

FSMG Meeting Minutes
Tuesday, November 17th, 2009
7:30 a.m. - 9:30 a.m.
Public Service Center, CR 623

Attendees: Scott Horenstein, Sharon Crouch, Judy Stanton, Chris Palmer, Mark McCauley, Justin Kobluk, John Morrison

Meeting was called to order at 7:30. Mark McCauley opened the meeting by distributing the minutes from the October meeting. The minutes were approved subject to a couple of edits.

Mark continued the meeting with a discussion of the county budget circumstance, which is dire. We are wrestling with the third cut in a year. This cut is \$12.7 million and will hit law and justice fairly hard. Most department budgets have no choice now but to lay off staff. Our operations have also been hit hard due to the economy. We have submitted a budget package to be approved the first week in December that will establish transfer revenue budget from the Exhibition Hall Dedicated Fund into the Event Center Fund. Once we have that budget loaded into the accounting system we will transfer the 2009 amount (\$215,000). Not sure when we will be able to transfer the balance. We may need to work with the PFD on timing. In the meantime, the Event Center Fund will likely operate using the county line of credit. This will create interest expense we didn't budget for but it is our only option, really. We all should be grateful that 1033 was voted down. That would have locked the county in a permanently reduced revenue mode.

John Morrison picked up next with a fair discussion. He said that the budget situation is requiring a thorough contract review and that were we doing the smart things: cutting here and there and taking a tougher negotiating stance. We are doing this in an effort to reduce costs. We have also increased ticket prices: \$1 for adults, \$2 dollars for children, and \$1 for parking. Advance ticket sales will be at the 2009 prices—we are hoping this will boost our advanced ticket sales. Plus we can say that prices didn't increase from 2009---if you buy ahead, that is. John continued with a report on marketing and entertainment. Dana undated John on sponsorships: our 2009 goal was \$160k---we made \$118K. Our 2010 target is \$138k. Of the target \$98k is safe. We believe we have \$35k from Corwin Beverage, \$20k from People's Credit Union, and \$15k from the Washington State Lottery. We are also pursuing Southwest Washington Medical Center.

From an entertainment perspective looks like the first Friday we'll do a "wild west" show. The medieval jousts will be back for four shows. We're planning on having some type of motor sport event over five days. We're looking into an event called "Quad Wars" using the four-wheeled motorcycle type vehicles. We also looking at an event called bull poker where four folks sit a table with cards and the last one to throw down wins. We continue to work on scheduling

amphitheater events. We have a number of bids out but nothing has solidified as of yet.

Justin took the floor and discussed a number of items. First was his strategic planning/brainstorming session with staff. He said they had a very good meeting and came up with some good ideas. He distributed a summary of the plan which reflected reduced costs or increased revenues:

- Cost cutting-\$138,000 in savings
- Organization restructure-\$123,000 in savings
- Increased revenues-\$315,000
- Other adjustments-\$220,000

Total bottom line enhancement-\$796,000

This will entail letting two employees go and structuring the shifts of maintenance personnel. Increased fair ticket prices will help as well. They are also going to an "all in" Event Center pricing structure to simplify matters for event planners interested in using the facility.

Final fair numbers having been fully completed but it looks like the fair lost approximately \$130,000. Hopefully a final tally will be available for the December meeting.

Lastly, Justin distributed a 2010 Event Center booking update. Next year looks to be somewhat better than this year. We are working on a work session with the Commissioners to lay out desired changes to the amphitheater lease that will help improve our bottom line.

Next meeting is scheduled for Tuesday December 8th in PSC Conference Room 623.

Adjourned.