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Lancaster County Agricultural Society, Inc.

*A Nebraska non-profit corporation, designated as 501(c)(3) by the IRS
and separate county-level political subdivision
created under Nebraska law in 1870 to promote agriculture & youth.*

MONTHLY BOARD MEETING PUBLIC MINUTES

Board of Directors Monthly Meeting

Lancaster Room — Lancaster Event Center Fairgrounds

4100 N. 84th Street, Lincoln NE 68507

7pm - Thursday, March 16, 2023

President Ronnau called the monthly meeting of the Lancaster County Agricultural Society Board to order at 7:03 pm.

Proof of due notice was given in the Lincoln Journal Star, and the Nebraska Open Meeting Act was displayed in the room.

Board members present in person were Hagan, R. Dowding, Ronnau, Suing, Cooper, and Cusick-Rawlinson. Rutt arrived after start of the meeting at 7:10 pm as noted below. Board member Hardesty attended via Teams online and did not vote. Also present in person were LEC staff Dickerson, Rief, Jones, N. Dowding and Beckstrom. LEC Staff members attending via Teams online were Harrison and J. Hagan. Also attending in person were Karen Wobig and Teresa Endkamp on behalf of County Extension and member of the public Bill Donnelly.

Overview of Facility Insurance Renewal - Rob Burkett from UNICO, LEC's insurance agent, was in attendance to provide an overview of the annual facility insurance renewal process, including information on why carrier coverage requirements and costs have increased. Rob stated that it is a challenging time for the insurance industry; the Product market is in turmoil for large properties like LEC (especially for wind/hail); the average claims costs are up 30% in the last 2 years; replacement costs up due to construction material & labor shortages. The carrier increased the baseline property insurance deductibles from 2% to 3% of LEC's \$28MM property value.

Board Treasurer Rutt arrived at 7:10 pm.

Cusick-Rawlinson asked how many years our losses count against us. Rob replied that some carriers look back 5 years, but most carriers base their ratings off the last 3 years. Workers Compensation is different – they look at rolling 3 year history. Workers Compensation rating based on LEC's 3-year history increased from 1.33% to 1.62% but last year claims were down so rating will go down in future. Rob stated that LEC has mitigated Workers Compensation claims this past year (as well as property and liability claims).

Every year, UNICO actively searches the market to find the best facility insurance for LEC - there aren't many carriers that can support this kind of space. And that the back and forth with dozens of insurance companies to get quotes can only be conducted in the weeks leading up to our annual March 1st renewal. UNICO often pushes back and tries to get LEC better coverage at lower rates. This is why the final pricing is often only known the week before the renewal.

As a stipulation of coverage with LEC's liability insurance carrier, it is mandated that any high-risk event have a 2nd layer of coverage (Umbrella or Excess Liability). This protects LEC as much as possible. Ronnau expressed concern that increasing insurance costs and requirements may result in promoters feeling slighted and not returning. Rob stated that contractually, promoters are already obliged to indemnify and hold LEC harmless. It's up to the event and LEC insurance carriers involved if claims will be pursued, not LEC. Cusick-Rawlinson asked what the cost would be if we didn't require supplemental insurance - Rob stated it would essentially make LEC uninsurable. Ronnau asked if these requirements are the same for other public entities similar to LEC (day care/fun centers, etc.) - Rob replied that they are. Dickerson said that staff was explaining to show promoters that when accidents happen claims are required to first go to the insurance for the visitor's show and that carrier can decide if they believe LEC was negligent and our insurance should share a part of the claim cost, much like car insurance, we need to let insurance companies handle the claims between them.

Cooper asked if our fair has this extra insurance - Rob replied yes, we have Umbrella coverage. Cooper asked about events that the Ag Society runs at the fair - Rob replied that LEC owns those types of event insurance coverage; Dickerson stated that we get COIs for all fair vendors, attractions, suppliers and 4-H events (including UNL).

Approval of minutes - The minutes from the February Board meeting were presented. Cusick-Rawlinson moved to approve the minutes; R. Dowding seconded the motion. The minutes of the February Board meeting were approved without objection.

2023 Fair Update – Sr. Operations Manager N. Dowding and Controller Harrison shared information about the 2023 fair budget. Overall, entertainment expenses are down from last year, primarily due to having one band per night instead of two.

N. Dowding and Jones reviewed the updated AZ layout/Beer Garden; they are working on strategies to better promote the Beer Garden, including larger signage, and background music when bands are not playing. Jones stated that the AZ and Main Stage/Food Vendors had been flipped to create more visibility for the food vendors & stage and just freshen up the fair experience. Jones then provided an update on the MPA Family Fun Zone layout, as well as the Pepsi Main Stage & MPA stage schedules. Jones, Dickerson, and others are meeting with Pepsi and other sponsor representatives for upgraded fair sponsorships & promotions including in gate ticket sponsor retail locations. Cusick-Rawlinson suggested Pepsi consider using marketing dollars for brand promotion. Jones reported that she met with Allo for sponsorship, and Allo shared with her that their major market is the Hispanic market, which aligns with LEC's upcoming Hispanic Cultural Festival.

Ronnau commented she was hearing that Open Livestock exhibitor attendance might be low without added premiums. Ronnau asked about allocating funds towards their attendance. N. Dowding stated that doing every species costs around \$2,500; Dickerson added that it would total around \$4,000. Cusick-Rawlinson requested increased promotion of Open Livestock on social media. Ronnau stated that the State Poultry Show has expressed interest in having another outlet to have an open show as well. N. Dowding informed the Board that the decision to allocate funds for the Open Show/Livestock for 2023 can still be made this month (March). Ronnau requested that N. Dowding prepare a report and send out to the Board, and that up to \$5K be allocated for Open Class Livestock, including the Boar Goat Show. Cooper moved to approve the allocation; Cusick-Rawlinson seconded the motion. A roll call vote was taken, and the motion was approved 7-0.

Rutt moved to approve that the Open Class Static Superintendent budget be increased from \$300 to \$350 per superintendent; Suing seconded the motion. A roll call vote was taken, and the motion was approved 7-0.

Rief informed the Board that our Super Fair was one of seven selected statewide by the State Fair staff at the Nebraska County Fair Convention to come & volunteer one day as part of their County Fair Tour 2023. As a result, they will send a vanload of volunteers for our fair to provide support for one day.

N. Dowding then provided an update on the Carnival security plan, reporting that he is currently working on the fence plan. Also, we will have a clear bag policy, per LPD's request. With this policy, it appears metal detectors will not be required by LPD at carnival entrances. Security Manager Morrison is working on this.

Extension Update - Karen Wobig and Teresa Endcamp were in attendance on behalf of County Extension. Endcamp stated they finished two of three embryology courses, reaching 3rd graders in 200 classrooms. They are working with N. Dowding on Ag Literacy, March 30-31, 2023, for ~200 4th graders. Cusick-Rawlinson said schools continue to increase their focus on healthy eating, with outside activities such as gardens – so this would be a good time to reach out to them. She will send information to the Extension staff so they can reach out to the schools. Endcamp also informed the Board there are several after school STEM clubs, and they are working with Tech Change Makers to reach adults and help them gain skills in the digital world. She requested that we let them know of programs they can share with the schools. She also reminded the Board that the Ag Innovators Program on Drones is on Saturday, April 1st, 2023.

Communication from the public - No members of the public spoke.

Operations Report - N. Dowding shared information about the April 3rd F&B Team Outing at 6pm. They are working on food donations. Ronnau stated that Ag Society members are encouraged/welcome to attend. N. Dowding then provided an update on a potential upcoming new banquet with Kawasaki. N. Dowding and Rief shared general details and digital layouts of the proposed space. After review of the digital layouts using software on a trial-basis, there was discussion about purchase of that software. Ronnau asked what this program costs - Rief replied that is \$522/year, which includes unlimited users and up to 50 events/year. Dickerson stated this would be a good service to offer Clients and Ronnau agreed. Ronnau asked if Ungerboeck also has the capability to do floor plans – Rief replied it does but may be more expensive. Ronnau asked Rief to compare the two.

Financial Report - Harrison reviewed January Financials. Hagan made a motion to accept January Financials and Suing seconded the motion. A roll call vote was taken, and the motion was accepted 7-0. Cusick-Rawlinson asked if there is any other way to account for proceeds for State ARPA \$5MM grant that arrived in February, it's not clear if the grant monies should be an asset. Harrison replied that she had consulted with our auditor and ARPA funds are not an asset, they are income. Harrison then reviewed February Financials; it was decided that February Financials will be presented at the April Board meeting as the property tax late receipts needed to be

incorporated. Ronnau recognized that certain months' financials require extra time for Harrison to prepare due to timing of these monthly property tax receipts around the 15th of each month, and requested Harrison remind the Board on those months that financials will be sent to them right before the meeting for this reason, that it didn't make sense to do preliminary financials without this information finalized.

Harrison then reviewed Accounts Receivable, which is trending positively due to new contracts requiring two deposits; and Accounts Payable, which is up to date with nothing over 31 days old. Harrison then requested approval of checks for February, reporting that the total amount of checks paid in February was \$1,504,890.15. Cusick-Rawlinson made a motion to approve the checks for February and R. Dowding seconded the motion. A roll call vote was taken, and the motion was approved 7-0.

Next Harrison reviewed the Q1 FY23 report. Cusick-Rawlinson asked when the last space rental price change took effect for shared rental; Dickerson replied it was December 1, 2022.

Accept FY23 Operational Budget - Harrison presented the FY23 Operational Budget for acceptance by the Board. Harrison highlighted that Q1 Actuals were very close to Budget in many areas - we were 99% on budget to estimate. Dickerson stated the goal is to move all non-operational items (bond receipts & payments, State ARPA grant funds that will be used to purchase balance sheet assets, etc.) into "Other Income & Expenses" below the "Ordinary Income & Expenses". Then we can better use "Net Ordinary Income" as a snapshot of operational results. Cusick-Rawlinson stated that the Operational Budget is important, as well as the process to involve managers. Dickerson stated that Harrison created different report views to help our managers read and understand their department budgets. Cusick-Rawlinson made a motion to accept the FY23 Operational Budget and Suing seconded the motion. A roll call vote was taken, and the motion was accepted 7-0.

ARPA Budget Process Update/Approve State ARPA Draw Request #4 - Harrison provided an update on the ARPA budget process, with the request for the Board to approve State ARPA Draw Request #4. Rief, Dowding, Dickerson answered questions on items proposed by staff on the list which are mainly productivity tools proposed by the staff.

Suing made a motion to approve State ARPA Draw Request #4, for no more than \$59,285; Hagan seconded the motion. A roll call vote was taken, and the motion to approve State ARPA Draw Request #4 passed 7-0.

Officer and Committee Reports - President Ronnau stated she's pleased to see strong Trade Show numbers. She also appreciates receiving the Board information early when feasible. Secretary Cooper provided an update on the NHSFR Rodeo. Hagan spoke to John Kaiser, who is willing to assist with the High School Rodeo. Cooper made a motion to approve Hagan to speak with Kaiser

about being a contract employee. Suing seconded the motion. The motion was approved without objection.

Designate LCAS Rep. for District 1 Meeting April 16 in Seward – Ronnau, R. Dowding and Rutt expressed interest in attending.

Managing Director Report - Dickerson provided a reporting structure update with the new Guest Services Manager & Assistant F&B Manager Nikki Long will report to F&B Manager Lisa Bunch who will now report directly to Dickerson. Dickerson then provided a Legislative update on LB709 Lincoln Convention Center bill (which includes \$7M for LEC improvements) that passed out of committee last week; she continues to keep in touch with our lobbyist out this. She also reported that a City/Convention Center stakeholders meeting with LEC to talk about impact of the new facility on LEC bookings was being setup. Dickerson then distributed handouts regarding a Federal Community Projects Grant application. She spoke with a DC-based attorney from our legal firm who informed Dickerson of the FY24 grant process for NE District 1 via Congressman Flood's office. Dickerson spoke with the Master Planning team for their input on this \$400K planning grant to update our long-term facility master plan not updated since 2017. Dickerson used the conceptual drawing of a future "Ag Tech Experience" the board had previously discussed for the grant to communicate the vision to engage our youth in the future of ag. The total project cost is estimated at \$800K which would include a Business Development staff person to drive this 2-year community engagement process and also look at the development ideal to be synergistic with LEC's plans in a 2 mile radius around LEC.

Dickerson then provided an update on the Standard & Poor's bond rating process. Every three years, we are asked to provide financial information so the risk on LEC paying its bonds though the property tax funds are collected and paid by the County Treasurer. Dickerson is working with auditor on responses.

Dickerson then updated the Board on the Cell Tower – ATT is in the final stages; Verizon is upgrading. We are increasing Verizon's rent and ATT is planning to be 2nd carrier paying rent to be on our tower which will improve guest cell service.

Next Dickerson updated the Board on the Employee Retention Credit (ERC) opportunity – a payroll tax refund to businesses who kept employees on payroll during the pandemic. (\$26K per employee - related to the CARES Act). Our auditor believes we are eligible as he has successfully secured for two other Ag Societies and will submit our application this year for a 10% fee.

Other Business - None

Executive Session to discuss Pavilion 4 naming rights negotiation, Bank interest bearing / FDIC-protected account negotiation, Property tax budget negotiation with County

It was moved to go into Executive Session by Hagan, seconded by Rutt. The motion passed without objection and went into Executive Session at 9:52 pm. Attendees included Ronnau, Cooper, Cusick-Rawlinson, Rutt, R. Dowding and Suing, with Hardesty by Teams online. Staff members were Dickerson and Rief. At 10:15 pm, Dickerson and Rief were asked to exit the Executive Session and wait to be asked to return. At 10:27 pm, Dickerson and Rief were asked to rejoin. It was moved by R. Dowding and seconded by Hagan to come out of Executive Session. The motion passed without objection and the Executive Session ended at 10:29 pm.

Approval for officers to sign account setup for State ARPA interest-bearing account - It was moved by Rutt and seconded by Hagan to approve the Ag Society officers to sign the account setup papers with West Gate to move the remaining State ARPA dollars into ICS accounts with FDIC guarantee and higher interest rate. A roll call vote was taken, and the motion passed 7-0.

Adjournment - It was moved by Rutt and seconded by Hagan to adjourn the meeting. The motion passed without objection and the meeting adjourned at 10:32 p.m.

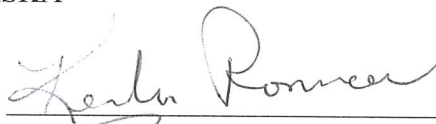
Next meeting: April 20, 2023 at 7:30pm

(note seasonal later start time)

(See final meeting timing/location at LancasterEventCenter.org, click on About Us, Public Notices)

PASSED, APPROVED, AND ADOPTED as set forth herein on this 20 day of April, 2023 Submitted by the LANCASTER COUNTY AGRICULTURAL SOCIETY IN THE STATE OF NEBRASKA

President Kendra Ronnau



Secretary John Cooper

