

**MINUTES OF OCFEC BOARD OF DIRECTORS MEETING
HELD MARCH 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/2019/03/11082500/19_03_March_Transcript.pdf

1. CALL TO ORDER:

Chair Ruiz called the meeting to order at 9:00 a.m.

2. MISSION STATEMENT

3. PLEDGE OF ALLEGIANCE:

The Pledge of Allegiance was recited by Director Bagneris. Roll call was taken by Jeff Willson.

4. DIRECTORS PRESENT:

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

Director Aitken arrived after roll call at 9:04 a.m.

DIRECTORS ABSENT/EXCUSED: None.

OTHERS PRESENT:

Kathy Kramer, OCFEC CEO; Michele Richards, OCFEC Vice President, Business Development, Ken Karns, OCFEC Vice President, Operations; Jerry Eldridge, OCFEC Director of Facilities; Joan Hamill, OCFEC Director of Exhibits & Education; Nick Buffa, OCFEC Director Security & Traffic; Howard, Sandler, OCFEC Director of Events; Jeff Wilson, OCFEC Entertainment Supervisor; Kelly Vu, OCFEC Contracts and Purchasing Supervisor; Josh Caplan, Office of the Attorney General; Luis Hernandez, Stenographer; John Quiroz, CDFA, Fairs and Expositions Branch; Adam Carleton; Reggie Mundekis; Beth Refakes; Anna Vrska; Mary Spadoni; Teresa Sears

5. CEO'S OPERATIONAL UPDATE

Kathy Kramer, OCFEC CEO, reported on the following:

- She complimented staff on the new technology upgrades to the OC Room
- Provided a sneak peak of new features of the 2019 OC Fair including biodegradable straws and value menus.
- Announced the introduction of biodegradable paper straws at the 2019 OC Fair
- Announced the new carnival ride: the Titan
- Discussed ticket sales for the 2019 Concert Series at Pacific Amphitheatre
- Discussed the relocation of Brew Hee Haw from Plaza West to The Hangar and new programming at the Action Sports Arena

- Announced the birth of new lambs at Centennial Farm and the attendance at the Junior Farm tours. She announced the recruitment of volunteer docents for Centennial Farm.
- Discussed the cancellation of poultry shows at the Fair due to Newcastle disease.
- Discussed Coastline ROP interns at OCFEC
- Announced the Apollo 11 show coming to OCFEC
- Discussed Fair time hiring
- Discussed staff completing Workplace Violence training
- Discussed the 2018 Financials Year to Date

Director Aitken asked Director Pham about any items in expenses that can be better managed.

Director Pham stated that expense management has been identified as an issue that needs to be addressed.

Director Aitken mentioned leveraging cash on hand for better interest rates and bank charges.

Director Pham noted that the Financial Review Committee will continue to monitor the issues.

Ken Karns, OCFEC VP Operations, reported the following:

- Discussed gate security operations including expansion of magnometers and bag checks.
- Discussed the need for hiring outside contractors for gate security during the OC Fair with the intent of bringing in-house as much staff as possible but the current low unemployment rate makes hiring more difficult than in previous years. OCFEC plans to issue IFBs (Invitations For Bids) for Fair Gate Operations, Pac Amp Gate Operations and Main Bank Security Operations.
- Discussed communication efforts regarding the 405 construction. There is a planned meeting with OCTA regarding impacts on the 2019 and 2020 OC Fairs.
- Discussed the completion of the finishing touches to the Ag Memorial

Director La Belle suggested that OCFEC does everything it can to communicate the challenges created by the 405 construction to all visitors, vendors, and partners.

Kramer congratulated Michele Richards for her appointment to the OC Girl Scouts Board of Directors.

Michele Richards, OCFEC VP Business Development, provided an overview of upcoming events.

Reggie Mundekis complimented staff on the adoption of biodegradable straws and the value price menu. She suggested adoption of biodegradable containers and utensils. She urged that staff retrieve the donation paid to Vanguard University because of their policies regarding LGBTQ groups and marriage equality.

Adam Carlton, OCFEC VP or Finance, criticized the donation to Vanguard University based upon the State's travel ban. He then discussed the 2016 audit and omissions in the timeline presented to the Board.

6. PUBLIC COMMENTS

Reggie Mundekis commented upon the upcoming infrastructure analysis, urging that it asks the right questions and applies the correct standards.

Anna Vrska stated that she was concerned that the processes are not in place to ensure that things are done correctly such as the findings in the 2016 audit.

7. MINUTES:

A. Board Meeting held January 17, 2019

Action Item

ACTION: Director Cervantes motioned and Director Aitken seconded to review and approve the minutes from the Board meeting held January 17, 2019. **MOTION CARRIED. AYES: Chair Ruiz, Vice Chair Cervantes, Director Bagneris, Director Mouet, Director Aitken, Director La Belle, Director Pham, Director Rubalcava and Director Meyer. NAYES: None.**

8. CONSENT CALENDAR

A. Standard Agreements: SA-005-19HB; SA-034-19GE; SA-035-19GE; SA-037-19GES; SA-038-19GE; SA-042-19GE; SA-043-19GE; SA-044-19BB; SA-055-19BB; SA-057-19GE; SA-060-19IO; SA-061-19BB; SA-062-19HB; SA-063-19HB; SA-066-19BB; SA-068-19GE; SA-069-19BB; SA-071-19YR; SA-072-19SP; SA-073-19YR; SA-074-19YR; SA-081-19SP; SA-083-19GE; SA-084-19IO; SA-085-19IO; SA-086-19IO; SA-089-19SP; SA-092-19SP; SA-094-19FT; SA-096-19FT; SA-097-19GE; SA-098-19FT; SA-099-19FT; SA-100-19FT; SA-101-19FT; SA-102-19FT; SA-103-19FT; SA-104-19FT; SA-105-19FT; SA-106-19FT; SA-107-19FT; SA-108-19FT; SA-112-19SP; SA-113-19SP; SA-115-19YR; SA-116-19YR; SA-117-19SP; SA-120-19YR

B. Amendments: SA-270-15SP (Amend. #2); SA-011-19AS (Amend. #1)

- C. Rental Agreements: R-005-19; R-021-19; R-023-19; R-053-19; R-057-19; R-059-19; R-060-19; R-066-19; R-067-19; R-068-19; R-070-19; R-075-19; R-077-19; R-078-19; R-079-19; R-080-19; R-081-19; R-083-19; R-088-19; R-090-19; R-091-19; R-093-19; R-094-19; R-095-19; R-098-19; R-003-19; 19 IO-FE 70; 19 IO-FE 71; 19 IO-FE 72; 19 IO-FE 73; 19 IO-FE 74

- D. Active Joint Powers Authority Agreements (New): 03218041; 03219004; 03219009; 03219010

- E. Commercial Rental Agreements: 19002; 19003; 19004; 19005; 19006; 19007; 19010; 19011; 19012; 19013; 19014; 19015; 19016; 19018; 19019; 19020; 19021; 19022; 19023; 19024; 19025; 19027; 19028; 19029; 19030; 19031; 19032; 19033; 19034; 19035; 19036; 19037; 19039; 19040; 19041; 19042; 19043; 19044; 19046; 19047; 19048; 19049; 19050; 19051; 19052; 19055; 19056; 19057; 19058; 19059; 19062; 19063; 19064; 19065; 19066; 19067; 19069; 19070; 19075; 19076; 19078; 19079; 19081; 19082; 19083; 19084; 19085; 19086; 19091; 19092; 19093; 19094; 19095; 19096; 19099; 19100; 19106; 19107; 19112; 19113; 19114; 19115; 19116; 19117; 19119; 19120; 19121; 19122; 19123; 19125; 19126; 19127; 19128; 19129; 19130; 19132; 19133; 19135; 19137; 19138; 19139; 19141; 19142; 19143; 19146; 19147; 19148; 19149; 19150; 19151; 19153; 19154; 19155; 19156; 19157; 19159; 19160; 19163; 19164; 19166; 19168; 19169; 19170; 19171; 19176; 19177; 19178; 19179; 19183; 19186; 19192; 19194; 19195; 19196; 19197; 19199; 19200; 19202; 19204; 19205; 19206; 19208; 19209; 19211; 19216; 19218; 19219; 19221; 19224; 19225; 19227; 19228; IMCOM-06-19; IMCOM-07-19; IMCOM-08-19; IMCOM-09-19;

- F. Concessions Rental Agreements: 19500; 19501; 19502; 19503; 19504; 19505; 19506; 19507; 19508; 19509; 19510; 19512; 19513; 19514; 19515; 19516; 19517; 19518; 19519; 19520; 19521; 19522; 19523; 19524; 19525; 19526; 19527; 19528; 19529; 19530; 19531; 19532; 19533; 19534; 19535; 19536; 19537; 19538; 19539; 19540; 19541; 19542; 19543; 19544; 19545; 19546; 19547; 19548; 19549; 19550; 19551; 19552; 19553; 19554; 19555; 19556; 19557; 19558; 19559; 19560; 19561; 19562; 19563; 19564; 19566; 19567; 19568; 19569; 19570; 19571; 19572; 19574; 19576; 19577; 19578; 19579; 19580; 19581; 19582; 19584; 19585; 19586; 19587; 19588; 19589; 19590; 19591; 19592; 19593; 19594; 19595; 19596; 19597; IMFO-05-19; IMFO-06-19; IMFO-15-19; IMFT-03-19

- G. Green Gate Village Rental Agreements: 19601; 19602; 19603; 19604; 19605; 19606; 19607

- H. Independent Amusement Rental Agreements: 19646; 19636; 19637; 19644

- I. Judging Agreements: IO-001-19; IO-002-19; IO-003-19; IO-004-19; IO-005-19; IO-006-19; IO-007-19; IO-008-19; IO-009-19
- J. Merchandise/Service Rental Agreements: 19633; 19634; 19635; 19638; 19639; 19640; 19641; 19642
- K. Platinum Rental Agreements: 19704; 19707; 19716; 19720; 19726; 19727; 19731; 19732; 19735; 19737
- L. 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. None.

-End of Consent Calendar-

Reggie Mundekis discussed the two contracts with Fuscoe regarding storm water management. She criticized their recommendation pertaining to dumping storm water into the bioswale.

Director La Belle requested that SA-073-19YR (Fuscoe Engineering), SA-74-19YR (Fuscoe Engineering), SA-115-19YR (Lopez Works Inc.), SA-116-19YR (Commercial Cleaning Systems) and SA-270-15SP (Amend #2) (Bottling Group, LLC) be pulled for further discussion.

Kramer asked that SA-120-19YR (Haynie & Company) be pulled for further discussion.

ACTION: Director La Belle motioned and Director Bagneris seconded to review and approve the Consent Calendar with the agreement SA-073-19YR; SA-074-19YR; SA-115-19YR; SA-116-19YR; SA-120-19YR and SA-270-15SP (Amend. #2); pulled for discussion. **MOTION CARRIED.**
AYES: Chair Ruiz, Vice Chair Cervantes, Director Bagneris, Director Mouet, Director Aitken, Director La Belle, Director Pham, Director Rubalcava and Director Meyer. **NAYES:** None.

Relevant to SA-270-15SP (Amend #2) Director La Belle noted that he and his wife own ninety shares of Pepsi, Co. He then asked that all work generated by Fuscoe come back to the Board and be consistent with the Regional Water Quality Control Board regulations.

Vice Chair Cervantes briefly stepped out of the meeting and was absent for the vote.

ACTION: Director La Belle motioned and Director Bagneris seconded to review and approve agreement SA-073-19YR, SA-074-19YR, SA-270-15SP (Amend #2) of the Consent Calendar. **MOTION CARRIED. AYES:** Chair Ruiz, Director Bagneris, Director Mouet, Director Aitken, Director La Belle, Director Pham, Director Rubalcava and Director Meyer. **NAYES:** None. **ABSENT:** Vice Chair Cervantes

Director La Belle asked how many bids were received relevant to SA-115-19YR and SA-116-19YR.

Karns told La Belle that he would have to confirm the number of bidders for each contract.

ACTION: Director Bagneris motioned and Director Rubalcava-Garcia seconded to review and approve agreement SA-115-19YR and SA-116-19YR of the Consent Calendar. **MOTION CARRIED. AYES:** Chair Ruiz, Director Bagneris, Director Mouet, Director Aitken, Director La Belle, Director Pham, Director Rubalcava and Director Meyer. **NAYES:** None. **ABSENT:** Vice Chair Cervantes.

ACTION: Director Bagneris motioned and Director Meyer seconded to review and approve agreement SA-120-19YR of the Consent Calendar. **MOTION CARRIED. AYES:** Chair Ruiz, Director Bagneris, Director Aitken, Director Pham, Director Rubalcava and Director Meyer. **NAYES:** Director Mouet and Director La Belle. **ABSENT:** Vice Chair Cervantes.

9. 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 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)

Chair Ruiz created an Audit Committee, appointing Director Rubalcava and Director Meyer as members.

Director La Belle provided an update on behalf of the Heroes Hall Veterans Foundation Board noting that they are still working on hiring a grant writer and creating an ongoing fundraising effort.

Director Bagneris expressed interest in joining the Heroes Hall Board once a vacancy occurs.

Director Pham on behalf of the Financial Monitoring Committee expressed confidence in the staff but are always looking for ways to improve processes.

There was no update from the Legislative Monitoring Committee or the Tenant Liaison Committee.

Director Aitken requested an update regarding the OC Market Place at future meetings from the Financial Monitoring Committee.

Director Meyer on behalf of the Governing Policy Manual Review Committee suggested that the Board engage in a much more vigorous review of the policy manual versus simply updating the current policy manual seeking a transparent process with input from stakeholders and other advisors.

Director La Belle suggested that the Board schedule special meetings to develop the policy manual.

There was no update from the Safety & Security Committee.

Director Aitken on behalf of the Master Site Plan Ad Hoc Committee stated that they are working on scheduling monthly public meetings. She then complimented the report from the master site plan consultants and while she may not agree with their conclusions the majority of the information is useful and instructive and had no interest in retaining new consultants.

Director Rubalcava stated that she felt it might be premature to tackle the Master Site Plan with the policy manual being a priority.

Upon recommendation by Director La Belle, Chair Ruiz appointed Director Aitken and Director Rubalcava-Garcia to the Buildings and Maintenance Committee.

Michele Richards on behalf of the Centennial Farm Foundation mentioned that the Foundation was pleased with the Board of Directors' approval of the MOU.

Reggie Mundekis suggested going throughout the county to receive input for the Master Site plan. She then criticized the previous Board Policy Manual process and to receive notices regarding future committee meetings.

Caplan noted that committees created by the Board Chair are not subject to public notice.

B. 2019 Imaginology Presentation

Information Item

Richards presented a preview of the upcoming 2019 Imaginology event.

Director Bagneris encourage Director Meyer and Director Rubalcava-Garcia to attend Imaginology.

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

Information Item

Ken Karns presented the staff report.

Director La Belle acknowledged the efforts of former Director Berardino in this process. He stated that the goal is to present the MOU with the County at the next Board meeting.

Beth Refakes expressed appreciation for the project but expressed concern with the scheduling due to no Board meeting in July with the intention of it to be in place for Veteran's Day.

Reggie Mundekis complimented the project and suggested that the Board look for other things to be relocated to OCFEC.

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

Action Item

Karns presented the staff report.

Director Bagneris asked if any other Fairs broadcast their board meetings.

Director La Belle noted that cities have been doing this for decades and had much more sophisticated set ups.

Director Mouet suggested the cable broadcast could be done in addition to the staff proposal.

Director Meyer suggested Board direct staff to proceed with the proposal and revisit further options after the 2019 Fair.

Josh Caplan noted that videos are considered a public record and there is a government code mandating that the files must be stored for a minimum of 30 days.

Reggie Mundekis expressed enthusiasm for the project.

Beth Refakes complimented the Board on the project but expressed concern about the single camera and how the speakers would be filmed.

Mary Spadoni agreed with the previous speaker and complimented the project.

Anna Vrksa called the project a really good start towards openness and transparency. She also suggested changing the time of the meeting.

Director Pham noted that YouTube is an online archive and suggested that OCFEC look into a dual camera set up.

Director Bagneris expressed concern about hateful comments being preserved online.

Director Aitken stated that she is sensitive to Director Bagneris concerns but agreed that we proceed with the staff proposal.

Director Pham suggested erring on the side of transparency.

Director La Belle noted that Board meetings are pretty mild compared to some City council meetings.

ACTION: Director La Belle motioned and Vice Chair Cervantes seconded to adopt staff recommendation. **MOTION CARRIED. AYES: Chair Ruiz, Vice Chair Cervantes, Director Mouet, Director Aitken,**

Director La Belle, Director Pham, Director Rubalcava and Director Meyer. NAYES: Director Bagneris

E. 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

Action Item

Director La Belle presented the report and presented his ideas for new board policy regarding contracts.

Reggie Mundekis complimented Director La Belle's proposal and criticized the purchasing and contracting process and Cal Card usage.

Anna Vrksa complimented Director La Belle's proposal.

Teresa Sears complimented Director La Belle's proposal.

Director Meyer expressed concerns about adopting the proposal without proper review. He also expressed support for staff and their work.

Director Pham noted that he looked at La Belle's proposal as suggestions for the Governance Committee.

Director Rubalcava did not believe this should be prioritized over other governance issues.

Director Mouet noted that the intent of Director La Belle's proposal is to protect the organization and the integrity of the Board.

Director La Belle said that the proposal should be sent to the Governance committee and be top priority.

Director Aitken agreed with the proposal and had faith in the staff and their work.

Director Bagneris noted that the Committee is trying to do a thoughtful, methodical process and not jump around piecemeal.

Director Pham noted that under these proposed policies the Financial Monitoring Committee would need to be extremely responsive.

Director Meyer noted that it is unrealistic for the Governing Policy Manual Review Committee to bring back this proposal next month

stating that the Committee can prioritize the policies but need to be allowed to have the necessary time.

ACTION: Director La Belle motioned and Director Cervantes seconded to forward La Belle's proposal to the Governance Committee and prioritize it as number one. **MOTION CARRIED. AYES: Chair Ruiz, Vice Chair Cervantes, Director Bagneris, Director Mouet, Director Aitken, Director La Belle, Director Pham, Director Rubalcava and Director Meyer. NAYES: None.**

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

Action Item

Kramer deferred discussion to the Board.

Director La Belle stated that the Board needs to look at this as a policy discussion and communicate that the Board will be creating and adopting new policies. He stated that there should be no separation agreements without approval of the Board and Cal HR.

Director Meyer agreed with Director La Belle and some kind of communication should be drafted to the auditor.

Anna Vrska suggested that all Board discussion should be prior to public comment. She then stated that she had no faith in Kramer and suggested that the Board act immediately instead of waiting for the full policy review

Mary Spadoni agreed with the previous speaker and stressed that the Board had a responsibility to oversee the operations of OCFEC.

Reggie Mundekis said the Board needed to revoke Kramer's delegated authority and rein her in. She said the Board should ask the District Attorney to investigate.

Adam Carlton discussed his concerns regarding the CEO and the challenges he encountered when he was hired.

Caroline Beaver stated that she was a CPA and CFO and discussed her understanding of events related to the audit.

Director Meyer asked for an update regarding the 2017 audit. Director Ruiz stated that it was received the day before and was sent back for corrections.

Director Aitken expressed concern about vesting too much authority in the Board Chair and a few other Directors to the exclusion of the full Board.

Director Meyer agreed with Aitken and stated that the role of the Audit committee should provide information to the full Board.

ACTION: Chair Ruiz motioned and Director Bagneris seconded to direct staff to not enter into separation agreements without the approval of the Board and Cal HR. **MOTION CARRIED. AYES: Chair Ruiz, Vice Chair Cervantes, Director Bagneris, Director Mouet, Director Aitken, Director La Belle, Director Pham, Director Rubalcava and Director Meyer. NAYES: None.**

Kramer expressed her support for the governance changes and the direction of the Board.

10. CLOSED SESSION

Reggie Mundekis encouraged the Board to terminate CEO Kramer.

Adjourned to closed session at 12:29 p.m.

Meeting reconvened at 1:57 p.m.

There were no matters to report out of closed session.

11. BOARD OF DIRECTORS MATTERS OF INFORMATION

No comments.

12. NEXT BOARD MEETING: APRIL 25, 2019

13. ADJOURNMENT MOTION TO ADJOURN

Director Bagneris motioned and Director Rubalcava-Garcia seconded to adjourn the meeting. The meeting adjourned at 1:57 p.m.


Robert Ruiz, Chair


Kathy Kramer, Chief Executive Officer