



Board of Directors Meeting
March 28, 2019

Please silence your cell phones

The Mission of OCFEC is...

Celebration of Orange County's
Communities, Interests, Agriculture
and Heritage

(with results justifying resources expended)



6. CEO's Operational Announcements & Updates







2018 Actuals vs 2018 Budget

	<u>2018 Actual</u>		<u>2018 Budget</u>		<u>Variance Favorable (Unfavorable)</u>
Revenue	\$ 50,067,245	100%	\$ 48,227,068	100%	\$ 1,840,177
Expenses	\$ 46,363,987	93%	\$ 44,201,537	92%	\$ (2,162,450)
Net Proceeds	<u>\$ 3,703,258</u>	7%	<u>\$ 4,025,531</u>	8%	<u>\$ (322,273)</u>



2018 vs 2017 Actual Year End Comparison

	2018 Actual		2017 Actual		Increase (Decrease)
Revenue	\$	50,067,245 100%	\$	46,218,579 100%	\$ 3,848,666
Expenses	\$	46,363,987 93%	\$	39,552,697 86%	\$ 6,811,290
Net Proceeds	\$	3,703,258 7%	\$	6,665,882 14%	\$ (2,962,624)



2018 Total Revenue

There was an increase of \$3.9M of revenue in 2018 compared to 2017. Total revenue in 2018 was \$50.1M compared to \$46.2M in 2017. This was an increase in revenues of 8% from last year. The major increases are from the following revenue streams:

- \$ 1.7M - Attractions (Pac-Amp: 2018 – 34 events, 2017 - 31)
- \$ 846K - Facility and Other Event Rentals
- \$ 561K - Interest Income
- \$ 392K - Carnival and Concessions
- \$ 300k - Sponsorships
- \$ 170K - Admissions



2018 Expenses

Total 2018 Operating Expenses increased by \$6.8M to \$46.3M vs. \$39.5M in 2017. This was a 17% increase from 2017.

2018 Increases Included:

- \$1.5M - GASB 68 Pension Liability
- \$1.2M - Self Produced Events Attractions
- \$942K - Professional Services

Payroll:

- \$979K - Temp Labor
- \$514K - Permanent Labor
- \$593K - Employee Benefits



2018 Expenses

2018 Increases included:

- \$236K - Maintenance
- \$219K - Equipment Rental
- \$185K - Advertising
- \$174K - Special Projects
- \$118K - Insurance
- \$ 78K - Props/Décor
- \$ 56K - Bank Charges
- \$ 35K - Premiums Expenses



2016-2018 Labor Ratios

Payroll and Related Expense as a Percent of Total Revenue

	(Minimum Wage \$11)	(Minimum Wage \$10.50)	(Minimum Wage \$10)
	<u>2018</u>	<u>2017</u>	<u>2016</u>
Total Revenue	\$ 50,067,245	\$ 46,218,579	\$ 44,085,055
Payroll and Related Expenses	\$ 16,999,366	\$ 14,898,921	\$ 13,642,192
% of Payroll and Related Expenses to Total Revenue	34%	32%	31%



Cash and Cash Equivalents

	<u>12/31/2018</u>	<u>12/31/2017</u>	<u>12/31/2016</u>
Cash on Hand	\$ 1,279,737	\$ 1,393,825	\$ 2,330,871
Investments	\$ 48,951,014	\$ 42,183,671	\$ 35,876,117
Total Cash and Cash Equivalents	<u>\$ 50,230,751</u>	<u>\$ 43,577,496</u>	<u>\$ 38,206,988</u>
Year over Year Increase	<u>\$ 6,653,255</u>	<u>\$ 5,370,508</u>	<u>\$ 4,629,468</u>
% Increase	15%	14%	14%





Voices: Veterans Storytelling Project
Thursday, March 28



OC Home & Outdoor Recreation Expo
Saturday-Sunday, March 30-31



Fight Club OC
Thursday, April 4



Garden Class: Dahlias
Saturday, April 6



**Imaginology
April 12-14**



**Garden Class: Floral Jewelry
Saturday, April 20**



**America's Family Pet Expo
Friday-Sunday, April 26-28**



Monday-Friday: 1p.m.-4p.m.
Saturday-Sunday: 9a.m.-4p.m.



Wed.-Sun., 11a.m.-5p.m



Saturdays/Sundays, 8a.m.-4p.m.



Thursday, 9a.m.-1p.m.

7. Matters of Public Comment

Speakers are requested to sign in prior to the start of the meeting and are limited to three minutes. Public comment is allowed on issues NOT on the current Agenda. However, no debate by the Board shall be permitted on such public comments, and no action will be taken on such public comment items at this time, as law requires formal public notice prior to any action on a docket item.

Comments will be accepted on Agenda items during the meeting. Speakers wishing to address the Board on items on the agenda are requested to sign in prior to the start of the meeting and identify the agenda item[s] on which you desire to address the Board. Speakers are limited to three minutes.



8. Minutes

A. Board Meeting held January, 17, 2019
Action Item



9. Consent Calendar: (Policy Reference: 4.3.4)

All matters listed under Consent Calendar are operational matters about which the Board has governing policies, implementation of which is delegated to the CEO. They will be enacted in one motion by category in the order listed below. There will be no discussion of these items prior to the time the Board of Directors votes on the motion, unless members of the board, staff or public request specific items to be discussed separately and/or removed from this section.

Any member of the public who wishes to discuss Consent Calendar items should notify the Chair of the Board, at the time requested and be recognized by invitation of the Chair to address the Board.



9A. 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 Meyer, Committee Chair; Director Bagneris)
- vi. Safety & Security Committee (Chair Ruiz, Committee Chair; Vice Chair Cervantes)
- vii. Mater Site Plan Ad Hoc Committee (Director Aitken, Committee Chair; Director Rubalcava-Garcia)
- viii. Buildings and Maintenance Committee (Chair Ruiz, Committee Chair; Director La Belle)
- ix. Centennial Farm Foundation (Vice Chair Cervantes, Committee Chair)



9B. 2019 Imaginology Presentation





 FAIR

IMAGINOLOGY

⚙ POWER YOUR ⚙
IMAGINATION



6th ANNUAL



IMAGINOLOGY IS...

- 3-day S.T.E.A.M. event
- Hands-on Science, Technology, Engineering, Art and Math experiences
- 46,131 attended in 2018
- 101 busloads of kids on Friday
- 172 volunteers; 815 volunteer hours
- Over 4,100 competitive entries



IT ALL STARTS ON APRIL 12



**AND CONTINUES THROUGHOUT
THE WEEKEND**



STUDENTS. TEACHERS. FAMILIES.

KIDS EXPLORE, DISCOVER AND CONNECT...



WHAT'S NEW IN 2019?

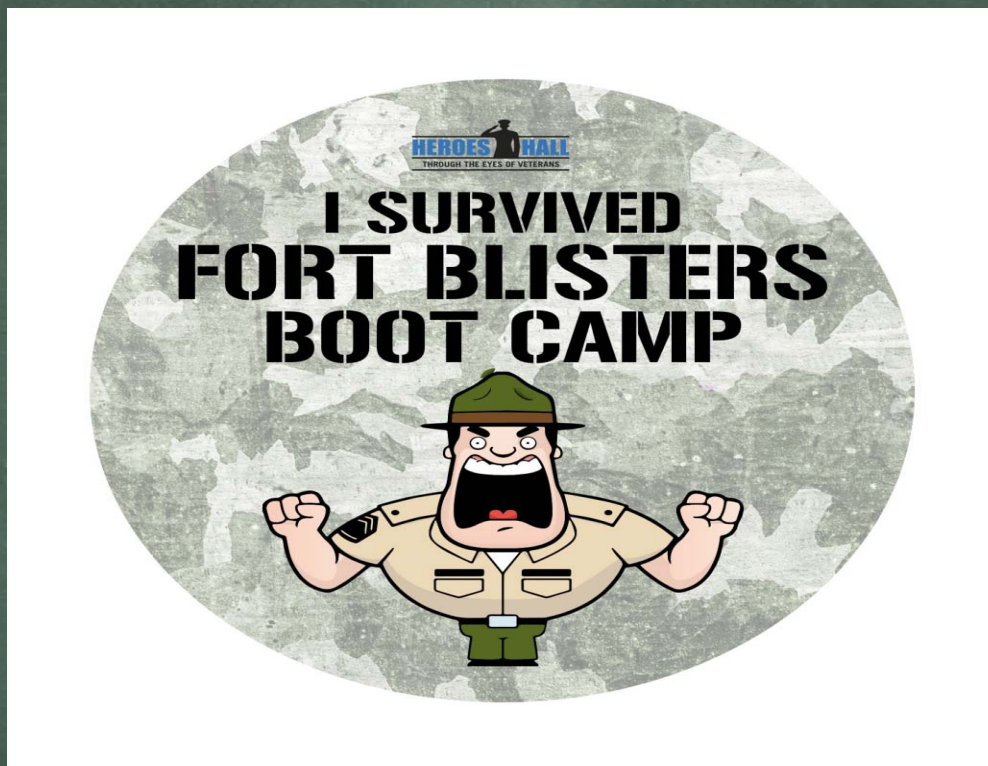
2 DAYS OF
DIA DEL NINO



WHAT'S NEW IN 2019?



WHAT'S NEW IN 2019?





ALL YOUR FAVORITES ARE BACK

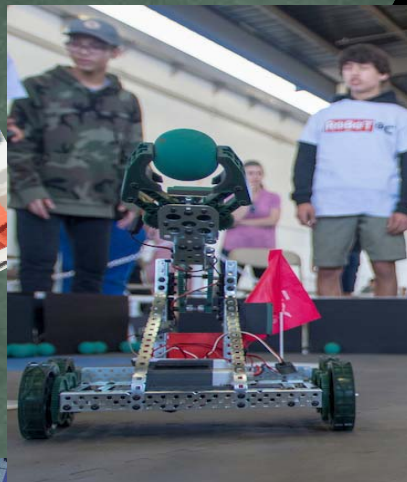




TECHNOLOGY



ENGINEERING



SCIENCE

MATH

ART



YOU, TOO, WILL JUMP FOR JOY AT IMAGINOLOGY 2019



9C. Update on Relocation of the A4 Skyhawk Aircraft from the County Facility in Santa Ana to the OC Fair & Event Center

Architectural Consultant proposals have been procured and reviewed. The team awarded ATI Architects & Engineers the contract to work with us on the design and construction documents. Quote was \$36,700.

The team developed and finalized an LOU with CCA for the development of construction bid documents and oversight of the design and construction documents. Quote was for \$47,791 which includes the \$36,700 for ATI, geotechnical update, contingency and fees.



9C. Update on Relocation of the A4 Skyhawk Aircraft from the County Facility in Santa Ana to the OC Fair & Event Center

The teams (County and OCFEC) along with Attorneys General Office have been working on the draft MOU between the County and OCFEC. The goal is to have the MOU on the agenda for the April 23rd County Board meeting. We anticipate approval and will also have it on the OCFEC Board of Directors meeting agenda for April 25th. The item will be at the OCFEC Board of Directors discretion for review and approval.



9C. Update on Relocation of the A4 Skyhawk Aircraft from the County Facility in Santa Ana to the OC Fair & Event Center

The insurance for the A4 Skyhawk has been reviewed by CFSA and the information has been passed onto the County. There are no issues to report.

As previously reported, the Heroes Hall Veterans Foundation is contributing to the project by taking responsibility for any of the plaques required for this project. OCFEC staff and the Heroes Hall Veterans Foundation were provided full details on plaque requirements and applicable names by the County. Staff and the Foundation will start working on this as required.



9C. Update on Relocation of the A4 Skyhawk Aircraft from the County Facility in Santa Ana to the OC Fair & Event Center

The project team, CCA, ATI and staff held a kick off meeting on March 19th to discuss next steps, schedule, etc.

A meeting with the team and the Committee (Vice Chair Cervantes, Director LaBelle) will also be set up to review a preliminary design that will then come to the full OCFEC Board of Directors.

Staff will start working on the construction LOU with CCA when appropriate.



9D. Video Recording Options Discussion for Monthly Board of Directors Meetings

At the request of the Board, research has been done regarding video recording of the monthly Board meetings.

The estimated costs for this would be approximately \$6750:

- \$4,000 for hardware
- \$2,500 for programming.
- \$250 for annual YouTube channel storage and support



9D. Video Recording Options Discussion for Monthly Board of Directors Meetings

RECOMMENDATION:

Provide staff direction to proceed with the purchase and installation of video recording equipment in the OC Room



9E. Review of OCFEC Contracting Practices Regarding Alignment of Contracting Procedures with California Law (California Public Contracts Code, the State Contracting Manual, the Department of General Services' State Administrative Manual) and with OCFEC Board Policy

At the May, 2018 Board of Directors meeting, the Board approved adoption of AB 2490 to remain compliant with Food and Agricultural Code Section 4051 through the continued use of, and compliance with, all applicable provisions of the California Public Contract Code, the written policies and procedures of the California Department of General Services (DGS) Contract Manual, the written policies and procedures of the California Department of Food and Agriculture (CDFA) Contract Manual for District Agricultural Associations, and the CDFA Board of Directors Handbook.



9E. Review of OCFEC Contracting Practices Regarding Alignment of Contracting Procedures with California Law (California Public Contracts Code, the State Contracting Manual, the Department of General Services' State Administrative Manual) and with OCFEC Board Policy

The Board of Directors Governance Policy currently states:

Policy 2.4 – ASSET PROTECTION

5. Adopt AB 2490 and continue to procure any goods or services complying with any and all applicable portions of the California Public Contracts Code, the State Contracting Manual, the Department of General Services' State Administrative Manual and guidelines for procurement.



9E. Review of OCFEC Contracting Practices Regarding Alignment of Contracting Procedures with California Law (California Public Contracts Code, the State Contracting Manual, the Department of General Services' State Administrative Manual) and with OCFEC Board Policy

RECOMMENDATION:

At the Board of Directors' discretion.



9F. California Department of Food and Agriculture Independent Auditor's Report and Financial Statements for the Years Ended December 31, 2015 and 2016

- 2016 Audit Timeline
- CDFA Independent Auditor's Report and Financial Statements for the Years Ended December 31, 2015 and 2016

RECOMMENDATION:

At the Board of Directors' discretion.



10. Closed Session

- A. Pending Litigation – The Board will meet in closed session to consult with legal counsel regarding the following pending litigation. [Gov. Code section 11126(e).]
 - i. To confer with and receive advice from legal counsel regarding potential litigation involving the 32nd District Agricultural Association. Based on existing facts and circumstances, the Board of Directors will decide whether to initiate litigation. (Govt. Code, § 11126, subd. (e).)
 - ii. To confer with and receive advice from legal counsel regarding potential litigation involving the 32nd District Agricultural Association. Based on existing facts and circumstances, there is significant exposure to litigation against the 32nd District Agricultural Association. (Govt. Code, § 11126, subd. (e).)
- B. Personnel: The Board will meet in closed session to consider the evaluation of performance of the General Manager / CEO. [Gov. Code, § 11126, subd. (a).]



11. Board of Directors' Matters of Information

Next Board Meeting

April 25, 2019





OC Fair & Event Center – Costa Mesa, California