

DATE: Tuesday, May 16, 2017  
TIME: 5:30 pm

LOCATION: AG CENTER

AGENDA: *(subject to change at the discretion of the Board)*

**Time Topic Presenter**

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05:32:55 PM (00:00:35)

1.0 Welcome Brenda York

1.1 Pledge of Allegiance

1.2 Call for Attendance

Present were Fair Board Members: Vice-Chair Brenda York, Conrad Anker, Mike Everts, Peder Anderson & Ann Marie Moran; Commissioner Joe Skinner; Fairgrounds Staff: General Manager Lori Cox, Facilities Director Dennis Voeller, Finance Manager Rachel May, Office Manager/Board Secretary Linda Blomback; Guests: Total BS Media representatives Brit Booth & Sarah Hunter; Public: Sonja Berg. Absent were Fair Board Members: Tim Stefan, K.C. McLaughlin & Jeff Wade.

New board member – Peder Anderson

1.3 Review & Approval of Minutes 4-18-17

*Motion made by Ann Marie Moran, second by Conrad Anker. Unanimous for, motion carries.*

05:35:24 PM (00:03:04)

2.0 Public Comment - None Brenda York

05:35:32 PM (00:03:11)

3.0 Presentations

3.1 Gallatin County Commission Report Joe Skinner

- *Budget presentations for all departments.*

05:35:55 PM (00:03:35)

4.0 Marketing – Big Sky Country State Fair

*Presented by Total BS Media*

- *Fair is 7 days, 7<sup>th</sup> month, 2017, which produced a Western movie inspiration – specifically Magnificent 7*
- *Animal characters representing various Fair attractions*
- *Billboards (3), website, social media, sponsor marketing*

Discussion:

- *Does the western theme reach our target market? Bozemanites are attracted to western nostalgia*
- *\$10,000 fee for creative taken out of marketing budget*
- *Discussion on how to measure effectiveness of campaign.*

05:59:50 PM (00:27:30)

5.0 CIP Submissions – Update for FY18 Dennis Voeller

- *Top 3 projects for each 900 series:*
  - *23 projects found for approximately \$283,000*

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The Fair Board acts under the authority granted by the County Commission in Resolution 2011-072 Reforming the Gallatin County Fair Commission Pursuant to SB57 (2009) dated August 23, 2011.

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- *Identified 4 that are most needed:*
  1. *Pepsi Stage improvement*
  2. *Animal pens \$16,000 for 40 pens*
  3. *PA systems – Pepsi stage and animal show ring; also used by interim events, creates revenue potential*
  4. *Oak Street parking lot improvements*

Discussion:

- *\$35,000 reserves replenished first – used for Haynes boiler, sewer line in FY17*
- *Requested to prioritize a few more on the list*
- *County CIP priorities:*
  - *\$100,000 infrastructure/electrical*
  - *\$50,000 paved pathways/ADA access*
  - *\$200,000 toward engineering documentation for new exhibition building*

[06:11:52 PM \(00:39:32\)](#)

6.0 Business Items

6.1 Presentation of Rate Card Considerations Rachel May/Dennis Voeller

6.1.1 Rental Rate Increase

- Current rates vs increases of 3%, 5% & 7.5%
- Hourly rate stays the same @ \$44/hr
- RV-\$20 dry (same), \$30 electric (up \$5), \$35 full hookup (up \$5)
- Gun Show example: 2017 rent \$5,232 (3% would increase by \$150; 5% \$261; 7.5% \$392)
- Final rental income projected for FY17 is \$155,000. As FY18 contracts are largely signed, only 50% of annual rent revenues would increase. Full increase would reflect in FY19. \$7,750 potential increase in income @ 5%.

Discussion:

- *Utilities increased 40% in FY17. Possibility of the utility surcharge?*
- *Is the hourly rate enough to cover Fairgrounds costs?*
- *Consider a seasonal rate for buildings? Ex: Anderson Arena vs Indoor Arena*
- *Beware of complicated rate card, difficult for accounting and customer communication at settlement.*
- *What % would need to be increased to cover increase in utilities?*
- *Dennis proposed 5% across the board plus additional increases for the 5-6 buildings that are in most use.*
- *Possibility of building in a 3% improvement fee every year?*
- *Present new rate card in June meeting with suggestions applied.*

[07:01:59 PM \(01:29:39\)](#)

6.1.3 Hourly Rate (\$44/hr)

Lori Cox

6.1.4 Long Term Lease Square Footage Rates

- *\$1/square foot for recreation, \$4.62/square foot for office space, possible storage rate.*
- *Working on long-term lease rate for Search & Rescue and Sheriff's 6CV rate. Looking to settle at \$1/sq ft. Search and Rescue-last contract was construction contract in 2002. Storage rate is \$500/month.*

6.1.5 Open Riding \$10/day/person

6.1.2 Annual Rentals – Streamline Rate

Rachel May

- Annual rentals are growing, however rates are not consistent.
  - *State of Montana Motor Vehicle pays \$44/hour (\$15,500 in 10 months) vs. Career Transitions \$35/month. Same space.*
  - *Move to flat rate. Stair step the increase.*
  - *In the last 18 months the gate into the West Annex has been repaired 3 times. \$35/month does not cover that.*
- Handout: current rate vs. increase to \$500/month.

Discussion:

- *How many hours/month are the facilities used? Sysco & Estenson 24/7; Canny Canine, Dog Agility-24/7 (equipment); Bridger Bowl-all day during winter months; Symphony-24/7 storage.*
- *Client is paying for access to the space, how much they use it is up to them.*
- *Are the spaces equitable?*

*Motion made by Ann Marie Moran to approve the proposed rate for these groups and future groups at the minimum \$500 floor; Conrad Anker seconded.*

*Discussion: Can parking lots be separated out from buildings and storage?*

*It is still a reasonable rate.*

*Unanimous for, motion carries.*

[07:41:06 PM \(02:08:46\)](#)

6.2 Revenue Projections with New Rates (tabled)

Lori Cox

6.3 Cancellations Policy

Rachel May

- 4-H cancellations/no shows FY16 56 hours; FY17 32.75 hours, so far; no shows building has been opened and prepped.
- Lacrosse, Reach, Sheriff's office cancellations/no shows
- Contract says 60 days notice for cancellations; given a warning on first offense and then charge them on subsequent offenses; lose \$44/hour.
- Cancellation fee to recoup our fees
- Loss on Lacrosse was \$2300 in FY17
- 60 day cancellation policy--mainly for large events that cancel

Discussion:

- *Is 60 days notice too long?*
- *If Lacrosse cancels 2 weeks out hard to replace event in the Indoor Arena.*
- *Possible graduated scale as you get close to the event? Full refund down to no refund (like booking a vacation).*
- *Present in June*

[07:52:36 PM \(02:20:16\)](#)

6.4 Utilities Assessment to Non-Pay Entities (4-H; County Depts.)

Lori Cox

- Building usage--4-H and County Departments such as Sheriff, Elections
- 4-H usage 2016 337.5 hrs; 2017 (moved to Fairgrounds) increased to 501 hrs
- Proposed utility rates - \$5/hr; \$10/hr; \$15/hr

Discussion:

- *Does the rate cover our costs? Hard to determine as there are not separate meters on each building.*
- *Overage last year \$20,000 electric & \$10,000 gas for total facilities.*
- *Increase of 200 hours for one user is a large increase in utilities.*
- *Groups would be more energy-aware if they are charged a service/utility fee.*
- *Clubs would need to fundraise to pay for their surcharge.*
- *Would clubs be able to handle \$2,000-\$2,500 per year for their activities?*

- *Need to make a club assessment, be transparent how it will affect the clubs, and make it clear that it is a utility increase for all parties.*

Announcements

[08:06:07 PM \(02:33:46\)](#)

7.0 Adjournment

Brenda York