

**MINUTES OF OCFEC BOARD OF DIRECTORS MEETING
HELD February 28, 2019**

*The following Minutes are a summary of Board action and proceedings. For a full transcript
please click on the link below or visit the ocfair.com website.*

https://s3-us-west-1.amazonaws.com/ocfair.com/wp-content/uploads/2019/02/14150750/19_02_February_Transcript.pdf

1. CALL TO ORDER:

Chair Ruiz called the meeting to order at 9:03 a.m.

2. MISSION STATEMENT

3. PLEDGE OF ALLEGIANCE:

The Pledge of Allegiance was recited by Director Meyer. Roll call was taken by Summer Angus.

4. DIRECTORS PRESENT:

Chair Ruiz, Vice Chair Cervantes, Director Bagneris, Director Aitken, Director La Belle, Director Pham, Director Rubalcava and Director Meyer.

Director Rubalcava-Garcia joined the meeting at 10:23 a.m.

DIRECTORS ABSENT/EXCUSED: Director Mouet,

OTHERS PRESENT:

Kathy Kramer, OCFEC CEO; Michele Richards, OCFEC Vice President, Business Development, Ken Karns, OCFEC Vice President, Operations; Summer Angus, OCFEC Executive Assistant; Bianca Kulback, OCFEC Director of Human Resources; Jason Jacobsen, OCFEC Director of Planning & Presentation; Terry Moore, OCFEC Director of Communications; Joan Hamill, OCFEC Director of Exhibits & Education; Nick Buffa, OCFEC Director Security & Traffic; Jeff Wilson, OCFEC Entertainment Supervisor; Dylan Johnson, Office of the Attorney General; Luis Hernandez, Stenographer; John Quiroz, CDFA, Fairs & Exhibitions Branch; Reggie Mundekis; Vince Pollmeier; Beth Refakes; Mary Spadoni; Adam Carleton; Gibran Stout; Carolyn Beaver; Susie Gyor; Jay Humphrey; Theresa Sears

5. STATEMENT OF MEETING DECORUM

Chair Ruiz read the following statement regarding the Statement of Decorum included on the February agenda: "The 32nd DAA included the decorum request on the agenda to promote civility during 32nd DAA Board Meetings. With that said, and based on concerns raised by members of the public, the 32nd DAA will remove this language from the agenda moving forward."

Reggie Mundekis spoke in support of the withdrawal of the Statement of Meeting Decorum and discussed how such rules/statements try to limit public speech, which have not been upheld in court.

Vince Pollmeier also spoke in support of the withdrawal of the decorum statement, calling the statement unconstitutional and a clear restriction on speech.

Beth Refakes shared her surprise to see the decorum statement on the agenda and spoke in support of the withdrawal of the statement. She noted a lawsuit, the City of Costa Mesa lost, trying to limit speech. She discussed not limiting free speech.

Mary Spadoni also spoke about the City of Costa Mesa's lawsuit and that they learned a costly lesson. She shared her support of the removal of the decorum statement. She asked the Board to consider having meetings in different parts of the county and at a different time.

Director Bagneris noted that agenda items are reviewed by the Attorney General's Office.

6. CEO'S OPERATIONAL UPDATE

Kathy Kramer, OCFEC CEO, reported the following:

- New exhibit at Heroes Hall: Victory Within
- Imaginiology April 12-14th 2019
- Hatch Culinary School opened for the spring session
- In January, staff and members of the Board attended Western Fairs Association's annual convention in Reno
 - Many staff members presented workshops
 - OCFEC received numerous fair industry achievement awards
- Data collection from the brand assessment has been completed
 - IMW agency to assess data

Ken Karns, OCFEC VP Operations, reported the following:

- Efforts related to storage and parking initiatives
 - On site storage solutions being pursued
 - Possibly use of a commercial realtor to assist with land required for carnival operations storage
 - In discussions with AAA for possible use of one of their parking lots
- Inspections and Fire Marshal update:
 - New procedure for scheduling and executing the Cal Fire annual all-grounds safety inspection
 - Annual inspection scheduled for March 18 -20, 2019
 - CFSA annual inspection scheduled for March 19th
- Equestrian Center fire alarm project moving forward; projected completion in late May
- Storm Water Management (SWM)
 - Contracted consultant, Fuscoe, to carry out annual report and submission to the Santa Ana Regional Water Board

- Storm water management project for improvements on the norther side of the property initiated

Karns answered for Director Aitken that it is unlikely the work on SWM project will be done before fair and there are initiatives in place for improvement to the fair time runoff on the north side of the property

Director La Belle requested the SWM plan be brought before the Board for review before submission to the Regional Board.

Karns continued to report on the following:

- Equestrian Center (EQC) Emergency Preparedness Plan: integrated safety-related measures and operations between OCFEC and the Equestrian Center
 - Emergency procedures manual updated and training session for EQC staff and users
 - Installing AED (automated external defibrillator)

Michele Richards provided an overview of the upcoming events.

Richards answered for Director La Belle that staff remains in contact with the Barrett-Jackson Car auction team and continues to persue that as well as other car event opportunities.

Reggie Mundekis asked for detailed explanations regarding several payments on the check register summary.

Adam Carleton discussed an article in the Daily Pilot regarding OCFEC's 2016 CDFA Audit findings and criticized CEO Kramer. He stated he does not know the misconduct he has been accused of and the reasoning for his administrative leave. He discussed and criticized Kramer's comments, in the article. He commented on the CDFA audit findings and requested Chair give him more time to speak under the audit agenda item.

7. PUBLIC COMMENTS

Reggie Mundekis criticized the sponsorship agreement with Vanguard University due to its student handbook rules regarding same sex relationships, calling them homophobic. She requested the board to agendize for the following month, to give staff direction to end the relationship/contract with Vanguard, to recoup sponsorship money and have Vanguard take down all OCFEC logos/intellectual property on campus.

Phillip Greer, attorney for Madison Entertainment, asked the Board to look into a public records request he submitted to the Board on February 18th.

Vincent Pollmeier shared he was pleased that Hatch Culinary Lab is starting again in a kitchen that has passed fire code safety inspections.

He asked how the agenda is created; who decides and under what criteria is it decided if an item should be an action or information item and what items should be included or not included on the agenda. He criticized that the six items proposed for the agenda, requested in a correspondence sent to the Board by Friends and Neighbors of the Orange County Fairgrounds (FNOCF) regarding financial issues and oversight, were not agendized. He offered to meet with Board members and members of the public to discuss in detail, the items in the correspondence.

8. MINUTES:

A. Board Meeting held December 13, 2018

Action Item

ACTION: Vice Chair Cervantes motioned and Director Aitken seconded to review and approve the minutes from the Board meeting held December 13, 2018. **MOTION CARRIED. AYES: Chair Ruiz, Vice Chair Cervantes, Director Bagneris, Director Aitken, Director La Belle, Director Pham and Director Meyer. NAYES: None.**

9. CONSENT CALENDAR

A. Standard Agreements: SA-010-19PA; SA-025-19IO; SA-026-19GE; SA-027-19HB; SA-028-19BB; SA-029-19BB; SA-030-19GE; SA-031-19HB; SA-032-19HB; SA-033-19SP; SA-036-19YR; SA-039-19YR; SA-040-19YR ; SA-041-19YR; SA-046-19IO; SA-047-19IO; SA-048-19IO; SA-049-19IO; SA-050-19YR; SA-051-19YR; SA-052-19YR; SA-053-19SP; SA-058-19SP; SA-059-19SP; SA-064-19FT; SA-065-19YR

B. Amendments: SA-002-19HB (Amend. #1); SA-018-19HB (Amend. #1)

C. Interagency Agreements: SA-056-19SP IA

D. Rental Agreements: R-006-19; R-007-19; R-022-19; R-024-19; R-040-19; R-045-19; R-048-19; R-052-19; R-054-19; R-055-19; R-056-19; R-064-19; R-065-19; R-069-19; R-072-19; R-073-19; R-074-19; R-082-19; 19 IO-FE 01; 19 IO-FE 02; 19 IO-FE 03; 19 IO-FE 04; 19 IO-FE 05; 19 IO-FE 06; 19 IO-FE 07; 19 IO-FE 08; 19 IO-FE 09; 19 IO-FE 10; 19 IO-FE 11; 19 IO-FE 12; 19 IO-FE 13; 19 IO-FE 14; 19 IO-FE 15; 19 IO-FE 16; 19 IO-FE 17; 19 IO-FE 18; 19 IO-FE 19; 19 IO-FE 20; 19 IO-FE 21; 19 IO-FE 22; 19 IO-FE 23; 19 IO-FE 24; 19 IO-FE 25; 19 IO-FE 26; 19 IO-FE 27; 19 IO-FE 28; 19 IO-FE 29; 19 IO-FE 30; 19 IO-FE 31; 19 IO-FE 32; 19 IO-FE 33; 19 IO-FE 34; 19 IO-FE 35; 19 IO-FE 36; 19 IO-FE 37; 19 IO-FE 38; 19 IO-FE 39; 19 IO-FE 40; 19 IO-FE 41; 19 IO-FE 42; 19 IO-FE 43; 19 IO-FE 44; 19 IO-FE 45; 19 IO-FE 46; 19 IO-FE 47; 19 IO-FE 48; 19 IO-FE 49; 19 IO-FE 50; 19 IO-FE 51; 19 IO-FE 52; 19 IO-FE 53; 19 IO-FE 54; 19 IO-FE 55; 19 IO-FE 56; 19 IO-FE 57; 19 IO-FE 58; 19 IO-FE 59; 19 IO-FE 60; 19 IO-FE 61; 19 IO-FE 62; 19 IO-FE 63;

19 IO-FE 64; 19 IO-FE 65; 19 IO-FE 66; 19 IO-FE 67; 19 IO-FE 68; 19 IO-FE 69

- E. Active Joint Powers Authority Agreements (New): None
- F. Commercial Rental Agreements: IMCOM-01-19; IMCOM-02-19; IMCOM-03-19; IMCOM-05-19
- G. Concessions Rental Agreements: IMFO-01-19; IMFO-02-19; IMFO-03-19; IMFO-04-19; IMFO-07-19; IMFO-08-19; IMFO-09-19; IMFO-10-19; IMFO-11-19; IMFO-12-19; IMFO-14-19; IMFO-16-19; IMFT-02-19
- H. Independent Amusement Rental Agreements: IMIA-01-19
- I. Platinum Rental Agreements: 19700; 19701; 19706; 19709; 19712; 19714; 19717; 19719; 19723; 19725; 19734
- J. Correspondence:
Communications to the Board from the public in response to Board discussion or to comments made before the Board are to be listed on the meeting agenda and included in the Board materials as an item of public disclosure.
 - i. Dated 2/13/2019: Friends and Neighbors of the Orange County Fairgrounds
 - ii. Dated 2/5/2019: Doug Lofstrom

-End of Consent Calendar-

Director La Belle pulled Standard Agreements SA-051-19YR (Morely Group); SA-052-19YR (Hanie & Company, CPAs); SA-033-19SP (AT&T mobile services) and SA-059-19SP (Verizon).

Reggie Mundekis spoke in opposition of Standard Agreement SA-051-19YR (Morely Group) for investigative services. She asked the Board to turn down the contract and requested the use of State resources instead for investigative services.

Vincent Pollmeier also spoke in opposition of Standard Agreement SA-051-19YR (Morely Group) and asked why engage a private investigation firm when a performance auditor was not allowed. He argued that State investigative services should be used first. Pollmeier stated that private reports and analysis from the private investigation firm are not exempt from the California Public Records Act. He criticized the response he received regarding a previous public records request he submitted regarding the Morely Group.

Reggie Mundekis questioned the amount of paving work done each year. She stated that looking at two years of checks, over a million dollars was spent on paving. She asked for clarity on how the paving projects were done. She requested more detail regarding the kiddie land project listed under the Joint Powers Authority Agreements: plans, drawings, inspection plan. She stated the need to take a hard look at paving projects.

Vincent Pollmeier stated FNOCF discovered eleven companies that received payments over the signing authority of the CEO without a contract. He alleged violations of delegated authority and argued that items should have been agendized for Board approval. He criticized the Vanguard University sponsorship and the Pacific Symphony agreement.

ACTION: Director La Belle motioned and Vice Chair Cervantes seconded to review and approve the Consent Calendar with Standard Agreements SA-051-19YR (Morely Group); SA-052-19YR (Hanie & Company, CPAs); SA-033-19SP (AT&T mobile services) and SA-059-19SP (Verizon) pulled for discussion. **MOTION CARRIED. AYES: Chair Ruiz, Vice Chair Cervantes, Director Bagneris, Director Aitken, Director La Belle, Director Pham and Director Meyer. NAYES: None.**

Director La Belle disclosed his 307 shares with AT&T and 64 shares with Verizon.

Director La Belle spoke regarding Standard Agreements SA-051-19YR (Morely Group); SA-052-19YR (Hanie & Company, CPAs), relating to a personnel matter, and shared he feels strongly that CalHR or an independent outside counsel should handle this matter. He shared he would also be comfortable with the following:

- The Attorney General's Office taking the lead with whoever is conducting the work and reporting directly to them and then to the Board
- A committee of the Chair and Vice Chair to review the information
- Compensating CalHR if needed

Director La Belle stated it is absolutely critical, from his perspective that this be an unbiased review of the issues related to this personnel matter.

Kramer reported the following related to SA-051-19YR (Morely Group); SA-052-19YR (Hanie & Company, CPAs):

- Both contracts are for professional services related to a personnel investigation
- OCFEC was advised by CalHR to secure outside independent investigators for this matter
- Staff is not involved in conducting the investigation and will not be informed of findings until completed and all parties are interviewed
- Staff has engaged services in the work, per CalHR's legal direction

- Someone from the employment side of Attorney General's Office has been assigned to provide oversight and involvement in the process

ACTION: Director Bagneris motioned and Director Meyer seconded to review and approve Standard Agreements SA-051-19YR (Morely Group); SA-052-19YR (Hanie & Company, CPAs); SA-033-19SP (AT&T mobile services) and SA-059-19SP (Verizon) of the Consent Calendar. **MOTION CARRIED. AYES: Chair Ruiz, Vice Chair Cervantes, Director Bagneris, Director Aitken, Director Pham and Director Meyer. NAYES: Director La Belle.**

10. GOVERNANCE PROCESS:

A. Committee / Ad Hoc Committee / Liaison Reports Information Item

To assure compliance with the Bagley-Keene Act, Committee reports are only for the purpose of the Committee chair, Ad Hoc Committee members or Liaison to provide a verbal update. Should the Board want to discuss any Committee work item not already on the agenda; those would need to be agendized for a future Board meeting.

- i. Heroes Hall Veterans Foundation Board (Director La Belle, Chair; Vice Chair Cervantes)
- ii. Financial Monitoring Committee (Director Pham, Committee Chair; Director Mouet)
- iii. Legislative Monitoring Committee (Director Aitken; Committee Chair; Chair Ruiz)
- iv. Tenant Liaison Committee (Director Pham, Committee Chair; Vice Chair Cervantes)
- v. Board of Directors Governing Policy Manual Review Ad Hoc Committee (Director Bagneris, Committee Chair; Chair Ruiz)
- vi. Safety & Security Committee (Chair Ruiz, Committee Chair; Vice Chair Cervantes)

Reggie Mundekis spoke in support of creating a facilities and maintenance committee and asked the Board to create this committee. She stated that in the Food & Agriculture code there is a provision that state any subcommittee formed by the Board, that their meetings can be attended by the public. She stated she will be sending a letter requesting to be notified when any of the committees meet so she can attend those meetings. She stated that the Storm Water report needs to be brought back to a regular Board meeting and talked about in public for public input.

Vincent Pollmeier criticized the committees for not moving to three person committees, for better public outreach. He encouraged whether the Board has two or three person committees, for the Board

to have more public participation in the committee meetings. He urged the need for committee meetings to be agendaized, announced and minutes kept.

Gibran Stout thanked Vice Chair Cervantes for visiting the Equestrian Center (EQC). She spoke in support of having more public involvement in the ad hoc committees and the reinstatement of the EQC committee. She shared her concerns with the amount of money spent on asphalt with the Master Site Plan still pending. She spoke in opposition storage facility rental costs and suggested acquiring and stacking storage containers and to get rid of some stuff. She criticized the partition in the room and the reduction of the number of chairs in the room.

Chair Ruiz took the following actions regarding the committees:

- Created a Building and Maintenance Committee: appointed Director La Belle and himself
- Reinstated the Master Site Plan Ad Hoc Committee: appointed Director Aitken and Director Rubalcava-Garcia
- Removed himself from the Board Governing Policy committee and appointed Director Meyer

Chair Ruiz asked if either Director La Belle or Vice Chair Cervantes would step down from the Heroes Hall Veterans Foundation allowing Director Bagneris to become a member, of which, both expressed their wish to remain on the Foundation. Director Bagneris suggested a three person committee, discussion ensued, resulting in addressing the issue next month when Attorney Caplan is back to advise the Board.

Director La Belle, on behalf of the Heroes Hall Veterans Foundation Board, reported the following:

- Foundation met the previous Tuesday
- Looking for opportunities to enhance fundraising and fundraising opportunities
- Foundation currently has \$450,000 in the bank and he praised the fundraising efforts of the Foundation's President
- Had discussion regarding the A4 Skyhawk project

Director Pham, on behalf of the Financial Monitoring Committee, reported the following:

- Committee met last week
- Postponed closing year-end financials, waiting on CDFA to provide numbers on two large pending items
 - Discussed items with CDFA auditor and reported that they should have numbers available in a couple of weeks to close the balance sheet
- Committee discussed spending time with OCFEC financial staff

- to go over business process management to evaluate internal controls and business continuity planning
- Committee to review contracting process

Director Rubalcava-Garcia joined the meeting at 10:23 a.m.

Director Aitken, on behalf of the Legislative Monitoring Committee, reported the following:

- Committee is continuing to follow 50/50 raffle legislation
 - Currently the legislation only extended to major league sports teams
 - Trying to find partners to allow us a seat at the table
 - Asked lobbyist to keep Committee apprised of Western Fairs Association (WFA) legislative priorities
 - WFA supports the 50/50 raffle legislation in, that they will not oppose the legislation; WFA is focused on other legislative issues

Director Bagneris discussed possibly engaging lobbyist to look into state executive salary caps enable OC FEC to attract qualified staff.

Director Aitken suggested to agendaize the discussion for a future meeting, to determine if it is a priority for the Board and to have a consensus before incurring the expense of the lobbyist exploring state wide salaries issues.

Director Meyer shared it would be an interesting topic to discuss and a follow-up conversation regarding succession planning.

Director Bagneris, on behalf of the Board of Directors Governing Policy Manual Review Ad Hoc Committee, reported the following:

- Committee to review the Board Governance Policy Manual redline review received back from the Attorney General's Office
- Committee to meet and discuss engaging a consultant to help
- Policies should be reviewed annually

Director Meyer shared he is looking forward to the policy review and working with Director Bagneris.

Director Aitken and Director La Belle requested the full Board received the redline document.

Director Aitken, on behalf of the Master Site Plan Ad Hoc Committee, requested to agendaize, as action item, the process that the Board goes through when doing these committees and a discussion on noticing the meetings and opening them up to the public. She added she would like Theresa Sears to be an unofficial public member of the committee. Director Meyer, Director La Belle, Vice Chair Cervantes and Chair Ruiz agreed with Director Aitken's comments.

B. Discussion of Currently-budgeted 2019 Requests for Proposal (RFPs) for 2019 and Board Identification of 2019 RFPs that will Require Prior Board Review and Approval of Scope of Work

Action Item

Reggie Mundekis commented on the Executive Event Services contract. She criticized the contract for outsourcing security and substantially overrunning the contract amount. She urged a greater discussion on the matter and suggested in-house security may be cheaper.

Vincent Pollmeier shared he was not sure what the agenda item was supposed to achieve. He discussed the Executive Events Services 2017 and 2018 contracts, criticizing change of scope and the amount going over budget. He suggested the Financial Monitoring Committee, at a minimum, review and approve scope of work, but preferably the full Board.

Kramer presented the staff report asking the Board to identify any of the remaining 2019 RFPs they wish to review and approve the scope of work, before the RFP is released.

Director Aitken recalled problems with the general contractor that did a project at the Pacific Amphitheatre that was hired through the RFP process. She shared she would like to explore the stop-gap measures and legal parameters for the scoring process for preferences for union contractors. She stated she would like to know if, under the state system, can the Board direct RFP scoring preferences for local Orange County workers. Director Aitken stated she would like to agendize, in the next month or two, passing the community benefits agreements for the OCFEC property; so that people working on the property are Orange County workers with preferences for veteran workers, women workers and minority-owned business.

Director La Belle agreed with Director Aitken. He shared the need for a philosophical discussion of how the Board handles the scopes of work. He shared his comfort with the Financial Monitoring Committee reviewing any RFP over a Board decide dollar amount, and every RFP over a certain amount would automatically go before the full Board for review. He also suggested looking at contract services, and determine if the functions could be done cheaper in-house.

Director La Belle stated he would like to see the entertainment booking contract come back to the Board at the next meeting, for further discussion.

Director Bagneris stated that the Board should be setting policies so staff can operate within the policy and not be hindered in their jobs. She suggested the Board members send their RFP policy recommendation to the Chair.

Director Meyer and Rubalcava-Garcia agreed that an education on the contracting process would benefit them.

Board and staff discussion ensued regarding the Executive Event Services RFP.

Director La Belle reiterated the need for the Board to look at the whole contracting process and what goes into the scope of work.

Director Meyer stated this topic could to be taken up in the course of the policy manual review and setting forth policy.

Director Aitken suggested RFP updates be given in the monthly CEO report. She stated she would like to get an answer from the Attorney General's Office regarding scoring preferences.

Director La Belle motioned to agendize, as an action item, Executive Event Services RFP and a motion to receive a report back on the entertainment booking services (motions to be separate action items).

ACTION: Director La Belle motioned and Director Meyer seconded to agendize, as an action item, Executive Event Services RFP. **MOTION CARRIED. AYES:** Chair Ruiz, Vice Chair Cervantes, Director Bagneris, Director Aitken, Director La Belle, Director Pham, Director Rubalcava-Garcia and Director Meyer. **NAYES:** None.

Director La Belle motioned to agendize, as an action item for the March meeting, the entertainment booking services contract which is currently the Sexton contract for action as appropriate.

Director Bagneris asked Director La Belle to clarify his reasoning for the motion on the entertainment booking services contract.

Director La Belle discussed, he was of the understanding, that the contract would go out to bid in the spring and another company expressed interest in submitting a bid. Karns to confirm whether or not the contract is in its last option year.

Kramer stated she would like to have Attorney Caplan in the conversation.

ACTION: Director La Belle motioned and Vice Chair Cervantes seconded to agendaize, as an action item for the March meeting, the entertainment booking services contract which is currently the Sexton contract for action as appropriate. **MOTION CARRIED. AYES: Chair Ruiz, Vice Chair Cervantes, Director Bagneris, Director Aitken, Director La Belle, Director Pham, Director Rubalcava-Garcia and Director Meyer. NAYES: None.**

The meeting broke for a recess at 11:08 a.m. and resume at 11:19 a.m.

C. Discussion of Currently-budgeted 2019 Capital Projects and Board Identification of 2019 Capital Projects that will Require Prior Board Review and Approval of Scope of Work
Action Item

Kramer presented the staff report asking the Board to identify any of the Capital Expenditures/Major Projects (CapEx) they wish to review and approve the scope of work. She reported that two of the CapEx projects have already been identified, the A4 Skyhawk and the all-grounds infrastructure audit project, and will be brought back to the full board to review and approve the scope of work for each project.

Board and staff discussion ensued regarding the 2019 CapEx projects in the staff report.

Director La Belle discussed the all-grounds infrastructure audit.

Reggie Mundekis spoke regarding the CapEx projects, criticizing the descriptions presented in the budget process and urged the need for these projects to be brought back to the Board for further discussion and scoping. She requested agendaizing them for the March meeting to address the number of questions she has regarding the projects. She asked several questions regarding storm water management, infrastructure and paving and asked that they be discussed at the next meeting.

Vincent Pollmeier criticized the short descriptions of the CapEx projects planned for 2019. He criticized the amount of money spent on paving projects. He questioned the urgency of the paving projects planned, and if those projects could wait until the all-grounds infrastructure audit report is concluded. Pollmeier criticized the CapEx project list for: lack of detail, urgency/priority detail, any sense of impact if delayed until after the infrastructure audit or Master Site Plan and what the likelihood of the project retained as part of a future Master Site Plan.

Carolyn Beaver thanked Vice Chair Cervantes for visiting the EQC and encourage the other Board members to visit. She spoke regarding the all-grounds infrastructure audit, urging the importance of full board participation in scoping the project and maintaining an objective assessment of the facility. She criticized the livestock area being used for storage and not for FFA or 4H programs. She shared her concerns regarding the amount of money spent on parking lot repairs.

Susie Gyor stated the information provided was not enough and that she wants to make sure money is well spent. She shared her concerns for the possible amount of money that will need to be spent after the findings of the infrastructure audit. She urged the Board to consider looking into building a parking structure. She spoke in support of the added committees.

Jay Humphrey stated there was not enough information provided to make decisions on capital improvements. He criticized the amount of money spent on parking lot repairs and suggested looking at ways to improve process. He shared that a parking structure would provide storage opportunities, more open space and reduce offsite parking cost.

Director La Belle motioned for the Facilities Committee to review and approve the LOU with CCA and subject to that, bring back the full RFP scope of work to the full Board. Director La Belle added a second, separate motion, for staff to bring back a report on the asphalt paving at the next meeting.

ACTION: Director La Belle motioned and Director Pham seconded for the Facilities Committee to review and approve the Letter of Understanding (LOU) regarding the all-grounds infrastructure audit with California Construction Authority (CCA) and subject to that, bring back the full RFP scope of work to the full Board for review. **MOTION CARRIED. AYES: Chair Ruiz, Vice Chair Cervantes, Director Bagneris, Director Aitken, Director La Belle, Director Pham, Director Rubalcava-Garcia and Director Meyer. NAYES: None.**

ACTION: Director La Belle motioned and Director Pham seconded for staff to bring back a report on the asphalt paving at the next meeting. **MOTION CARRIED. AYES: Chair Ruiz, Vice Chair Cervantes, Director Bagneris, Director Aitken, Director La Belle, Director Pham, Director Rubalcava-Garcia and Director Meyer. NAYES: None.**

- D. Approval of Centennial Farm Foundation Memorandum of Understanding (MOU)**
Action Item

Michele Richards present the staff report.

Reggie Mundekis spoke in support of the Centennial Farm Foundation (CFF) MOU being signed and including the same terms as the Heroes Hall Veterans Foundation MOU. She suggested approaching CFF to support and fundraise for FFA and 4H programing at the fairgrounds year-round as well as raising funds for the EQC to promote educational programing at the EQC.

Vincent Pollmeier spoke in support of the MOU being signed. He emphasized the need to be careful that monies remitted to the to the foundations are actually donations to the foundations and not donations to Centennial Farm. He also shared concerns with the foundation boards overlapping with the OCFEC Board with no clear policies and procedures how to deal with possible conflicts of interest.

Gibran Stout submitted a verbal public records request for the CFF bylaws and articles. She shared her confusion regarding the language around the annual financial contribution of the foundation. She spoke in support of previous comments regarding including FFA and 4H programing.

Richards explained annual contribution of the foundation.

Director La Belle shared his support for FFA and 4H programing.

ACTION: Director Vice Chair Cervantes motioned and Director Meyer seconded to review and approve the Centennial Farm Foundation Memorandum of Understanding (MOU) accepting the Foundation's change regarding the definition of the Foundation's purpose in Section 4.b.ii in order to reflect the purpose statement in the Foundation's bylaws. **MOTION CARRIED. AYES: Chair Ruiz, Vice Chair Cervantes, Director Bagneris, Director Aitken, Director La Belle, Director Pham, Director Rubalcava and Director Meyer. NAYES: None.**

E. Update on Relocation of the A4 Skyhawk Aircraft from the County Facility in Santa Ana to the OC Fair & Event Center
Action Item

Director La Belle thanked VP Karns for his hard work on the A4 Skyhawk project to date. Director La Belle stated they are trying hard to complete the project by the 2019 OC Fair if not, then by next Veterans Day. Director La Belle summarized that he is asking Board to provide input on elements they would like to see incorporated in the design of the installation, as provided by the architects.

Karns explained the proposal from ATI surpassed the \$20,000 the Board approved at the previous Board meeting. He presented staff report recommendations, asking the Board to:

- Direct staff to vet the consultant proposals and have California Construction Authority (CCA) enter into an agreement with the firm with the lowest qualifying proposal to keep the project moving forward
- The Board to look at the preliminary design and provide input for the a vision for the monument
 - to approve the recommendation for an up-lighting feature and portable benches

Director La Belle shared his wish for the project to look like it's integrated in the Heroes Hall facility.

Karns summarized how the project is continuing to move forward, that the committee is now vetting the Memorandum of Understanding (MOU) between the OC FEC and the County of Orange. He explained next steps.

Director La Belle answered for Director Bagneris that the Heroes Hall Veterans Foundation will provide funding for plaques for the project.

Reggie Mundekis spoke in support of the project. She shared the importance of looking at how to educate people about the plane and how it will be curated. She suggested looking at other opportunities for similar projects to make the property more of a historical and educational focus of Orange County.

Vincent Pollmeier spoke in support of the project and thanked Director La Belle and VP Karns for their hard work. He stated it has been a great example of a project that has been upfront and open to the public.

Beth Refakes spoke in support of the project. She shared her opinions that the landscaping needs to be looked at, the need for additional seating and her objection of the up-lighting (not being adequate enough, needing more visibility). She shared the importance of having displays that tell the story of the plane.

Director La Belle asked the Board what they think about additional hardscapes.

Board discussion ensued regarding:

- Landscape options: grass, artificial turf, drought resistant plants
- Lighting
- Benches, benches that include planters
- Plaques: focus on local veterans

- Expanding the area slightly
- Educational signage and programing

Karns clarified the motion to direct staff to work with the lowest qualifying firm.

ACTION: Vice Chair Cervantes motioned and Director Aitken seconded to approve staff to vet the consultant proposals and have CCA enter into an agreement with the firm with the lowest qualifying proposal. **MOTION CARRIED. AYES: Chair Ruiz, Vice Chair Cervantes, Director Bagneris, Director Aitken, Director La Belle, Director Pham, Director Rubalcava and Director Meyer.**
NAYES: none.

F. Board Discussion on Video Recording of Board of Director Meetings

Action Item

Kramer presented the staff report.

Reggie Mundekis spoke in favor of live-streaming and video recording of the monthly Board meetings to allow people to participate and create a permeant record of the meetings.

Vincent Pollmeier spoke in strong support of live-streaming the Board meetings as well as archival for future use. He suggested identifying the various options and discussing the pros and cons for each. He asked if any of the options allow for remote participation in the meetings.

Beth Refakes also spoke in support of live-streaming the Board meetings. She commented that it may help resolve some public records requests.

Theresa Sears spoke in support of the item as well. She spoke about transparency, accountability and governance. She suggested Facebook live as a platform for the live-streaming and indefinite archival of the recordings.

John Quiroz, CDFA, Fairs and Exhibitions Branch, answered for Director Bagneris that he is unaware of any other fair boards that live-stream their meetings.

Chair Ruiz motioned to have staff bring back cost and benefit of this type of video format for the Board to review and select an option.

Board discussion continued regarding the possibilities with recording and streaming of the Board meetings.

Director Meyer recommended consulting with the Attorney General's Office about providing notice to the public that there may be recording going on.

ACTION: Chair Ruiz motioned and Director Aitken seconded to direct staff to bring back the cost and benefits of each type of video recording format for the board to review and select best option for video recording of the Board of Directors Meetings. **MOTION CARRIED.**
AYES: Chair Ruiz, Vice Chair Cervantes, Director Bagneris, Director Aitken, Director La Belle, Director Pham, Director Rubalcava and Director Meyer. **NAYES:** None.

G. California Department of Food and Agriculture Independent Auditor's Report and Financial Statements for the Years Ended December 31, 2015 and 2016
Information Item

Bianca Kulback, OCFEC Director of Human Resources, provided background and summarized past employee separation agreements and the employment separation agreement within the CDFA 2016 audit.

Kramer presented the details in the 2016 Audit timeline provided in the staff report.

Adam Carleton handed the Board a copy of an email and spoke in response to and criticized the timeline CEO Kramer presented. He argued that the CDFA audit findings found the employee separation agreement was likely a gift of public funds and that CalHR found it was an illegal contract. He criticized the actions of the CEO.

Reggie Mundekis she criticized the agenda item for not being an action item. She stated that the public requested a review of CEO Kramer's performance due to the audit being released before her annual review. She criticized the timeline CEO Kramer presented and criticized that there have been four Chief Financial Officers under her. She alleged deliberate actions were taken by staff to create fraudulent payroll records which involved making payments to CalPers and employee benefit plans.

Vincent Pollmeier stated the Friend and Neighbors of Orange County Fairgrounds asked for this agenda item to be an action item along with an agendized closed session, for an additional performance evaluation of CEO Kramer. He criticized the reasons for the employee separation listed in the un-redacted CFDA audit copy. He criticized the Board's maintenance of Board policies.

Kramer explained for Chair Ruiz that OCFEC has had a history of separation agreements, some being approved by CalHR and some occurring during the time OCFEC was represented by outside counsel.

Director La Belle requested to agendaize, as an action item, for the Board to consider the recommendations of the CDFA audit management report and communicate a response to CDFA. He motioned to table the item and bring it back to the following month as an action item for the Board to discuss in detail and take any action they wish to take to move forward on this item (no action can take place on this information item).

No action can take place on this information item. Board discussion ensued resulting in Board consensus to agendaize Director La Belle's request for this item to be brought back, as an action item, for the next month.

Kramer stated that the decision to have this item as an information item was approved by Deputy Attorney General, Caplan.

Director Meyer asked the status of the 2017 CDFA audit.

Kramer explained that she had a conversation with the audit office in December, 2018 and they indicated they were working on the audit but were short staffed. She also explained that part of the reason for the nine month gap in time included in her earlier presented audit timeline, was due to their staffing issues.

Director Meyer suggested the Financial Monitoring Committee review and track the CDFA audits.

Director Aitken requested as part of Board policy that there be an agendaize Board review and discussion of the annual audit.

Attorney Johnson stated his belief that Attorney Caplan's decision to for this item to be an informational item versus an action item was because he wasn't clear what the action under consideration would be.

10. CLOSED SESSION

No closed session.

11. BOARD OF DIRECTORS MATTERS OF INFORMATION

Director Meyer expressed appreciation to public for their attendance, input and passion. He also shared his appreciation to staff for their passion in their work. He commented that while at the WFA convention, he noticed

the level of esteem that OCFEC staff are held in this fair industry and by their counterparts.

Director Pham and Director La Belle echoed Director Meyer's comments regarding staff. Director La Belle shared his concerns regarding the audit with issues with process and procedures and added the Board has a fiduciary responsibility for oversight.

Director Rubalcava-Garcia agreed with Director Meyer's comments. She shared she appreciates the public's contribution to the process and reminded that there is a way to convey thoughts and feelings in a respectful manner.

Director Aitken commented that the audit process makes the organization better. She added that any opportunity to be transparent and streamline processes is a good thing.


Vice Chair Cervantes added that while at the WFA convention she attended a lot of seminars. She shared the need to celebrate each other and the backbone of what happens here with staff gets the organization where it needs to go on a monthly basis. She congratulated and thanked staff.

Chair Ruiz shared his support for the CEO and staff. He thanked the public for their opinions but shared he has a problem with attacks on someone's character.

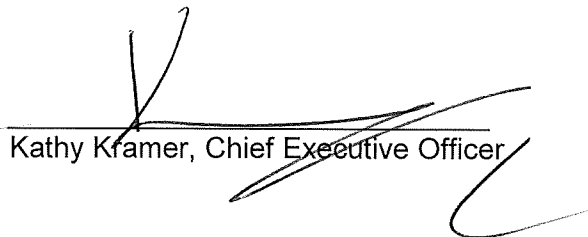
12. NEXT BOARD MEETING: MARCH 28, 2019

13. ADJOURNMENT MOTION TO ADJOURN

The meeting adjourned at 1:16 p.m.



Robert Ruiz, Chair



Kathy Kramer, Chief Executive Officer