



## NEBRASKA STATE FAIR BOARD

Nebraska Farm Bureau Federation Board Room, Lincoln, NE

### MEETING MINUTES

February 14, 2020 – 1:00 p.m.

A regular monthly meeting of the Nebraska State Fair Board was held on Friday, February 14, 2020, at 1:00 p.m. Public notice of this meeting was published in the February 7 & 8, 2020, issues of the Grand Island Independent newspaper and posted to the Nebraska Public meeting calendar website since February 1, 2020.

Roll call was read with the following members present: Dawn Caldwell; Bob Haag; Ryan Hassebrook; Lanna Hubbard; Jeremy Jensen; Kevin Jorgensen; Chris Kircher, Chair; Jeff Kliment; Kathleen Lodi; Chuck Rolf, Secretary; Beth Smith; Boyd Strobe; and Steve Wehrbein. Others in attendance were: Lori Cox, Executive Director; Tish Eckstrom, Executive Assistant; Greg Harder, Chief Operations Officer and Aksarben Stock Show Director; Jamie Parr, Chief of Sales; Kelly O'Brien, Livestock/Domestics Manager; Scott Yound, Director of Operations; Gretchen Kirchmann, Aksarben Communications Manager; Lindsey Koepke, director 1868 Foundation; Terry Galloway, Board Chairman 1868 Foundation; and various media outlets.

Kircher 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.

#### **Introduction of New Board Members**

Kircher introduced Lanna Hubbard, Kevin Jorgensen, and Boyd Strobe as our newly elected State Fair Board members. Kircher also welcomed Ryan Hassebrook as the new FFA representative to the State Fair Board.

#### **Election of Officers**

Kircher opened the floor for Chair nominations. Caldwell nominated Smith.

**Strobe moved to close nominations, with unanimous approval. Haag seconded.**

Discussion took place.

**Upon voice vote, motion failed.**

Kircher reopened nominations for Chair. Rolf nominated Jensen.

**Wehrbein moved to close nominations. Caldwell seconded.**

**Upon voice vote, motion passed unanimously.**

**By written ballot, Smith was elected as Chair with the vote being: Smith-6; Jensen-5**

Smith opened the floor for Vice Chair nominations. Haag nominated Caldwell. Jensen nominated Wehrbein.

**Kircher moved to close the nominations, Jorgensen seconded.**

**Upon voice vote, motion passed unanimously.**

**By written ballot, Caldwell was elected Vice-Chair with the vote being: Caldwell-6; Wehrbein-5**

Smith opened the floor for Secretary nominations. Kliment nominated Rolf. Caldwell nominated Haag. Rolf nominated Jensen.

**Motion made by Wehrbein to close nominations. Haag seconded.**

**Upon voice vote, motion carried unanimously.**

**By written ballot, Haag was elected as Secretary with the vote being: Haag-6; Rolf-3; Jensen-2.**

Smith opened the floor for Treasurer nominations. Haag nominated Strobe. Rolf nominated Kliment.

**Kircher moved to close nominations. Caldwell seconded.**

**Upon voice vote, motion carried unanimously.**

**By written ballot, Strobe was elected as Treasurer, with the vote being Strobe-6; Kliment-5.**

### **Minutes of January 24, 2020 Meeting**

**Motion made by Caldwell to approve the minutes of January 24, 2020.**

**Haag seconded the motion. Upon voice vote, motion passed unanimously.**

### **Executive Director's Report**

Cox reported on the Christmas sale for carnival wristbands that sold \$35,000. The Country Bundle was announced on February 7 and has sold \$65,000 in the first 24 hours with the combination of bundles and single tickets available.

### **Financial Report**

Cox reported preparing for an audit with BKD. This audit is typically done in June but has begun early this year. The report target is for April or May board meeting presentation. At this time the concern is any disbursements over \$250 and the verification and authenticity of vendors. Cox is working closely with the bank, the Finance Committee, and the accounting service through the process. There is some concern about the former CFO's and Controller's hard drives being wiped. The IT team has not been able to recover the data, and consideration of a possible forensics service is being explored.

Cox reported total current operating revenues \$351,251; total current operating expenses \$341,948; change in net position with Lottery revenues deposited is \$1,068,607. The lottery payment came early in the amount of \$1,064,244. Cox provided an update to the cash flow report with January cash balance of \$174,643.

Discussion took place.

Smith asked for a motion to approve the January Financial Report.

Alan Usher stood and objected to a vote due to the public not having a copy of the financials.

**Motion made by Kircher to approve the Financial Report.**

**Strobe seconded the motion. Upon voice vote, motion passed, with 1 opposed.**

### **Professional Services**

Cox reported the ongoing research into Professional Services. The bank has been asked for a copy of checks from July 2019 forward. There is anticipated extra work for the accounting service and staff to work through the documents with the outcome of identifying all entries. Fair Advantage Consulting was contracted to assist. Rick Frenette's long experience as a CFO and CEO in fair management provided the following insights:

1. Former CFO was too young and inexperienced for the position
2. Need to reestablish protocols for the Board
3. Button down the AP/ AR going forward
4. Processes with the State of NE reporting
5. Efficiencies
6. Concern of revenue within all departments and entitlement attitudes

Cox is discussing adding a separate column for Lottery dollars to show purposed utilization of Lottery funding. (Example: customer amenities.)

### **Aksarben 2019 Financials**

Greg Harder reported his recent meeting with the Aksarben Foundation; Gretchen Kirchmann also attended. The agreement between the Aksarben Foundation and the Nebraska State Fair is in the draft stage. The Foundation is very happy with the Aksarben Stock Show being in Grand Island and intends to stay. Harder reported two expense items missed in budgeting: veterinary expenses and DNA fees.

Harder reported total revenue for 2019 was \$663,497 against a budget of \$646,000. The expenses totaled \$689,143 against a budget of \$645,955. Per agreement with the Aksarben Foundation, they will resolve the difference of \$26,646, bringing it to \$0 net balance.

Discussion led by Haag. He discussed the deficit presented in October and any additional revenues. Harder responded that additional revenues had come through.

### **Legislature Report**

Walt Radcliffe, of Radcliffe, Gilbertson and Brady, reported on legislature bills pertinent to the State Fair and added a brief history for the new Board members.

### **Committee Reports**

Smith will be contacting board members to discuss their placement on committees.

- a. Facility Planning  
Did not meet.

- b. Finance

Jensen reported they have requested all checks over \$250 from July through November to check for the one-time vendor classification and any other missing information. Jensen said that with the wiped hard drives, data has not all been recovered and he wants the Board to press on about getting this information. He stated that many vendors submitting invoices to NSF are questionable as to market value.

- c. Public Affairs and Outreach  
Did not meet.

- d. Livestock

Haag reported the committee discussed the well-attended Ranch Rodeo may be considered for a hard ticket this year. The open second Friday in Five Points Bank Arena is being considered for entertainment. Haag stated that a beer license for the draft horse show would potentially boost revenues. Kelly Loos has agreed to manage Nebraska's Largest Classroom and improving visitor experience in the Birthing Pavilion and Milking Parlor. Rolf requested that the miracle of birth still be a part of the Birthing Pavilion while making enhancements to that area.

- e. Events

Wehrbein reported on servicing the Loft hospitality room and the need for a new host couple from the Board. Other items discussed were:

- Meet & Greet for senators visiting NSF
- Danger Zone
- Grand Marshal coordination
- Parades
- Opening Ceremony
- Individual responsibilities of board members
- A new NSF Beer
- Antique Tractor Pull
- The return of the Bill Marshall Volleyball Classic to the HEC

Wehrbein also asked Board members for input going forward on events. Caldwell mentioned former board member Stan Brodine would like to help with Veterans Day activities.

- f. Executive  
Did not meet.

### **1868 Foundation**

Terry Galloway reported the 1868 Foundation met February 13 in Grand Island at which time they adopted their budget for 2020. The Trustee dinner will be May 7 and Galloway invited the NSF Board members attend this event. The annual report, levels of giving, and other opportunities will be presented at the Trustee dinner. The Foundation finished the year at about \$94,000 without any projects. The Blue Ribbon Roll Out was discussed as well.

### **Future Nebraska State Fair Board Meeting Dates, Locations and Other Events**

March 13, 2020 – Board meeting, Nebraska State Fair board room  
April 10, 2020 –Board meeting, Nebraska State Fair board room  
May 8, 2020 –Board meeting, Albion NE  
June 12, 2020 –Board meeting, Nebraska State Fair board room  
July 10, 2020 –Board meeting, Nebraska State Fair board room  
August TBD 1868 Foundation Blue Ribbon Roll Out  
Aug 28- Sept 7, 2020 – **Nebraska State Fair**  
September 24-27 –Aksarben Stock Show  
Oct 9, 2020 –Board meeting, Nebraska State Fair board room  
Nov 13, 2020 –Board meeting, Nebraska State Fair board room  
Dec 11, 2020 – Board meeting, Nebraska State Fair board room  
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### **Other Business**

Smith thanked Kircher for his time as Chairman of the board. She is looking forward to bringing the Board together along with full transparency.

Galloway, representing himself, spoke to the Board concerning cash basis versus accrual basis reporting.

### **Adjourn**

**Motion made by Kircher to adjourn.**

**Rolf seconded the motion. Upon voice vote, motion passed unanimously.**

**Time adjourned: 2:40 p.m.**