



Board of Directors Agenda Report

MEETING DATE: JUNE 27, 2019 ITEM NUMBER: 9A

SUBJECT: Committee / Ad Hoc Committee / Liaison Reports

DATE: June 21, 2019

FROM: Robert Ruiz, Board Chair

PRESENTATION BY: Robert Ruiz, Board Chair

RECOMMENDATION

Information item only.

BACKGROUND

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. Centennial Farm Foundation (Vice Chair Cervantes, Committee Chair)
- iii. Financial Monitoring Committee (Director Pham, Committee Chair; Director Mouet)
- iv. Legislative Monitoring Committee (Director Aitken; Committee Chair; Chair Ruiz)
- v. Tenant Liaison Committee (Director Pham, Committee Chair; Vice Chair Cervantes)
- vi. Board of Directors Governing Policy Manual Review Ad Hoc Committee (Director Meyer, Committee Chair; Director Bagneris)
- vii. Safety & Security Committee (Chair Ruiz, Committee Chair; Vice Chair Cervantes)
- viii. Master Site Plan Ad Hoc Committee (Director Aitken, Committee Chair; Director Rubalcava-Garcia)
- ix. Buildings and Maintenance Committee (Director Aitken, Committee Chair; Director Rubalcava-Garcia)
- x. Audit Ad Hoc Committee (Director Rubalcava-Garcia, Committee Chair; Meyer Director)



Board of Directors Agenda Report

MEETING DATE: JUNE 27, 2019 ITEM NUMBER: 9B

SUBJECT: Consideration of and Vote on Spectra at the Orange County Market Place Proposal Requesting OC Fair & Event Center Financial Support for a New Business Model to Drive Business to the Orange County Market Place

DATE: June 21, 2019

FROM: Kathy Kramer, CEO

PRESENTATION BY: Ken Karns, Vice President – Operations

RECOMMENDATION

At the Board of Directors' discretion, approve staff to work with Spectra and execute the Orange County Market Place operational and financial plan.

- \$100k for marketing and promotion
- \$500k for event production

The allocated funds would come out of the rent revenue paid annually to OCFEC by Spectra for the Market Place, and this budget will be reviewed and approved by the Board of Directors annually through the budgeting process.

BACKGROUND

On March 30, 2016 Spectra took over the ownership and operation of the Orange County Market Place at the OC Fair & Event Center.

Since that time, Spectra has diligently worked on operational improvements along with new marketing and advertising strategies.

Despite Spectra's renewed efforts, the growth of the Orange County Market Place has yet to yield the results planned. Spectra is projecting continued decline in revenue and an increase in expenses, which is expected to result in significant losses. The current model is not sustainable.

OC Fair & Event Center executives and Spectra executives have been working through a new plan for the future of the Orange County Market Place.

On Thursday, June 13, 2019 the OC Fair Board of Directors Tenant Liaison Committee met with OC Fair & Event Center executive management and Spectra executive management to review the presentation and plan.

The Spectra team will be providing a presentation and plan for the Board of Directors' consideration.



SPECTRA AT THE ORANGE COUNTY MARKET PLACE

*Status Update
&
Plans For The Future*



BACKGROUND

- Spectra took over the Tel Phil lease with the OC Fair & Event Center
- Management change made in October, 2017
- Marketing efforts made since inception have been robust and have included:
 - Coordinated Media Buys
 - Digital/Social Media Campaign
 - Grassroots Efforts with Local Small Businesses
 - Local Community Outreach
 - Small Business Development Center Partnership
 - New Vendor Outreach Recruitment Program
 - Special Events



FINANCIALS – 2017 to 2018 (Full Year)

- Revenue declined 10.58%
- Losses increased 322% (From \$221K to -\$937K)
- Paid attendance decreased 30.21%
- Free attendance increased 1.42%
- Attendance revenue decreased 35% (From \$455K to \$296K)
- Vendor count decreased 19.85%
- Vendor revenue decreased 6.41% (From \$1.831K to \$1,713K)
- Rent increased from 42.61% of revenue to 50.04% of revenue



Financials (Jan – Apr 2018) compared to (Jan – Apr 2019)

- Revenue declined 17.38%
- Paid attendance decreased 19.87%
- Losses increased 50.05% (From \$213K to -\$320K)
- Free attendance increased 2.08%
- Attendance revenue decreased 20.3% (From \$108K to \$86K)
- Vendor count decreased 26.33%
- Vendor revenue decreased 11.41% (From \$610K to \$541K)
- % Rent increased from 45.05% of revenue to 56.83% of revenue do to lower Gross revenues

Financial Data

Orange County Marketplace

Analysis of Sales, Profits, Rent, Attendance & Vendor Counts

	2017	2018	Delta	%	2018 (Jan - Apr)	2019 (Jan - Apr)	Delta	%
Total Sales	\$ 4,286,794	\$ 3,833,366	\$ (453,429)	-10.58%	\$1,394,771	1,152,368	(242,403)	-17.38%
Profit/Loss	\$ (221,836)	\$ (937,034)	\$ (715,198)	322.40%	(213,284)	(320,031)	(106,747)	50.05%
Rent	\$ 1,826,487	\$ 1,918,146	\$ 91,659	5.02%	\$ 628,322	654,867	26,545	4.22%
Rent as a % of Sales	42.61%	50.04%			45.05%	56.83%		
Paid Attendance	198,280	138,372	\$ (59,908)	-30.21%	53,733	43,057	(10,676)	-19.87%
Free Attendance	142,627	207,385	\$ 64,758	45.40%	207,286	211,598	4,312	2.08%
Attendance	340,907	345,757	\$ 4,850	1.42%	261,019	254,655	(6,364)	-2.44%
Admission Income	455,432	295,877	\$ (159,555)	-35.03%	108,785	86,698	(22,087)	-20.30%
Income Per Paid Attn	\$2.30	\$2.14	-\$0.16	-6.91%	\$2.02	\$2.01	-\$0.01	-0.54%
Monthly Vendor Counts	2,175	1,907	-268	-12.32%	656	568	-88	-13.41%
Daily Vendor Counts	7,268	5,662	-1,606	-22.10%	2,086	1,452	-634	-30.39%
Total Vendor Counts	9,443	7,569	-1,874	-19.85%	2,742	2,020	-722	-26.33%
Vendor Income	\$1,831,146	\$1,713,842	-\$117,304	-6.41%	\$610,395	\$540,751	-\$69,644	-11.41%
Income per Vendor	\$193.92	\$226.43	\$32.51	16.77%	\$222.61	\$267.70	\$45.09	20.25%

HISTORIC AND PROJECTED

OC Marketplace P & L Analysis:

	2016 (9 months)	2017 (Calendar)	2018 (Calendar)	2019 Projected	Notes
Food P & L:					
F & B Sales	\$ 1,374,119	\$ 1,977,909	\$ 1,794,971	\$ 1,628,952	Assumes same sales decline as prior year
Cost of Sales:	\$ (348,026)	25.33% \$ (459,939)	23.25% \$ (432,268)	24.08% \$ (376,009)	Assumes ytd run rate
Payroll & Fringe:	\$ (395,340)	28.77% \$ (604,889)	30.58% \$ (645,511)	35.96% \$ (535,738)	Assumes ytd run rate
Variable Expenses:	\$ (172,952)	12.59% \$ (199,477)	10.09% \$ (152,874)	8.52% \$ (138,234)	Assumes ytd run rate
Rent:	\$ (561,876)	40.89% \$ (781,396)	39.51% \$ (847,146)	47.20% \$ (892,146)	Assumes increase in rent
Depreciation:	\$ (7,030)	\$ (46,829)	\$ (93,696)	\$ (93,696)	
Other Income:	\$ -	\$ 134	\$ 1,879	\$ 1,879	
Profit/Loss (F & B):	\$ (111,105)	\$ (114,488)	\$ (374,645)	\$ (404,992)	
Facility P & L:					
Admissions & Booth Rental Sales:	\$ 3,753,595	\$ 2,286,578	\$ 2,009,719	\$ 1,766,382	Assumes same sales decline as prior year
Payroll & Fringe:	\$ (1,386,506)	-36.94% \$ (892,501)	-39.03% \$ (953,163)	-47.43% \$ (750,161)	Assumes ytd run rate
Variable Expenses:	\$ (1,039,147)	-27.68% \$ (478,508)	-20.93% \$ (574,742)	-28.60% \$ (529,571)	Assumes ytd run rate
Rent:	\$ (1,551,781)	-41.34% \$ (1,045,091)	-45.71% \$ (1,071,000)	-53.29% \$ (1,126,000)	Assumes increase in rent
Depreciation:	\$ 262	0.01% \$ -	0.00% \$ -	0.00% \$ -	
Other Income:	\$ 39,639	\$ 22,173	\$ 26,797	\$ 26,797	
Profit/Loss (Facility):	\$ (183,939)	\$ (107,349)	\$ (562,389)	\$ (612,552)	
Total Sales & Other Income:	\$ 5,167,353	\$ 4,286,794	\$ 3,833,366	\$ 3,424,010	
Total Profit/Loss:	\$ (295,043)	\$ (221,836)	\$ (937,034)	\$ (1,017,545)	
Revenue Decline:		\$ (880,559)	\$ (453,429)	\$ (409,355)	
			-17.04%	-10.58%	-10.68%
Rent Payments:	\$ 2,113,657	\$ 1,826,487	\$ 1,918,146	\$ 2,018,146	
Rent as a % of Sales	40.90%	42.61%	50.04%		
Total Payroll & Fringe	\$ 1,781,846	\$ 1,497,390	\$ 1,598,674		
Total Payroll as a % of Sales	34.48%	34.93%	41.70%		

WHERE DO WE GO FROM HERE ?

- We need to increase both vendor counts and attendance – “which came first, the chicken or the egg?”
- Traditional marketing efforts are not making an impact
- While overall attendance has grown as a result of marketing, paid admission is down and free admission is up, this has resulted in less money being spent on F & B and with our vendors
- Significant cost cutting measures has not resulted in controlling losses which continue to grow, unless Gross revenue increases the Market Place is not sustainable
- We need a plan to “re-invent the Market Place”, bring more paying customers this, will in turn create more opportunities for vendors, which will increase the overall vendor count

THE PLAN !

- Spectra is proposing a partnership approach to solving the problem
- \$600K diverted from rent (now paid to OCFEC) to a marketing fund to be spent with R-Entertainment to oversee and manage all marketing programs, drive awareness, patrons and eventually net revenue
- \$500K of the \$600K rent diversion to be spent (as approved by OC Fair & Event Center) to promote the OCMP and to create a series of events that will energize the OCMP by driving new customers, revenues and reinforcing the fifty-year legacy of the Market Place
- \$100K of the \$600K rent diversion to be spent on marketing personnel from R-Entertainment dedicated to the OC Market Place
- R-Entertainment is a proven industry leader in creating turn-key entertainment solutions for clients
- 100% of all net profits generated at the OCMP annually will be paid to the OC Fair & Event Center, until all rent diversion amounts has been re-paid. Spectra will share 50% of all profits generated at the OCMP as additional rent to OCFEC after rent diversion has been recovered

R - ENTERTAINMENT

- R Entertainment is an award winning experiential marketing and business development company. R Entertainment builds integrated, effective and measurable event marketing programs where all marketing activities are pursued. Whether the goal is building awareness for our client, generating revenues for a specific program, energizing educational programs, strengthening communities through nonprofit rev shares, our team will provide turn-key management and resources for the events as well as continually create new events that will drive new customers and revenues to the Market Place.

Producing 200 dates a year...

USA TODAY Martha Stewart Wine & Food Experience Tour

The National Taco Festival

Children's Educational Festivals with public television stations utilizing a STEAM Approach

Kentucky Derby Fillies & Lilies Party

Super Bowl event

PGA Waste Management Phoenix Open

Arizona Diamondbacks *Evening on the Diamond*

The Good Life Festivals by Shea Homes



2019 Event Opportunities

Mission: To create a series of events that will energize the Orange County market by driving new customers, revenues and reinforcing the fifty-year legacy of the marketplace. The strategy is to deliver events that target segments/demos in the marketplace with curated programs that will be executed by R Entertainment. These events will be heavily marketed via all platforms from radio & TV partners, Facebook, Instagram and databases from sponsors and partners.

OC Overland Expo - Join us at Overland Expo WEST for the world's most unique event for do-it-yourself adventure travel enthusiasts, with hundreds of session-hours of classes for 4-wheel-drive and adventure motorcycling, inspirational programs, the Overland Film Festival, round-table discussions, demonstrations, food, and a large expo featuring over 300 vendors of adventure travel equipment, camping gear, bikes, vehicles, and services.



Orange County KidsFest - The OC KidsFest offers activities for kids of all ages like the TNT Slam Dunk Show, BMX/Skateboard Half Pipe Show, a dinosaur encounter where kids can interact with dinosaurs and participate in a fossil digging challenge, game trucks, inflatables, carnival rides, electric animal rides, a Bookman's Entertainment Area and more! Get ready for a full-day of entertainment hosted by Funergy which includes games, dancing and an interactive show with celebrity guests from Disney, Nickelodeon, etc. Want to personally meet and ask questions with Disney Channel Star's from 11am-12pm, we have that. VIP ticket available too, along with your entry pass to the KidsFest!



OC Ninja Warriors - It started out in Japan, designed to be the toughest obstacle course on the planet. Now, American Ninja Warrior is a nationwide phenomenon which has become an entire sport. Competitors train year round, gyms build their own obstacle replicas, and a training community has formed. Ninja Warrior, while it may seem like a cliché cartoon show, is actually a competition with a rich background history and is now a worldwide phenomenon. In 1997 Tokyo Japan, the most difficult obstacle course on the face of the earth was born entitled Sasuke. Since then, the competition has become a worldwide phenomenon with several spin-offs including American Ninja Warrior and Sasuke Malaysia. Everyday gas station managers, fishermen, and plumbers have gone on to become national heroes throughout Tokyo and are among the elite athletes that train year round for the competition (sometimes quitting their job).



OC Taco Festival - A General Admission ticket provides access to taco-topia. Inside the event, you'll find about 50 restaurants dishing out \$3 tacos and bars and beverage stations serving margaritas, beer, water, and soda. Tokens are used throughout the festival - purchase them to use for tacos, drinks, and other items.

Highlights include:

- Lucha Libre Wrestling
- VIP Area
- Main Bar Experiences
- Live Music Stage
- Interactive Photo Booths
- Hot Chile Pepper Eating Contest
- Crunchy Taco Eating Contests
- Taco Award Presentation
- People's Choice Voting at Contest Check-in Booth
- The Legendary Tequila Expo
- Chihuahua Beauty Pageant
- Margarita Masters Mixology Expo
- Kid's Zone



R ENTERTAINMENT



OC Street Eats Food Truck Festival - Over 55 food trucks will sell all types of food, with EVERY menu including a \$2 sample. Once inside the festival, you can use cash or credit cards at all bars and most food trucks. The event will include live bands, games, eating contests, local vendor marketplace, kid's zone, cooking classes, and more. Yes, you can hit up a food truck round up any night of the week, but none offer the entertainment, sheer variety of trucks, and fun filled weekend festival atmosphere of the OC Street Eats Food Truck Fest.



OC Bike Week - Orange County's Harley-Davidson Dealers deliver a roaring event with the OC Bikefest to the site of the OC Marketplace. The FREE event welcomes riders, spectators and enthusiasts to explore the world of motorcycles, clothing, gear, design and much more. The dealerships present a roaring spectacle of food, music and good times! Traditional Bike Week events deliver over 1.4 million consumer impressions, 7,500 motorcycles, over 15,000 attendees, over 2,500 demo rides and selling over \$100k in sales at the event, the only "Ride-Thru" Bar in the region, a thriving vendor village, demo rides from all top manufactures, tasty food trucks and beverages and of course, top notch music!



R ENTERTAINMENT



November 2019

Veterans Honor Walk - Calling all Veterans! We want to thank all of the men and women who have served this great country. Please allow us to honor you for your service and sacrifice for our freedom. Southern California is home to over 2.2 million Veterans and of those, about a half a million of them live within the OC Marketplace vicinity. We propose a Civilian 5k and a Veteran 5k (active duty or retired military) as well as a Veteran Honor Walk. All runners and walkers are invited to participate, with a special honor to veterans with specially designed racing bibs for both veterans and active duty military entrants. Each participant will receive a voucher for a post-race meal including mostaccioli, salad and breadsticks. Proceeds will benefit local Veterans groups. Awards will be for Overall - Civilian and Military (Top 5 in 5 year age groups). Registration will be \$25 for Civilians and \$22 for Military. Dinner will be provided to the first 100 veterans plus one guest



Additional Event Opportunities:

- VW Air Cooled Car Show
- RV Shows
- Slide Across America
- So Cal Car Shows
- Ski/Skate Expo & Sales
- Seasonal Sales
- Sports Fans Memorabilia Expo
- Radio Station Promotions & Concerts
- America's Got Talent Street Performers
- Farm to Table Dinners / Pop Up Restaurants
- And of course, the 50th Anniversary Celebration



Local Community Outreach

Grassroots Efforts with Local Small Businesses



Recover Local Involvement



Small Business Development Center Partnership

FUTURE PROJECTIONS

Estimated Impact of Orange County Market Place Marketing Plan

	2019 <i>(Partial Year)</i>	2020	2021	2022	2023
Estimated # of new "unique" paid attendees coming to events	35,000	50,000	125,000	150,000	175,000
Estimated net profit generated from new events (Direct Revenue - Direct Expenses)	\$35,000	\$50,000	\$125,000	\$150,000	\$175,000
Estimated # of new event attendees who return to Market Place once (Assumes 30%)	10,500	15,000	37,500	45,000	52,500
Estimated # of new event attendees who return to Market Place twice (Assumes 20%)	7,000	10,000	25,000	30,000	35,000
Estimated # of new event attendees who return to the Market Place four times (Assumes 10%)	3,500	5,000	12,500	15,000	17,500
Market Place admission from new attendees (Assumes \$2.14 per person based on 2018 actual)	\$44,940	\$64,200	\$160,500	\$192,600	\$224,700
Estimated F & B impact of new attendees (Profit margin based on current margin of 35.54% & \$5.80 per cap)	\$43,288	\$61,840	\$154,599	\$185,519	\$216,439
Estimated # of new vendor days based on increased attendance (Assumes 30%, 35%, 40% growth per year)	9,840	10,218	10,597	10,597	10,597
Increased vendor count over 2018 actual	2,271	2,649	3,028	3,028	3,028
Vendor Income per vendor (Assumes \$267 per vendor based on current run rate thru April)	\$606,277	\$707,323	\$808,369	\$808,369	\$808,369
Total net impact of marketing efforts	\$729,504.62	\$883,362.65	\$1,248,468.20	\$1,336,488.00	\$1,424,507.80
Projected losses without plan - (refer to appendix document) BENCHMARK (assumes losses grow at 8.5% per year)	\$ (1,017,545)	\$ (1,104,036)	\$ (1,197,879)	\$ (1,299,699)	\$ (1,410,173)
Current marketing spend without plan	\$150,000	\$150,000	\$150,000	\$150,000	\$150,000
Rent diversion (Assumes all \$600K is spent each year)	\$600,000	\$600,000	\$600,000	\$600,000	\$600,000
Projected profits with plan	\$461,960	\$529,327	\$800,589	\$786,789	\$764,335
Amount paid to OC Fair & Events Center (Rent diversion re-payment)	\$461,960	\$529,327	\$600,000	\$600,000	\$600,000
Shortfall in rent paid to OC Fair & Events Center due to rent diversion	-\$138,040	-\$70,673	\$0	\$0	\$0
Amount paid to OC Fair & Events Center for prior year rent shortfall payments	\$0	\$0	\$200,589	\$8,124	\$0
Additional amount paid to OC Fair & Events Center (50% of profits above rent diversion)	\$0	\$0	\$0	\$97,457	\$82,167
Total amount of rent diversion re-payment					\$3,000,000
Total amount of additional rent above contracted terms					\$179,624



SPECTRA AT THE ORANGE
COUNTY MARKET PLACE

Future Is Now



Board of Directors Agenda Report

MEETING DATE: JUNE 27, 2019 ITEM NUMBER: 9C

SUBJECT: Consideration of and Vote to Provide Financial Support to the Pacific Symphony for Producing “Hail to the Heroes,” a Celebratory Concert Honoring Veterans and Active-Duty Personnel, Featuring Lee Greenwood and the Pacific Symphony

DATE: June 21, 2019

FROM: Kathy Kramer, CEO

PRESENTATION BY: Kathy Kramer, CEO

RECOMMENDATION

At the Board of Directors’ discretion.

BACKGROUND

For the last several years, it has been a goal of John Forsythe, President of the Pacific Symphony, and their long time conductor, Carl St.Clair, to host a celebratory concert honoring veterans and active-duty personnel, featuring the Pacific Symphony and an “A-list” artist. Through their perseverance and dedication, “Hail to the Heroes” will become a reality. On Sunday, September 8, 2019, the Pacific Symphony will join Lee Greenwood, country music icon whose hits include “God Bless the USA,” on stage at the Pacific Amphitheatre for the “Hail to the Heroes” concert. The community is invited to join those who serve and have served our country for a day of music, celebration and remembrance. Prior to the concert, guests can enjoy picnicking, family activities and veterans’ celebrations on Plaza Pacifica, as well as tours of Heroes Hall Veterans Museum.

As part of this community celebration, complimentary concert tickets for active-duty military, veterans and first responders will be made available. To help underwrite this community celebration, the Pacific Symphony is seeking partners to provide financial support. John Forsythe, President of the Pacific Symphony, on behalf of

the Pacific Symphony and its Board of Directors, is asking for the 32nd DAA to join them by making a financial contribution to this event.



*To honor those
who are serving...*

*To salute those
who defended America's ideals...*

*And to remember those
who never returned...*

Pacific Symphony and the OC Fair & Event Center
present

"HAIL TO THE HEROES"

A day of music, celebration and remembrance



SUNDAY, SEPT. 8

PACIFIC AMPHITHEATRE AT OC FAIR AND EVENT CENTER

GATES OPEN AT 5 P.M.

CONCERT AT 7:30 P.M.

Complimentary tickets for active-duty military and veterans

"HAIL TO THE HEROES"

ACTIVITIES INCLUDE:

A celebratory concert honoring veterans and active-duty personnel, featuring the 84 musicians of Pacific Symphony:

- Symphonic grandeur accompanying stories of heroism from Orange County veterans.
- A headline artist with heart-warming tribute songs.
- The uplifting voices of Pacific Chorale.
- Patriotic tunes, Armed Forces marches and themes from military-inspired films.



A community celebration of veterans and active-duty servicemen and servicewomen:

- Food and drink, picnicking, family activities and veterans' celebrations on Plaza Pacifica



Pre-show tours of Heroes Hall veterans museum, featuring the special exhibition "Victory From Within: The American Prisoner of War Experience":

- See the immense capacity of the human spirit to overcome adversity and find hope in the darkest of spaces.

PacificSymphony.org





Board of Directors Agenda Report

MEETING DATE: JUNE 27, 2019 ITEM NUMBER: 9D

SUBJECT: Consideration of and Vote on Construction Budget for the A-4M Skyhawk Project and Provide Staff Direction on Next Steps

DATE: June 21, 2019

FROM: Kathy Kramer, CEO

PRESENTATION BY: Ken Karns, Vice President - Operations

RECOMMENDATION

At the Board of Directors' discretion, provide staff direction on the A-4M Skyhawk project and budget.

BACKGROUND

California Construction Authority (CCA) bid the A-4M Skyhawk project, and on Wednesday, June 5, 2019, we received one qualified bid from JRH Construction Company, Inc. The bid is above budget, so we were unable to proceed without approval of the full Board of Directors. The schedule has been reviewed with the Contractor. Even with the delay in awarding the bid, JRH is still confident of a project completion date of November 9, 2019. It is unlikely much work, if any, can be accomplished during the 2019 OC Fair.

The committee, Vice Chair Cervantes and Director LaBelle, has reviewed all the information along with the following:

Policy 2.3 Financial Condition & Activities - Item C

C. the CEO will not allow unencumbered cash and cash equivalents to drop below 25% of annualized operating expenditures.

- The 2018 ending cash position was \$48m
- The 2019 annual operating expense budget is \$48.5m
- 25% of \$48.5m = \$12.1m
- The total cash available is \$36.4m

The 2019 annual revenue budget is \$52.2m

The 2019 projected ending cash position is \$50.6m

Option #1- At the discretion of the Board of Directors, approve the budget and full scope of work, direct staff to work with CCA to see if a reduction in their fees is possible for this project and direct staff to identify opportunities for fundraising.

Base bid received by contractor =	\$450,878
Alternative #1 for artificial turf =	\$ 80,000

Additional expenses:

CCA consultant LOU =	\$ 47,791
Benches/Planters =	\$ 32,000
CCA construction LOU =	\$ 53,500
Contingency =	<u>\$ 32,000</u>

Total expenses =	\$696,169
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Less original funds approved;

OCFEC capital budget =	\$100,000
County of Orange contribution =	<u>\$206,000</u>

Total funds approved =	\$306,000
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Budget shortfall =	\$390,169
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Staff and CCA, along with the contractor, would carry out value engineering in an effort to reduce the budget. In proceeding with option #1 the Board of Directors would be approving an additional \$390,169 to this capital project budget. The addition of alternative #1 for artificial turf makes improvements to a small portion of our grounds that is also used for year-round events.

Option #2 - At the discretion of the Board of Directors, approve the budget and scope of work without alternative #1, direct staff to work with CCA to see if a reduction in their fees is possible for this project and direct staff to identify opportunities for fundraising.

Base bid received by contractor =	\$450,878
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Additional expenses:

CCA consultant LOU =	\$ 47,791
Benches/Planters =	\$ 32,000
CCA construction LOU =	\$ 45,100
Contingency =	<u>\$ 24,000</u>

Total expenses =	\$599,769
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Less original funds approved:

OCFEC capital budget =	\$100,000
County of Orange contribution =	<u>\$206,000</u>
Total funds approved =	\$306,000
Budget Shortfall =	\$293,769

Staff and CCA, along with the contractor, would once again carry out value engineering in an effort to reduce the budget. In proceeding with option #2, the Board of Directors would be approving an additional \$293,769 to this capital project budget. There is money inside this budget to make good the sod in the surrounding area. The District could carry funds in a future budget to complete artificial turf at a later date, however likely at a higher cost.

The cost difference between option #1 and option #2 = **\$ 96,400**

Option #3 - At the discretion of the Board of Directors, direct staff to not award this bid.

Staff would find a sub-contractor to move the A-4M Skyhawk to OCFEC property for storage prior to the deadline agreed to in the MOU with the cost to be determined which could be higher than in the submitted bid. Safe storage of the aircraft should also be strongly considered with this option.

In re-writing the construction proposal and re-bidding, the District may not get a qualified bidder and the costs could be higher going back out to market.

In this case, the project could not be completed by November 9, 2019

The overall budget would be reviewed again as there are costs that the District would incur a second time, including consultant fees, CCA fees and mobilization costs.

A new unveiling date would be determined.





Board of Directors Agenda Report

MEETING DATE: JUNE 27, 2019 ITEM NUMBER: 9E

SUBJECT: Consideration of and Vote Regarding 2020 Operating and Capital Budget

DATE: June 21, 2019

FROM: Kathy Kramer, CEO

PRESENTATION BY: Director Doug La Belle

RECOMMENDATION

At the Board of Directors' discretion.

BACKGROUND

Director Doug La Belle requested a discussion regarding the 2020 Operating and Capital Budget.



Board of Directors Agenda Report

MEETING DATE: JUNE 27, 2019 ITEM NUMBER: 9F

SUBJECT: Consideration of and Vote on Board Policy Regarding Staff and/or Board of Directors' Public Responses to Hate Crimes and Acts of Discrimination Committed on District Property

DATE: June 21, 2019

FROM: Kathy Kramer, CEO

PRESENTATION BY: Director Andreas Meyer

RECOMMENDATION

At the Board of Directors' discretion.

BACKGROUND

Director Andreas Meyer requested a discussion on Board policy regarding staff and/or Board of Directors' public responses to hate crimes and acts of discrimination committed on District property.



Board of Directors Agenda Report

MEETING DATE: JUNE 27, 2019 ITEM NUMBER: 9G

SUBJECT: Update on Diversity and Inclusion Training for District Staff

DATE: June 21, 2019

FROM: Kathy Kramer, CEO

PRESENTATION BY: Kathy Kramer, CEO

RECOMMENDATION

At the Board of Directors' discretion.

BACKGROUND

At the request of Director Meyer, staff was asked to provide an overview of the District's Diversity and Inclusion training.

- The State of California requires all state employees, at a supervisor and above classification, to complete a two hour "Discrimination, Harassment and Bullying" training session every two years. The training materials used to fulfill this requirement are an online training module provided by Society of Human Resource Management (SHRM). Upon completion of this online training, a certificate is provided to the trainee validating his/her participation, and certificates are included in each employee's personnel file.
- New this year, California law requires that all line staff complete a one hour anti-discrimination, harassment and bullying training session before the end of 2019. Staff will ensure this training is completed as required by law.
- All employees – both seasonal and civil service - are provided a copy of the District's employee Handbook as part of the new hire orientation and onboarding process. This Employee Handbook covers in detail the topics of "Discrimination, Harassment and Bullying, including how to report any suspected incidents, and emphasizes a zero tolerance policy. All employees

are required to sign a document acknowledging that they have read and understand the policy.

- All employees - both seasonal and civil service are required as part of the new hire orientation onboarding process to watch the HR orientation video. This video covers the topics of “Discrimination, Harassment and Bullying.”
- The 2019 OC Fair seasonal staff orientation training has been expanded to include new training content covering the topics of “Discrimination, Harassment and Bullying.” These training sessions are mandatory and will be conducted in three large group sessions for all seasonal staff as well as civil service staff. The new orientation material referencing the “Discrimination, Harassment and Bullying” training is attached.

As part of the 2020 Operating Budget, staff will be requesting additional training and travel funds for HR staff to attend new training programs being developed and offered by the Society for Human Resource Management (SHRM) and/or other reputable training resources to continue to ensure the District is providing the most up-to-date and relevant information to employees.





We, as the employees of the OC Fair are united under one goal: to provide the absolute BEST experience possible for all guests in an environment where everyone feels welcomed and no one feels discriminated against.

Executed at all levels within our organization, OCFEC exercises a zero tolerance policy on discrimination, harassment and bullying for causes including, but not limited to: age, ancestry color, disability (mental and physical), exercising the right to family care leave, gender, gender expression, gender identity, genetic information, marital status, medical condition, military or veteran status, national origin, political affiliation, race, religion, sex (includes pregnancy, childbirth, breastfeeding and related medical conditions), sexual orientation, citizenship status or any other protected status in accordance with all applicable Federal, State and local laws.

Discrimination, harassment and bullying are grounds for disciplinary action, which can lead to immediate termination.

OCFEC will not tolerate any form of retaliation or reprisal for reporting an alleged complaint or participating as a witness in an investigation. Words or behaviors associated with retaliation must be reported to management or Human Resources immediately.

If you witness or are associated with any act of discrimination, harassment or bullying related, but not limited to: age, ancestry racial, color, disability (mental and physical), exercising the right to family care leave, gender, gender expression, gender identity, genetic information, marital status, medical condition, military or veteran status, nation origin, political affiliation, race, religion, sex (pregnancy, childbirth, breastfeeding and related medical conditions), religion, sexual orientation, national origin, citizenship status or another protected status in accordance with all applicable Federal, State and local laws, it is your responsibility to immediately report it to your department supervisor, any other member of management or the Human Resources Department. You could be held legally liable for not reporting the incident.

It's our love of the fair and our relentless search for fun that unites us all.



FUN makes us ONE



Our guests come from many corners of Orange County, the nation and the world.

They speak different languages.

And it's our job to help them and make them feel welcomed.



FUN makes us ONE



Our guests may not all look the same, but they're here, too, all united in the pursuit of the perfect, fun day and should be treated with respect.

And, it's our job to help make that day happen for them.



FUN makes us ONE



ARCES OF FUN

Our guests are as diverse as our employees are with diverse backgrounds and different beliefs – but they all believe in FUN.

And it's our job to respect who they are, where they come from, what they believe and their differences.



FUN makes us ONE



ARCES OF FUN

Our guests come from the greatest generation...and the newest generation. At all ages, they all come for fun.



They may have different gender identities or gender preferences, but we invite everyone to celebrate who they are in a fun, safe and welcoming environment.



FUN makes us ONE



ARCES OF FUN

They may have a physical, mental or emotional disability and need some extra help. The only thing that matters is that they're here - at the OC Fair, having an incredible, amazing, fun-filled experience.

And, it's our job to deliver that for them.



Meet our guests of the OC Fair.

Remember to welcome them to the fair.

Smile when you greet them.

Help them find their way.

Thank them for coming.

Treat ALL our guests with dignity and respect – just as you would want to be treated. Your behavior and how you engage with our guests WILL make a difference in how welcomed and comfortable they feel at the OC Fair.

Remember: FUN unites us all. FUN makes us ONE.



Board of Directors Agenda Report

MEETING DATE: JUNE 27, 2019 ITEM NUMBER: 9H

SUBJECT: Update on Diversity and Inclusion Training for Contracted Fair Security

DATE: June 21, 2019

FROM: Kathy Kramer, CEO

PRESENTATION BY: Kathy Kramer, CEO; Director Andreas Meyer.

RECOMMENDATION

At the Board of Directors' discretion.

BACKGROUND

At the request of Director Meyer, staff was asked to provide an overview of the District's diversity and inclusion training for contracted fair security. Security during the annual OC Fair is provided by two groups: in house and contract security personnel.

The District's standard contract agreements all contain State mandated non-discrimination language. (See attached non-discrimination clause example).

In preparation for the annual OC Fair, security department leadership holds several pre-operation meetings with supervisory personnel from the contracted security agency to review operational details and any pertinent rules or regulations.

In addition, during these meetings, security staff reviews with supervisory personnel the District's policy regarding workplace harassment and discrimination.

**STATE MANDATED, NON-DISCRIMINATION CLAUSE LANGUAGE IN ALL
OCFEC STANDARD AGREEMENTS**

EXHIBIT C – GENERAL TERMS AND CONDITIONS

GTC 04/2017

10. NON-DISCRIMINATION CLAUSE:

During the performance of this Agreement, Contractor and its subcontractors shall not deny the contract's benefits to any person on the basis of race, religious creed, color, national origin, ancestry, physical disability, mental disability, medical condition, genetic information, marital status, sex, gender, gender identity, gender expression, age, sexual orientation, or military and veteran status, nor shall they discriminate unlawfully against any employee or applicant for employment because of race, religious creed, color, national origin, ancestry, physical disability, mental disability, medical condition, genetic information, marital status, sex, gender, gender identity, gender expression, age, sexual orientation, or military and veteran status. Contractor shall insure that the evaluation and treatment of employees and applicants for employment are free of such discrimination. Contractor and subcontractors shall comply with the provisions of the Fair Employment and Housing Act (Gov. Code §12900 et seq.), the regulations promulgated thereunder (Cal. Code Regs., tit. 2, §11000 et seq.), the provisions of Article 9.5, Chapter 1, Part 1, Division 3, Title 2 of the Government Code (Gov. Code §§11135-11139.5), and the regulations or standards adopted by the awarding state agency to implement such article. Contractor shall permit access by representatives of the Department of Fair Employment and Housing and the awarding state agency upon reasonable notice at any time during the normal business hours, but in no case less than 24 hours' notice, to such of its books, records, accounts, and all other sources of information and its facilities as said Department or Agency shall require to ascertain compliance with this clause. Contractor and its subcontractors shall give written notice of their obligations under this clause to labor organizations with which they have a collective bargaining or other agreement. (See Cal. Code Regs., tit. 2, §11105.)

Contractor shall include the nondiscrimination and compliance provisions of this clause in all subcontracts to perform work under the Agreement.



Board of Directors Agenda Report

MEETING DATE: JUNE 27, 2019 ITEM NUMBER: 9I

SUBJECT: Consideration of and Vote to Cancel the August Board of Directors Meeting

DATE: June 21, 2019

FROM: Kathy Kramer, CEO

PRESENTATION BY: Kathy Kramer, CEO; Robert Ruiz, Board Chair

RECOMMENDATION

At the Board of Directors' discretion.

BACKGROUND

The 2019 OC Fair ends on Sunday, August 11, 2019. If an August Board meeting were to be held, the Board members and staff would essentially have only eight working days after the close of the fair to prepare for the meeting, after hosting the fair for 23 days. Cancelling the August Board meeting would allow Board members and staff to take some time off prior to the beginning of the fall school session, and for staff to focus on fair move-out and set-up for the fall event season.

If any significant items would arise, the Board of Directors always has the option to conduct a meeting with ten (10) days public notice.



Board of Directors Agenda Report

MEETING DATE: JUNE 27, 2019 ITEM NUMBER: 9J

SUBJECT: Staff Presentation of the 2019 OC Fair

DATE: June 21, 2019

FROM: Kathy Kramer, CEO

PRESENTATION BY: Michele Richards, VP Business Development

RECOMMENDATION

Information item only.

BACKGROUND

Staff will present highlights of the upcoming 2019 OC Fair.