

**MINUTES OF OCFEC BOARD OF DIRECTORS MEETING
HELD SEPTEMBER 26, 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/2019/09/14085436/19_09_September_transcript.pdf

1. CALL TO ORDER:

Chair Ruiz called the meeting to order at 9:01 a.m.

2. MISSION STATEMENT

3. PLEDGE OF ALLEGIANCE:

The Pledge of Allegiance was recited by Director Pham. 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-Garcia and Director Meyer.

Director Bagneris joined the meeting at 9:22 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; Summer Angus, OCFEC Executive Assistant; Josh Caplan, Office of the Attorney General; Luis Hernandez, Stenographer; Mary Grant, American Cancer Society; Kelly Hatter, American Cancer Society; Mark Steranka, Moss Adams; Reggie Mundekis; Leigh-Ann Kazolas; Jay Humphrey; Beth Refakes, Carolyn Beaver; Theresa Sears

5. CEO'S OPERATIONAL UPDATE

Kathy Kramer, OCFEC CEO, reported on the following:

- Staff has begun working on the 2020 OC Fair
 - Finalizing the theme concept for the next three years
- 2019 OC Fair hit an all-time revenue record of \$64.9 million
- The 2019 OC Fair profit and loss statement will be presented to the Board when post fair financials are completed
- New exhibit coming to Heroes Hall: *Fighting on the Homefront: Propaganda Posters of WWII*

Kramer presented the June financials.

Ken Karns, OCFEC VP Operations, reported the following:

- Wayfinding update – 6 new LED signs and 3 gates signs, permits submitted to the City of Costa Mesa
- On 7/25/2019 the new Fire and Life Safety Division Chief toured the fairgrounds
- Safety and Security update:

- On 6/26/2019 pre-fair public agency public agency meeting was held
- On 7/10/2019 OC Sheriff held their pre-fair intelligence meeting
- On 7/24/2019 the Southern California Attraction Security Association held their annual summer meeting at OCFEC
- On 7/31/2019 OCFEC held the mid-fair Safety and Security meeting
- OCFEC Environmental Initiative: artwork on seven storm water drains to raise public awareness that storm water drains lead to the ocean

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

6. PUBLIC COMMENTS

Mary Grant and Kelly Hatter of the American Cancer Society presented a plaque to OCFEC in appreciation of continued support of the Relay for Life fundraiser.

Reggie Mundekis shared concerns and asked questioned regarding the maintenance of the storm water basin in the Equestrian Center (EQC). She requested the Board move the monthly Board meetings to evening meetings. She criticized the amount of money spent on private investigative services and urged the Board to stop spending public money on those services. She urged the Board to use the resources of the City, County or State investigative services.

Leigh-Ann Kazolas, EQC trainer, spoke about current and summertime programs at the EQC. She distributed a handout that highlighted these programs. She spoke about upcoming events and programs at the EQC. She highlighted and updated on programs at the EQC over the summer.

Jay Humphrey commended the Board for the hearing impairment devices available for the public in the Board meetings. He urged the Board to move some of the Board meetings to evening meetings for more public participation. He shared his concerns with parking and traffic during the OC Fair, stating parking is a problem that needs to be addressed.

10. CLOSED SESSION

The meeting adjourned to closed session at 9:25 a.m. and reconvened at 10:34 a.m. There were no matters to report out of closed session.

Chair Ruiz left the meeting and Vice Chair Cervantes continued the meeting as acting Chair.

7. MINUTES:

A. Board meeting held May 23, 2019

Action Item

ACTION: Director Aitken motioned and Director La Belle seconded to review and approve the minutes from the Board meeting held May 23, 2019. **MOTION CARRIED. AYES:** Vice Chair Cervantes, Director Bagneris, Director Aitken, Director La Belle, Director Rubalcava-Garcia and Director Meyer. **NAYES:** None. **ABSTENTIONS:** Director Pham.

B. Board meeting held June 27, 2019

Action Item

ACTION: Director La Belle motioned and Director Aitken seconded to review and approve the minutes from the Board meeting held June 27, 2019. **MOTION CARRIED. AYES:** Vice Chair Cervantes, Director Bagneris, Director Aitken, Director La Belle, Director Pham, Director Rubalcava-Garcia and Director Meyer. **NAYES:** None.

C. Board meeting held July 27, 2019

Action Item

ACTION: Director La Belle motioned and Director Meyer seconded to review and approve the minutes from the Board meeting held July 27, 2019. **MOTION CARRIED. AYES:** Vice Chair Cervantes, Director Bagneris, Director Aitken, Director La Belle, Director Pham, Director Rubalcava-Garcia and Director Meyer. **NAYES:** None.

D. Board meeting held August 22, 2019

Action Item

ACTION: Director La Belle motioned and Director Meyer seconded to review and approve the minutes from the Board meeting held August 22, 2019. **MOTION CARRIED. AYES:** Vice Chair Cervantes, Director Aitken, Director La Belle, Director Pham, Director Rubalcava-Garcia and Director Meyer. **NAYES:** None. **ABSTENTIONS:** Director Bagneris.

8. CONSENT CALENDAR

A. Standard Agreements: SA-199-19PA; SA-207-19PA; SA-208-19PA; SA-209-19PA; SA-211-19PA; SA-212-19PA; SA-223-19HB; SA-228-19HB; SA-229-19PA; SA-237-19YR; SA-238-19FT; SA-239-19FT; SA-240-19FT; SA-241-19SP; SA-242-19FT; SA-243-19FT; SA-244-19SP; SA-246-19FT; SA-247-19FT; SA-248-19SP; SA-249-19PA; SA-250-19FT; SA-252-19GE; SA-253-19PA; SA-256-19GE; SA-257-19GE; SA-258-19YR

- B. Amendments:** SA-056-14RD (Amend. #4); SA-005-15ET (Amend. #7); SA-096-16FT (Amend. #3); SA-193-16FT (Amend. #3); SA-059-17FT (Amend. #4); SA-065-17FT (Amend. #3); SA-075-17FT (Amend. #3); SA-075-17FT (Amend. #4); SA-076-17FT (Amend. #3); SA-077-17FT (Amend. #2); SA-081-17FT (Amend. #2); SA-082-17FT (Amend. #3); SA-083-17FT (Amend. #3); SA-084-17FT (Amend. #2); SA-046-18PL (Amend. #1); SA-138-18YR (Amend. #1); SA-278-18SP (Amend. #2); SA-051-19YR (Amend. #1); SA-135-19PA (Amend. #1); SA-154-19HB (Amend. #1); SA-169-19PA (Amend. #1); SA-180-19PA (Amend. #1); SA-210-19PA (Amend. #1)

- C. Rental Agreements:** R-071-19; R-084-19; R-131-19; R-137-19; R-138-19; R-139-19; R-140-19; R-141-19; R-142-19; R-143-19; R-146-19; R-148-19; R-149-19; R-150-19; R-001-20; R-002-20; R-004-20; R-006-20; R-007-20; R-008-20; R-009-20; RR-003-19

- D. Active Joint Powers Authority Agreements (New):** 03218040

- E. Commercial Rental Agreements:** 19213; 19229

- F. Concession Rental Agreements:** 19599

- G. Judging Agreements:** CA-038-19; CA-039-19; CA-040-19; CA-041-19; GF-01-19; GF-02-19; GF-03-19; GF-04-19; GF-05-19; GF-06-19; GF-07-19; GF-08-19; GF-09-19; GF-10-19; GF-11-19; GF-12-19; GF-14-19; GF-13-19 (Amended); GF-15-19

- H. 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. Letter from M. Clifford, M Abatti and G. Beard
 - ii. B&L Productions, Inc. vs. 22nd DAA Memorandum Opinion

- I. CDFA Correspondence:**
Communications to the Board from the California Department of Food & Agriculture Division of Fairs & Expositions regarding relevant topics at Fairs and Expositions.
 - i. F2019-08: Required Construction Inspections
 - ii. D2019-03: Fairtime and Interim Event Rental Agreement
 - iii. F2019-10: 2019 State Rules Advisory Committee Meeting

-End of Consent Calendar-

Director La Belle stated he would like a discussion on 8I. CDFA Correspondence.

Reggie Mundekis spoke in opposition of Standard Agreement SA-228-19HB (COR Community Development Corporation; "Music Makes Us One" even in The Hangar). She requested the Board to invalidate the contract and retrieve the funds. She discussed Correspondence I, Item ii (D2019-03: Fairtime and Interim Event Rental Agreement). She shared her disappointment that the item was not an action item and requested the Board adopt the policy immediately.

Board, Counsel and staff discussion ensued regarding the Standard Agreement SA-228-19HB (COR Community Development Corporation; "Music Makes Us One" even in The Hangar):

- Approved in the 2019 Budget
- 200 youth preformed, heritage, gospel music
- Determined not a conflict of interest

ACTION: Director La Belle motioned and Director Aitken seconded to review and approve the Consent Calendar. **MOTION CARRIED. AYES: Vice Chair Cervantes, Director Bagneris, Director Aitken, Director La Belle, Director Pham, Director Rubalcava-Garcia and Director Meyer. NAYES: None.**

Director La Belle discussed Item 8I: CDFA Correspondence, i. (F2019-08: Required Construction Inspections) and expressed his wish that during the budget process, staff to look into the procedure for getting additional firms or agencies certified to provide construction inspection services to the District on an ongoing basis.

Regarding Item 8I: CDFA Correspondence ii. (D2019-03: Fairtime and Interim Event Rental Agreement) Kramer confirmed staff will be bringing back the Interim Rental Agreement for Board approval.

Regarding Item 8I: CDFA Correspondence iii. (F2019-10: 2019 State Rules Advisory Committee Meeting) Kramer also confirmed staff will attend the webinar.

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. Centennial Farm Foundation (Vice Chair Cervantes, Committee Chair)

- iii. Financial Monitoring Committee (Director Pham, Committee Chair)
- 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-Garcia)
- ix. Buildings and Maintenance Committee (Director Aitken, Committee Chair; Director Rubalcava-Garcia-Garcia)
- x. Audit Ad Hoc Committee (Director Rubalcava-Garcia-Garcia, Committee Chair; Meyer Director)

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

- Skyhawk will be moved on to grounds tonight/ early morning hours
 - plane will be mounted on the pedestal

Karns discussed details regarding the transportation and installation of the Skyhawk airplane.

Board and staff discussion ensued regarding installation of additional artificial turf in the adjacent business development area. Board members discussed bringing back project in the 2020 budget process.

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

- Finalization of the fair financials continues
 - Most successful treasury/cash management situations for the fair – one of the lowest loss rate in history
 - Congratulated staff for stepping up
- Budget discussions
 - finalizing budget workshop date and time

Director La Belle stated the intention for the evening budget meeting would be for the full Board and get their availability to attend the meeting.

Director Rubalcava-Garcia, on behalf of the Audit Ad Hoc Committee, reported the following:

- Distributed a copy of the 2017 Audit response letter and discussed
 - Letter to be agendized for Board approval at the next meeting
- Discussed conversations with the CDFA auditor

Reggie Mundekis stated that CDFA confirmed the 32nd DAA has not closed the 2017 Audit and is unable to produce emails or communications regarding the audit. She accused management of withholding providing notice to CDFA of the actions of the Board and the closure of the audit. She requested the Board immediately release the 2017 Audit

Management Report in full, immediately inform CDFA of the actions taken in closure of the 2017 audit and immediately provide CDFA with all documents and communications that are responsive to her July 18, 2019 public records request. She criticized points in the response letter.

B. 2019 OC Fair Wrap-Up Presentation
Information Item

Richards presented highlights from the 2019 OC Fair.

Board members congratulated and thanked staff for their hard work producing a successful fair.

Reggie Mundekis shared her gratitude for the great fair and that she was impressed by the art and food exhibits. She discussed and shared her concerns with traffic issues and buses driving through the Mesa Del Mar neighborhood during the fair.

Theresa Sears spoke regarding her experiences at the 2019 OC Fair. She thanked the Board for taking corrective actions and working through policy, making the fair better. She shared she would like to ensure the traffic problem be solved. She suggested real-time signage and staff posted to give direction regarding parking and traffic.

C. City of Costa Mesa July 3rd Independence Day Celebration Wrap-up Report and Accounting
Information Item

Kramer presented the staff report.

Jennifer Christ, Community Liaison City of Costa Mesa, discussed the event. She shared the City's gratitude.

Beth Refakes asked questions regarding the event:

- What was the mix attendees - City residents versus County residents?
- What were the demographics of attendees?
- How were attendees accounted for?

D. Consideration of and Vote on Awarding the Infrastructure Grounds and Facility Audit Consulting Services Request for Proposal Winning Bid
Action Item

Director Aitken discussed the RFP and scoring process that led to the Committee's recommendation to award EMG with the Infrastructure Grounds and Facility Audit Consulting Services contract.

Karns stated if the Board approves the contract the project can begin to move forward almost immediately. He reported the project will take 12-16 weeks.

Reggie Mundekis spoke in support of the project. She criticized the RFP for not including language to indicate the consultants have specific expertise with historic buildings and equestrian facilities, as previously discussed and directed by the Board.

Carolyn Beaver shared her congratulations on a wonderful fair. She stated that at the April 25th meeting, it was approved that the RFP require the consultants have experience with equestrian facilities and historic buildings. She shared her concerns that neither the RFP nor scoring sheets included this specific experience specification. She urged the need for the right expertise when evaluating the Equestrian Center.

Carolyn Beaver spoke on behalf of Gibran Stout, reading an email she had sent to Chair Ruiz; urging the Board not to approve the item because none of the companies nor their scoring sheets specified experience with equestrian facilities. She criticized that the RFP did not include this specification as previously discussed and approved by the Board.

Beth Refakes, Historical Society, shared her concerns about possibly losing historic buildings on the fairgrounds. She urged the need for experience with historical buildings and the equestrian facilities be included in the RFP. She requested the Board to reject proposals and change format so there is scoring for historic building and equestrian experience.

Director Aitken stated that during the proposals/scoring process it was discussed with the bidders the importance that they be sensitive to the history of the property. She continued stating it will be a collaborative open process.

ACTION: Director La Belle motioned and Director Bagneris seconded to review and approve awarding the infrastructure grounds and facility audit consulting contract to EMG. **MOTION CARRIED. AYES:** Vice Chair Cervantes, Director Bagneris, Director Aitken, Director La Belle, Director Pham, Director Rubalcava-Garcia and Director Meyer. **NAYES:** None.

E. Consideration of and Vote on Concluding Phase I (Discovery) of Branding Project and Approval to Move to Phase II (Recommendations and Concept Development)

Action Item

Richards presented staff report.

Board and staff discussion ensued, discussion included:

- Next steps
- Branding connected to the mission
- Step by step process with Board involvement at each step
- Consultants be objective and include public input
- Public process
- Board Branding Project Committee created

Director La Belle motioned to accept the recommendation with the provision of a Board committee formed (Director Meyer and Director Aitken as committee members).

ACTION: Director La Belle motioned and Director Bagneris seconded to approve the conclusion of Phase I (Discovery) of the branding project and move to Phase II (Recommendations and Concept Development) and the creation of a Board Branding Project Ad Hoc Committee. **MOTION CARRIED. AYES: Vice Chair Cervantes, Director Bagneris, Director Aitken, Director La Belle, Director Pham, Director Rubalcava-Garcia and Director Meyer. NAYES: None.**

F. Consideration of and Vote on Future OCFEC Storage and Parking Initiatives

Action Item

Kramer presented the staff report.

Director La Belle discussed the option of the National Guard site and conversations with staff. He recommended enlisting the services of Gonsalves & Son to help engage with the State on State owned properties for lease or purchase.

Director Bagneris urged the need to take action to tackle the parking and storage issue.

Karns discussed types of storage and parking needed. He reported there is not a singular solution; there is a three pronged approach: storage, parking for staff and customers and traffic flow. He discussed asphalt repair and restriping of the parking lot for more onsite parking. He added there are two properties that Gonsalves & Son could help maneuver the State waters, to start discussions to identify if either property or other properties are available: the Fairview Hospital and the National Guard facility. Karns discussed property search efforts with a commercial realtor over the past year.

Director Meyer motioned to authorize management to proceed with consulting with Gonsalves & Son about potential public land options

and also continue to working with a real estate broker to identify private land options and formation of a Board committee.

Director Bagneris added to the motion to continue with any other storage and parking initiatives currently underway.

Director La Belle and Director Bagneris agreed to be members of the Storage, Parking and Traffic Ad Hoc Committee.

ACTION: Director Meyer motioned and Director Bagneris seconded to authorize management to proceed with consulting with Gonsalves & Son regarding potential public land options and also continue to working with a real estate broker to identify private land options, the formation of a Board committee and to continue with any other storage and parking initiatives currently underway. **MOTION CARRIED. AYES: Vice Chair Cervantes, Director Bagneris, Director Aitken, Director La Belle, Director Pham, Director Rubalcava-Garcia and Director Meyer. NAYES: None.**

G. Consideration of and Vote on Creating an Interim Policy on Sponsorship Agreements with Organizations That Do Not Follow California Non-Discrimination Laws
Action Item

Director Meyer presented his recommendation for creating an interim policy on sponsorship agreements with organizations that do not follow California non-discrimination laws.

Director Meyer clarified for CEO Kramer the proposed policy applies to all contracts/agreements.

Director Aitken shared her concerns with the language in the proposed policy and how it applies to religious organizations wanting to rent OCFEC facilities, as an example, and wanting to be clear about the ramifications on what the Board's liability is against freedom of religious expression.

Caplan discussed the language in the proposed policy.

Director Aitken suggested to table the item until the Board gets an opinion on how it intersects with the State of California law on religious expression.

Director Bagneris agreed with Director Aitken to table the item and suggested referring it to the Governance committee.

Director Meyer stated the Board should be consulted before OCFEC enters into sponsorship/grants that use institutional funds with regards to organizations that do not agree to the non-discriminatory language

in the proposed policy. He urged the need for an interim measure for sponsorships agreements.

Director Rubalcava-Garcia agreed with referring the item to the governance committee shared she thinks the language in the proposed policy is overreaching.

Director La Belle discussed non-discrimination language that is in all OCFEC Standard Agreements.

Director Meyer discussed misuse of the appropriate form with regard to the Vanguard University sponsorship agreement. He strongly recommended the Board be consulted before such agreements are entered into and does not want to see OCFEC sponsorship of discriminatory organizations.

Reggie Mundekis shared her appreciation with Director Meyer's thoughts regarding sponsorship agreements. She urged that anytime OCFEC is paying State money to an entity, they have to follow anti-discrimination laws and the contracts need to contain the required State clauses. She also shared her appreciation of Director Aitken's comments. She suggested the Board take action regarding sponsorship agreements. She accused some members of staff of being homophobic.

Director Aitken responded to the previous comment and stated she has never experienced any interaction with staff that she has felt is bigoted in anyway. She asserted staff goes above and beyond responding when there are issues, concerns or new ideas and she appreciates that staff and the leadership for being responsive to an ever changing world.

Director La Belle motioned to refer the item to the Governance Committee.

Director Bagneris briefly left the meeting and was absent for the vote.

ACTION: Director La Belle motioned and Director Meyer seconded to refer the creation of a Policy on Sponsorship Agreements with Organizations That Do Not Follow California Non-Discrimination Laws to the Board of Directors Governing Policy Manual Review Ad Hoc Committee. **MOTION CARRIED. AYES: Vice Chair Cervantes, Director Aitken, Director La Belle, Director Pham, Director Rubalcava-Garcia and Director Meyer. NAYES: None. ABSENT FOR VOTE: Director Bagneris.**

**H. Consideration of and Vote on Board Governance Review Process
Proposed Work Plan
Action Item**

Director Meyer introduced Mark Steranka of Moss Adams and discussed the policy development process plan and a prioritized list of policies the committee recommends to start the process.

Mark Steranka, Moss Adams, reaffirmed their process to be collaborative with the Board, Board committee and the public.

Director Meyer asserted options for evening meetings will be considered.

Director La Belle shared his support for the proposed work plan and shared his wish for the Attorney General's Office and CDFA involvement earlier in the process.

Director Meyer discussed the process of the proposed plan:

- Consultant and individual Board member dialogues on policy topics
- Incorporating these with model policies or best practices (first draft)
- Committee to make modifications as appropriate
- Public workshops
- Engaging the Attorney General's Office and CDFA for review at the appropriate point

Reggie Mundekis discussed the importance of the agenda item. She asserted that several items were omitted from the plan and asserted the need for the following policies: conflict of interest, self-dealing, ethics and emergency use of the property. She stated the need to look at impacts of policies on daily operations. She asked questions regarding timeframes of public input, draft policies and stakeholders.

Director Meyer stated the committee will maximize the time between the meeting posting and when the materials are posted.

ACTION: Director La Belle motioned and Director Bagneris seconded to approve the Policy Development Process presented. **MOTION CARRIED. AYES: Vice Chair Cervantes, Director Bagneris, Director Aitken, Director La Belle, Director Pham, Director Rubalcava-Garcia and Director Meyer. NAYES: None.**

I. Board Chair and Vice Chair Nominating Committee

Information item

Vice Chair Cervantes stated that Chair Ruiz appointed Director Aitken and Director La Belle to the Board Chair and Vice Chair Nominating Committee.

11. BOARD OF DIRECTORS MATTERS OF INFORMATION

Director Bagneris shared she would like to agendize a discussion on public comment during the meetings and allowing public speakers to read comments from other public members not at the meeting.

Director Pham congratulated everyone on a great fair.

Director Meyer shared his congratulations on a great fair and stated everyone should be proud. He spoke in support of a Board discussion on public comment.

Director Aitken shared her love of all the fair décor made from repurposed materials and focusing on environmental aspects and being sustainable.

Director Rubalcava-Garcia agreed with Director Aitken and congratulated Director Meyer for being honored by Equality California.

Director La Belle echoed congratulations of Director Meyer. He also congratulated staff on a fine fair.


Vice Chair Cervantes congratulated staff for their hard work and commitment to the community. She also congratulated Director Meyer on his award he will be receiving at the Equality California Awards.

12. NEXT BOARD MEETING: OCTOBER 24, 2019

13. ADJOURNMENT MOTION TO ADJOURN

The meeting adjourned at 1:00 p.m.


Robert Ruiz, Chair


Kathy Kramer, Chief Executive Officer
per delegated authority on file