



**Board of Directors Meeting
September 26, 2019**

Please take notice that this public meeting of the 32nd District Agricultural Association, a California state institution, is being recorded using video recording equipment. Please also take notice that the 32nd District Agricultural Association will release video recordings of its public meetings where required under California law.

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



For the One Month Ended June 30, 2019

	<u>Actual</u>	<u>Budget</u>	<u>Variance Favorable (Unfavorable)</u>
Revenue	\$ 1,130,669	\$ 1,071,746	\$ 58,923
Expenses	<u>\$ 3,198,803</u>	<u>\$ 6,356,504</u>	<u>\$ (3,157,701)</u>
Net Proceeds (Deficit)	<u>\$ 2,068,134)</u>	<u>\$ (5,284,758)</u>	<u>\$ 3,216,624</u>

For the Six Months Ended June 30, 2019

	<u>Actual</u>	<u>Budget</u>	<u>Variance Favorable (Unfavorable)</u>
YTD Revenue	\$ 6,935,915	\$ 6,530,054	\$ 405,861
YTD Expenses	<u>\$13,853,761</u>	<u>\$18,083,357</u>	<u>\$ (4,229,596)</u>
YTD Net Proceeds (Deficit)	<u>\$ (6,917,846)</u>	<u>\$ (11,553,303)</u>	<u>\$ 4,635,457</u>

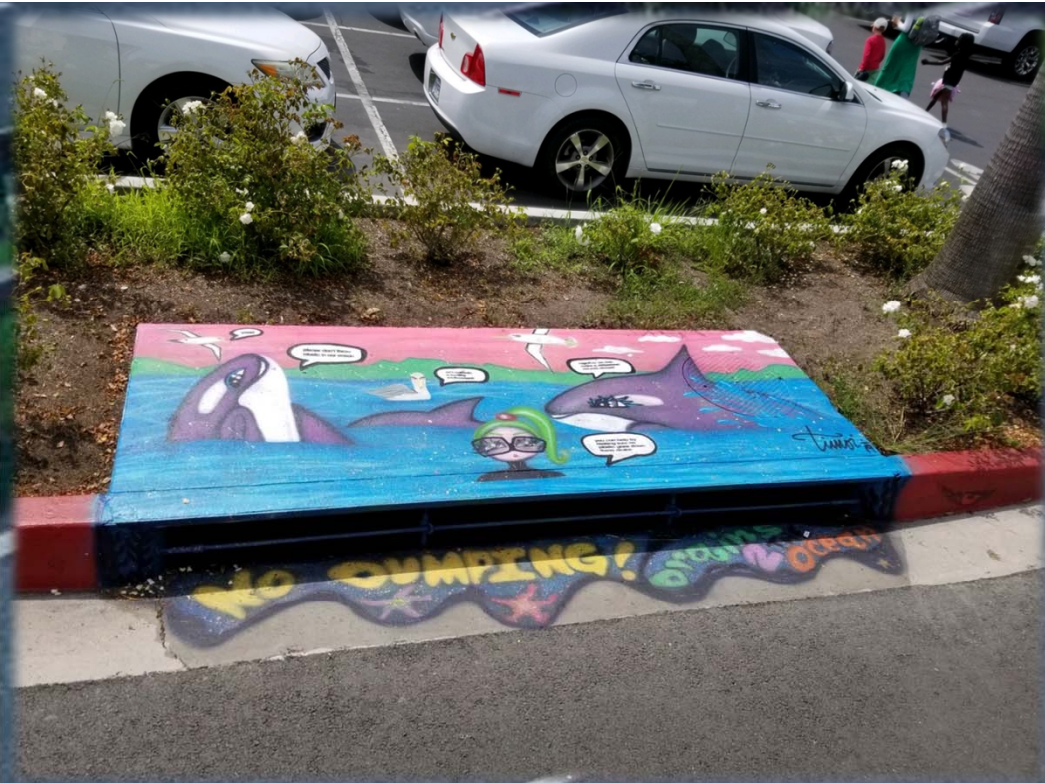
Cash and Cash Equivalents

	<u>June 30, 2019</u>	<u>June 30, 2018</u>
Cash on Hand	\$ 608,941	\$ 1,148,693
Investments	<u>\$ 53,555,536</u>	<u>\$ 46,467,932</u>
Total Cash and Cash Equivalents	<u>\$ 54,164,477</u>	<u>\$ 47,616,625</u>
Year over Year Increase	<u>\$ 6,547,852</u>	
% Increase	<u>13.8%</u>	



6. CEO's Operational Announcements & Updates





Since the 2019 OC Fair Closed...



America, Mariachi Festival,
Gin Blossoms/Collective Soul,
Jackson Browne, O.A.R., Ramon Ayala



6 weeks



August 17
September 7
September 21

Since the 2019 OC Fair Closed...

CROSSROADS of the WEST
GUN SHOW

August 17-18



August 17-18



August 17
September 7
September 8



August 22

Since the 2019 OC Fair Closed...



August 23-25



August 23-25



7 weeks

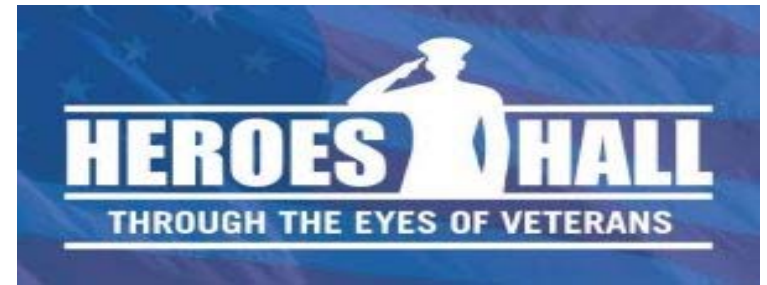


August 31-September 1

Since the 2019 OC Fair Closed...



September 13-15



September 18



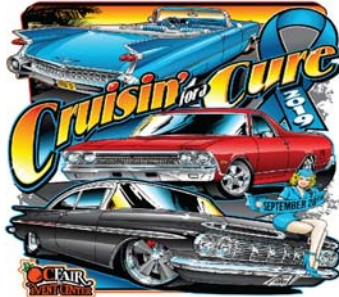
September 20-22

...and Community Connections Events

- Fairview Park Alliance Meetings
- Mesa Goat Hill Go-Getters 4H Meeting
- UC Cooperative Extension Master Gardeners Meeting
- Congressman Rouda Grants Workshop



Coming Next...



Cruisin' for a Cure
September 28



Costa Mesa Speedway
September 28 and October 5



Quilt, Craft & Sewing Festival
October 3-5



Centennial Farm Community BBQ
October 5



Voices: Veterans Storytelling Project
October 5



Fight Club OC
October 10



Gem Faire
October 11-13



OC Home & Holiday Expo
October 12-13



**Navy Birthday
October 11**



**Japan Fair
October 18-20**



**SoCal Veg Fest
October 19-20**



**Boo Ha Ha
October 25-26**



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



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



Saturdays/Sundays, 8a.m.-4p.m.
Oct. 26 – 50TH ANNIVERSARY CELEBRATION



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

6. 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.



7. Minutes

A. Board meeting held May 23, 2019

Action Item

B. Board meeting held June 27, 2019

Action Item

C. Board meeting held July 27, 2019

Action Item

D. Board meeting held August 22, 2019

Action Item



8. 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. 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)
- ix. Buildings and Maintenance Committee (Director Aitken, Committee Chair; Director Rubalcava-Garcia)
- x. Audit Ad Hoc Committee (Director Rubalcava-Garcia, Committee Chair; Meyer Director)



9B. 2019 OC Fair Wrap-Up Presentation

INFORMATION ITEM:

Staff will present highlights of the 2019 OC Fair.



9C. City of Costa Mesa July 3rd Independence Day Celebration Wrap-up Report and Accounting

INFORMATION ITEM:

At the April 25, 2019 Board of Directors meeting the Board approved to provide event space and related event expenses, at no charge, to the City of Costa Mesa for their 2019 Independence Day Celebration on July 3, 2019. The Board also requested a post-event report and accounting of the event. The Board authorized an amount not to exceed \$20,000.00 allocated for staff to work with the City of Costa Mesa to co-sponsor the event.



9C. City of Costa Mesa July 3rd Independence Day Celebration Wrap-up Report and Accounting

INFORMATION ITEM:

Breakdown of OCFEC services provided for co-sponsorship of the City of Costa Mesa July 3rd Independence Day Celebration:

\$ 1,100 Event Space – Use of Hussong’s in the OC Market Place footprint and surrounding parking lot for entertainment and vendors.

\$ 6,750 Parking - Parking provided at no charge to guests

\$ 8,549 Staffing and Equipment - Provide all staffing and equipment necessary for set-up, event day and event tear-down.

- Staffing \$4,936
- Equipment \$3,613

\$16,399 Total OCFEC Cost for Event



CITY OF COSTA MESA	
Summary of July 3rd, 2019 Celebration	
<u>MONETARY DONATIONS:</u>	\$ 66,000
<u>CITY SPONSORSHIP:</u>	\$10,000
	<u>\$76,000*</u>
<u>EXPENSES:</u>	
Bands	7,000
Chalk Artist	300
Inflatables	1,500
Signs and Banners	1,802
Stage and Lighting	2,750
Supplies	2,778
Venue (Pyrotechnics and Sound)	46,211
Staffing:	
Pre-event Planning	6,913
Event Day Personnel	6,408
	<u>75,662</u>
Contributions less Expenses	<u>\$ 338</u>
* Does not include OCFEC trade participation	

9D. Consideration of and Vote on Awarding the Infrastructure Grounds and Facility Audit Consulting Services Request for Proposal Winning Bid

During the 2019 budgeting process the Board of Directors approved up to \$500,000.00 in the Capital Budget to carry out an infrastructure grounds and facility audit. The purpose of the infrastructure, grounds and facility audit is to assess the current structures and services on the grounds and to identify need for future improvements. The audit is to be conducted before the implementation of a master site plan. This is the first time the District has undertaken an audit of this nature in recent history.

The District retained the services of California Construction Authority (CCA) to assist in the development and issuing of a Request for Proposal (RFP) for an infrastructure grounds and facility audit. The Building and Maintenance Committee reviewed the RFP in detail as the team worked through the development process and on June 12, 2019 CCA released the RFP. The purpose of the audit was thoroughly reviewed by the committee and is detailed in the RFP, pages 4 through 8.



9D. Consideration of and Vote on Awarding the Infrastructure Grounds and Facility Audit Consulting Services Request for Proposal Winning Bid

The expected outcome is to have a detailed report that will act as a guide to assist in the development of annual capital budgets. The audit findings will further guide the Board of Directors in the master site planning process.

Three proposals were received, and all three proposals were deemed responsive. CCA contacted the three firms to acknowledge receipt of the proposals and to communicate the timing of the Committee review and the ultimate decision and timing of the full Board of Directors.

The Building and Maintenance Committee, along with CCA and District staff, scored the three qualifying proposals. The scoring committee was comprised of the two members of the Buildings and Maintenance Committee, Director Aitken and Director Rubalcava-Garcia along with Vice President - Operations, Ken Karns and CCA staff Sean Slay and Jeff Fields. The scores of each person on the evaluation committee were calculated and EMG was identified as the winning bidder. All members of the evaluation committee concurred in the selection of EMG.



9D. Consideration of and Vote on Awarding the Infrastructure Grounds and Facility Audit Consulting Services Request for Proposal Winning Bid

It was also noted, in awarding this bid to EMG at the base price of \$175,655.63 gives the committee room within the budget to carry out additional work related to the audit if deemed necessary.

The current estimate of the budget is:

• LOU #1 with CCA (for the RFP development and bid)	\$ 7,100.00
• EMG fee -	\$175,655.63
• Pending LOU #2 with CCA (for the audit)	<u>\$ 37,097.61</u>
Total:	<u>\$219,853.24</u>

RECOMMENDATION:

The Board of Directors, Building and Maintenance Committee recommend the Board of Directors approves awarding the infrastructure grounds and facility audit consulting contract to EMG.



9E. Consideration of and Vote on Concluding Phase I (Discovery) of Branding Project and Approval to Move to Phase II (Recommendations and Concept Development)

- Initial stakeholder feedback presented at May Board meeting
- Request from Board to seek additional feedback from general public
- Feedback gathered from an additional 102 members of the general public through an online County-wide outreach using OCFEC customer database
- Total number of individuals participating in Phase I (Discovery) is 255
- Assessment by IMW Agency determined that the additional feedback correlates with the opinions gathered through the original feedback from internal and external audiences



9E. Consideration of and Vote on Concluding Phase I (Discovery) of Branding Project and Approval to Move to Phase II (Recommendations and Concept Development)

- Summary of the collective research:
 - Every single group cited OCFEC's versatility, location and accessibility as top assets.
 - Survey results repeatedly noted that OCFEC is safe and family oriented.
 - The community nature of OCFEC is considered one of its most special attributes.
 - The events are more dynamic and diverse, reflecting the changing interests and demographics of the community.
 - Some community members shared concerns about the increased number/scale of events, saying that traffic and parking issues are impacting the neighborhood.
 - While the Equestrian Center does not currently have its own identifier, there was robust discussion about the venue at several meetings.



9E. Consideration of and Vote on Concluding Phase I (Discovery) of Branding Project and Approval to Move to Phase II (Recommendations and Concept Development)

- Key takeaways:
 - The OCFEC brand is resonating well with the community, employees, visitors and event promoters.
 - The “orange” graphic in the logo is a great, identifiable icon that is strongly associated with the fair and the fairgrounds in a positive way.
 - The “Event Center” part of the logo may not adequately reflect the community spirit of the property, yet it does speak to the needs of event planners and promoters.
 - While mostly seen as favorable, Centennial Farm and Imaginology logos did not receive as high of brand equity scores by respondents as other property logos.
 - There is currently no tagline to help strengthen the brand’s position as a fun, educational place for the community to gather and explore diverse interests.
 - The property’s brands lack a sense of connection or cohesiveness to each other. They do not communicate that they are part of a “family” of brands all located on one property.



9E. Consideration of and Vote on Concluding Phase I (Discovery) of Branding Project and Approval to Move to Phase II (Recommendations and Concept Development)

RECOMMENDATION: Approve the conclusion of Phase I (Discovery) of the Branding Project and move to Phase II (Recommendations/ Concept Development) where IMW Agency will :

1. Explore potential alternatives to “Event Center” for consideration
2. Recommend a possible tagline to reinforce the community/educational spirit of the property
3. Develop options for a shared element/message to tie all the individual brands together
4. Present options for Centennial Farm and Imaginology logo design refresh
5. Recommend the addition of an Equestrian Center identifier to the property brand



9F. Consideration of and Vote on Future OCFEC Storage and Parking Initiatives

Over the past several years it has been increasingly difficult to find adequate off-site storage and parking needed to produce the annual OC Fair. The back of the house infrastructure needed to support the annual fair operations is extensive. As an example, just one carnival ride “LaGrande Wheel” requires 22 tractor trailers to transport this ride and after the ride is assembled these trailers need to be stored offsite.

The 2019 OC Fair was no exception. Staff spent extensive time identifying storage and parking spaces of any size in Orange County. Because we could not find adequate spaces to support all the fair operations this year, we ultimately housed some of this infrastructure on grounds, reducing our number of on-site parking spaces which impacted our parking for customers and revenues.



9F. Consideration of and Vote on Future OCFEC Storage and Parking Initiatives

Large properties around the fairgrounds that were once available to support fair operations and parking needs are being developed all around us – including Ganahl Lumber and Orange Coast College.

To support annual OC Fair operations and off-site storage and parking needs, we need to identify properties to purchase or lease with long-term specific leases for annual fair dates. Staff is looking for direction from the Board of Directors to help find storage and parking solutions to ensure the annual OC Fair will not be impacted in the future. Staff has attempted to contact and work with personnel of state and federal properties in Orange County, i.e. Fairview Hospital and the Reserve Base, to no avail. Staff believes viable solutions could be available with partnerships with both state and private organizations.



9F. Consideration of and Vote on Future OCFEC Storage and Parking Initiatives

RECOMMENDATION:

At the Board of Directors' discretion.



9G. Consideration of and Vote on Creating an Interim Policy on Sponsorship Agreements with Organizations That Do Not Follow California Non-Discrimination Laws

The Board of Directors Governing Policy Manual Review Ad Hoc Committee will be reviewing all of the District's policies, including policies on contracting and nondiscrimination. However, until those policies are adopted, the Board is being asked to consider an interim policy restricting the District from entering into agreements with organizations that do not abide by our institutional values of nondiscrimination and inclusion.



9G. Consideration of and Vote on Creating an Interim Policy on Sponsorship Agreements with Organizations That Do Not Follow California Non-Discrimination Laws

Draft Interim Policy on Nondiscrimination

(1) It is the policy of the 32nd District Agricultural Association (the “District”) that the District not enter into any agreement or contract of any kind, including but not limited to any sponsorship agreement, unless it contains or incorporates a nondiscrimination provision substantially in the following form:

Contractor and its subcontractors shall not discriminate against 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 (each a “Protected Characteristic”), nor shall they discriminate unlawfully against any employee or applicant for employment because of a Protected Characteristic. 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 32nd District Agricultural Association (“District”) 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 District 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.

9G. Consideration of and Vote on Creating an Interim Policy on Sponsorship Agreements with Organizations That Do Not Follow California Non-Discrimination Laws

Draft Interim Policy on Nondiscrimination

(2) No employee of the District shall execute any agreement or contract that does not include the foregoing provision without the express prior approval of the District's Board of Directors.

(3) The District shall not provide a sponsorship, grant, award, or similar payment to any organization that does not provide a written representation to the District that it follows and enforces a policy prohibiting discrimination on the basis of all Protected Characteristics. An organization that agrees in writing to abide by the model nondiscrimination provision set forth in this policy shall be deemed to have provided adequate representation.

RECOMMENDATION:

At the Board of Directors' discretion.



9H. Consideration of and Vote on Board Governance Review Process Proposed Work Plan

The Board of Directors Governing Policy Manual Review Ad Hoc Committee (“Governance Committee”) recommends that the Board approve the Policy Development Process. The Governance Committee, in collaboration with consultants from Moss Adams, proposes to follow this process in preparing new policies for the Board to consider.

Moss Adams is at work on the preparation of a schedule of policy topics to be addressed during this process. As source material, they are consulting the District’s current Bylaws, Board Governing Policy Manual, and Employee Handbook, as well the set of model policies promulgated by CDFA, best practices, and input from the Governance Committee.



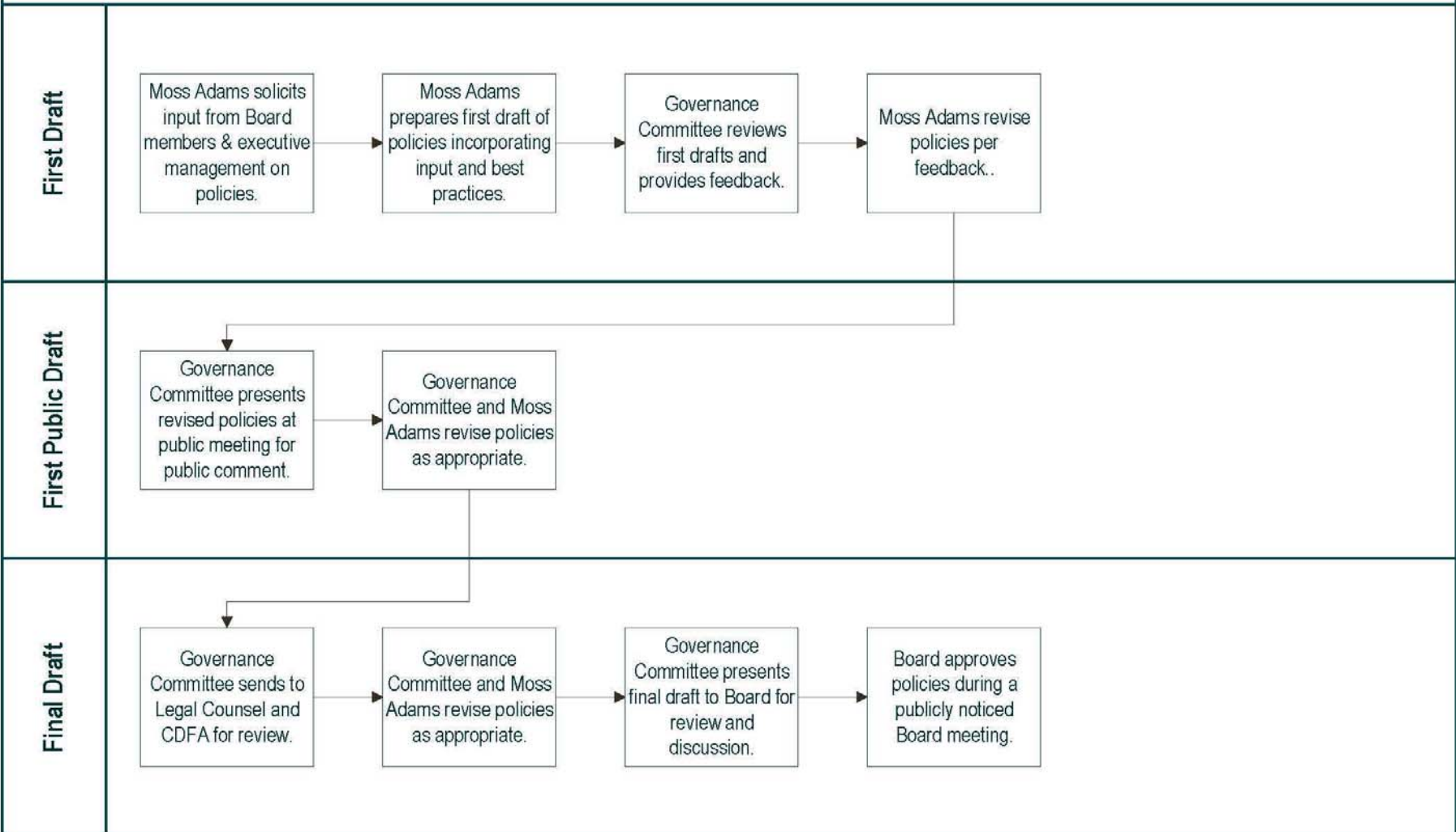
9H. Consideration of and Vote on Board Governance Review Process Proposed Work Plan

Below is a list of priority policy topics that the Governance Committee provided to Moss Adams:

- Contracting Process, including Signature Authority Limits
- Budget Development and Review Process
- Agency Responses to Acts of Hate and Discrimination
- Recommended Board Committees
- Community Sponsorships
- CEO Evaluation Process
- Selection Criteria for Board Officers
- Travel and Expense Policy



Policy Development Process



9H. Consideration of and Vote on Board Governance Review Process Proposed Work Plan

RECOMMENDATION:

At the Board of Directors' discretion.



9I. Board Chair and Vice Chair Nominating Committee

INFORMATION ITEM:

The Board Chair will appoint a two person task force to deliberate and make a recommendation for Officers of the Board for the upcoming year.

The Nominating Task Force will present their nominations at the October 24, 2019 meeting of the OCFEC Board of Directors.



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).)



11. Board of Directors' Matters of Information

Next Board Meeting

October 24, 2019





OC Fair & Event Center – Costa Mesa, California