requirements throughout the season, Part Time fair marketing assistant, Alexa Morris, has been increased to the position of Full Time Marketing Coordinator. She should be able to pursue many of the sales, sponsor, marketing, media and promotional opportunities for both the fair and other events that our marketing manager previously has not had the time to accomplish. We expect productivity to rise dramatically with the addition of this full time position.

Next meeting is scheduled for Tuesday, February 7, 2012 at 8:00 a.m. in the County Public Service Center, Conference Room 623.

Meeting adjourned at 9:30 am.