

**MINUTES OF OCFEC BOARD OF DIRECTORS MEETING
HELD June 27, 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/2019/07/17134646/19_06_June_Transcript.pdf

1. CALL TO ORDER:

Chair Ruiz called the meeting to order at 9:02 a.m.

2. MISSION STATEMENT

3. PLEDGE OF ALLEGIANCE:

The Pledge of Allegiance was recited by Nick Berardino. Roll call was taken by Summer Angus.

4. DIRECTORS PRESENT:

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

- Director Aitken joined the meeting at 9:07 a.m.
- Director Bagneris joined the meeting at 9:47 a.m.
- Director Rubalcava-Garcia joined the meeting at 11:15 a.m.
- Director Mouet left the meeting after action on Agenda Item 9D.

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; Nick Nicora, Spectra; Tony Hendricks, Spectra; Adela Generally, Spectra; Nick Berardino; Mary Spadoni; Reggie Mundekis; Beth Refakes; Jeanine Robbins; Mike Robbins; Greg Silva; Sandy Marcasy

5. CEO'S OPERATIONAL UPDATE

Kathy Kramer, OCFEC CEO, reported on the following:

- Saturday, June 8th rainbow flag raising ceremony
- June 11th someone removed and vandalized the rainbow flag in front of the administration building
 - Incident reported to law enforcement, investigation underway
- OC Wine Society hosted their 43rd annual commercial wine competition, June 1st – 3rd
- Centennial Farm end of school year Docents appreciation luncheon was held on June 6th
- United States Census Bureau to have a booth at the 2019 OC Fair to promote upcoming 2020 US Census

- City of Costa Mesa Independence Day Community Celebration on July 3rd update
- Pacific Symphony summer concert series update
- Organizational Succession Plan Legacy Workshop update

Kramer presented the May financials.

Ken Karns, OCFEC VP Operations reported on the following:

- On June 5th, emergency preparedness training for Equestrian Center (EQC) staff and users was held
 - Emergency Response Manual provided to attendees
- EQC fire alarm installation completion and testing

Adam Carleton, OCFEC VP Finance, criticized the amount of time and cost of the investigation against him. He discussed his meeting with the investigator criticizing source documents for allegedly being incomplete. He spoke about an alleged overpayment to RCS and how the RCS concessions contract is billed.

6. PUBLIC COMMENTS

Reggie Mundekis requested again to move the Board meetings to the evening. She also requested the committee meetings be opened to the public. She thanked staff for the installation of the fire system at the EQC and requested fire alarm and sprinkler system be installed at Centennial Farm. She also requested it be put in the budget for next year.

Jay Humphrey shared he is looking forward to the fair and to the efforts OCFEC is going to make to take care of the surrounding neighborhoods. He spoke in support of the police contract with the City of Costa Mesa. He spoke about future planning related to increases in OCFEC activity and requested OCFEC connect with the City to communicate future plans, as it has impact on police and other City planning. He echoed the need to move the Board meetings to the evening.

Mary Spadoni spoke about attending a Costa Mesa City Council meeting where there were public comment complaints regarding trash, noise and parking. She asked if alcohol sales have increased. She requested to have three or four Board meetings a year be evening meetings.

Beth Refakes also spoke about the public comment complaints at the City Council meeting from residence on Hanover Street, reporting problems with trash in yards, moving no parking signs and loud noises. Refakes requested field ambassadors to patrol the area.

Kramer answered for Director Aitken the following: that there are neighborhood ambassadors in three communities, she will re-circle with the team to see if a stronger presence is needed in that area and

confirmed outreach/partnership with the City to make sure people know of the twenty-four hour phone line/email to report complains or problems.

7. MINUTES:

A. Board Meeting held April 25, 2019

Action Item

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

ACTION: Director La Belle motioned and Director Aitken seconded to review and approve the minutes from the Board meeting held April 25, 2019. **MOTION CARRIED. AYES: Chair Ruiz, Director Mouet, Director Aitken, Director La Belle and Director Meyer. NAYES: None. ABSTENTIONS: Director Pham. ABSENT FROM VOTE: Vice Chair Cervantes.**

8. CONSENT CALENDAR

A. Standard Agreements: SA-193-19FT; SA-194-19PA; SA-195-19PA; SA-196-19PA; SA-197-19GE; SA-198-19PA; SA-200-19PA; SA-201-19PA; SA-202-19PA; SA-203-19PA; SA-204-19PA; SA-205-19PA; SA-206-19PA; SA-210-19PA; SA-213-19FT; SA-214-19FT; SA-215-19FT; SA-216-19FT; SA-217-19FT; SA-218-19SP; SA-219-19SP; SA-220-19SP; SA-221-19SP; SA-222-19SP; SA-224-19HB; SA-225-19HB; SA-226-19HB; SA-227-19YR; SA-230-19FT; SA-231-19SP; SA-232-19GE; SA-233-19BB; SA-234-19SP; SA-235-19YR; SA-236-19YR; SA-237-19YR

B. Amendments: OCF-01-06LA (Amend. #2); SA-240-16SP (Amend. #2); SA-272-18SP (Amend. #1); SA-275-18YR (Amend. #1); SA-015-19HB (Amend. #1); SA-029-19BB (amend. #1); SA-067-19GE (Amend. #1); SA-077-19PA (Amend. #1); SA-133-19PA (Amend. #1); SA-160-19IA (Amend. #1); SA-235-19YR (Amend. #1)

C. Rental Agreements: ~~R-027-19~~; R-063-19; R-071-19; R-096-19; R-106-19; R-119-19; R-120-19; R-122-19; R-123-19; R-124-19; R-125-19; R-126-19; R-127-19; R-128-19; R-129-19; R-131-19; R-001-19; OCC-1901; OCC-1902; OCC-1903; OCC-1904; OCC-1905; OCC-1906

D. Active Joint Powers Authority Agreements (New): None

E. Commercial Rental Agreements: 19045; 19068; 19071; 19074; 19080; 19090; 19108; 19109; 19111; 19145; 19165; 19193; 19198; 19203; 19226; 19158 (Amended)

F. Concession Rental Agreements: 19565; 19575; 19583; 19598

G. Judging Agreements: LS-021-19; LS-024-19; CA-019-19; CA-020-19; CA-021-19; CA-022-19; CA-023-19; CA-025-19; CA-026-19; CA-027-19; CA-028-19; CA-029-19; CA-030-19; CA-031-19; CA-032-19; CA-033-19; CA-034-19; CA-036-19; CA-037-19

H. Platinum Rental Agreements: 19713

I. Supplier Rental Agreements: 19661; 19662; 19663; 19664; 19665; 19667

J. 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.

K. 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. 2019 Fairground Shelter Assessment

-End of Consent Calendar-

Director La Belle pulled the following Consent Calendar items for discussion:

- Standard Agreements: SA-198-19PA (Pacific Symphony); SA-230-19FT (Executive Event Services); SA-237-19YR (Executive Event Services)
- Platinum Rental Agreement 19713 (PerfectVision Manufacturing, Inc. dba AT&T/DIRECTV)

Karns also pulled Standard Agreement SA-237-19YR from the Consent Calendar, stating the contract is not required.

ACTION: Vice Chair Cervantes motioned and Director La Belle seconded to review and approve the Consent Calendar with Standard Agreements: SA-198-19PA (Pacific Symphony); SA-230-19FT (Executive Event Services); SA-237-19YR (Executive Event Services) and Platinum Rental Agreement 19713 (PerfectVision Manufacturing, Inc. dba AT&T/DIRECTV) pulled for discussion.

MOTION CARRIED. AYES: Chair Ruiz, Vice Chair Cervantes, Director Mouet, Director Aitken, Director La Belle, Director Pham and Director Meyer. NAYES: None.

Regarding Standard Agreement SA-198-19PA (Pacific Symphony):

Kramer explained the contract was to hire the Pacific Symphony Orchestra for the Weird Al concert, adding this was not a co-production show but an OCFEC self-produced show for the summer concert series.

ACTION: Director La Belle motioned and Director Aitken seconded to review and approve Standard Agreement SA-198-19PA (Pacific Symphony) of the Consent Calendar. **MOTION CARRIED. AYES: Chair Ruiz, Vice Chair Cervantes, Director Mouet, Director Aitken, Director La Belle, Director Pham and Director Meyer. NAYES: None.**

Regarding Standard Agreements SA-230-19FT (Executive Event Services) and SA-237-19YR (Executive Event Services):

Karns explained the Standard Agreements SA-230-19FT (Executive Event Services) contract is for gate security services for the Blue, Green and Yellow Gates during the 2019 OC Fair. He explained further that after reviewing the contract with the contract team and auditor the contract was posted as an IFB, in which three companies bid on. Karns pulled contract SA-237-19YR (Executive Event Services) from the Consent Contract completely, stating the contract was not awarded to this contractor (no vote on this item).

Director Mouet briefly stepped out of the meeting and was absent from the vote.

ACTION: Director La Belle motioned and Director Meyer seconded to review and approve Standard Agreements SA-230-19FT (Executive Event Services) of the Consent Calendar. **MOTION CARRIED. AYES: Chair Ruiz, Vice Chair Cervantes, Director Aitken, Director La Belle, Director Pham and Director Meyer. NAYES: None. ABSENT FROM VOTE: Director Mouet.**

Regarding Platinum Rental Agreement 19713 (PerfectVision Manufacturing, Inc. dba AT&T/DIRECTV):

Director La Belle disclosed his 287 shares out of the of 7.1 billion AT&T stock.

ACTION: Director La Belle motioned and Vice Chair Cervantes seconded to review and approve Platinum Rental Agreement 19713 (PerfectVision Manufacturing, Inc. dba AT&T/DIRECTV) of the Consent Calendar. **MOTION CARRIED. AYES: Chair Ruiz, Vice Chair Cervantes, Director Mouet, Director Aitken, Director La Belle, Director Pham and Director Meyer. NAYES: None.**

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; 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)

Director La Belle, on behalf of the Heroes Hall Veterans Foundation (HHVF) Board, reported:

- Review of CD rates
- The Army birthday celebration event
- Discussions on possible Vietnam War exhibit
- Skyhawk update
- Pacific Symphony president met with the HHVF to request funds for Hail to Heroes concert event for veterans
 - The HHVF declined, donors interested in education, students, scholarships, exhibits, etc.
 - Request for the Pacific Symphony to find out if the musicians will to donate their services for the event, if confirmed, the HHVF may consider the matter again or direct to another veteran advocate group for contributions

Richards, on behalf of the Centennial Farm Foundation (CFF), reported:

- CFF planning annual poker tournament fundraiser for July 29th
- Planning beginning for Centennial Farm's 30th anniversary

community celebration, event to be held October 5th

Director Pham, on behalf of the Financial Monitoring Committee, stated the committee met with CEO Kramer and Director of Finance, Elaine Kumamoto and reported the following:

- They discussed operational and ERP system improvements
- The Director of Finance has stepped up considerably the last two months
- New part-time hire in Finance department to help

Director Bagneris arrived and joined the meeting at 9:47 a.m.

Director Aitken, on behalf of the Legislative Monitoring Committee, stated she received an update from the retained lobbyist and reported:

- Many fair industry bills currently in the State Assembly and the State Senate – not a lot that impacts the OCFEC fairgrounds
- Due to heightened costs regarding 50/50 raffle legislation, professional sports franchises are trying to amend the bill associated with 50/50 raffles
 - The Committee is exploring ways to partner with local professional sports franchises

Director Meyer, on behalf of the Board of Directors Governing Policy Manual Review Ad Hoc Committee, reported:

- The RFP for consulting services was reissued

Karns, on behalf of the Buildings and Maintenance Committee reported:

- Infrastructure Audit RFP was issued on June 12th
 - Held a mandatory pre-proposal meeting June 26th where six groups of proponents were able to tour the grounds and ask initial questions
 - RFP responses due July 12th, notice of contract award estimated by June 19th, contract estimated to start August 12th

Director Aitken reminded the Board the importance of having the site-wide infrastructure report in place before discussions regarding the Master Site Plan resume.

Director La Belle requested the awarded contract come back to the full Board for approval before the work begins.

Karns clarified that the successful proponent will be under contract with California Construction Authority, but is happy to bring the contract back to the full Board.

Reggie Mundekis spoke regarding Board Governance Committee, stating CDFA has published a set of policies that are adoption ready by

the Board of Directors. She added the policies represent the minimum the Board has to have for policies. She criticized Board for not taking the necessary steps to protect public property assets and employees by failing to adopt the CDFA policies which were available in December 2018. She urged the Board to adopt them immediately.

Adam Carleton stated he is OCFEC's fourth financial executive in the calendar year when he started. He stated the investigator seemed to be unaware of this, during the meeting he had with him. He added he had to apply himself diligently to clean up the mess when he was hired. He discussed the 2015 audit and the findings; checked issued over a certain dollar amount without a second signature and the issue of AB2490. He discussed the 2016 audit and 2017 audit and alleged the CEO intentionally delayed responding to the audit. He discussed audit findings of improper hiring of outside attorneys. He criticized the audit response letter to CDFA for omissions of an \$75,000 illegal contract and how to collect the money.

Adam Carleton criticized the MOU with the Heroes Hall Veterans Foundation (HHVF) for not addressing the donation box in the museum and the cash donated going to the HHVF. He stated the donation box needs to have a rental agreement with OCFEC. He commented on the forty-five thousand dollar minimum contribution in the MOU HHVF has to pay OCFEC and stated he did not know why they were refunded twenty thousand dollars.

D. Consideration of and Vote on Construction Budget for the A-4M Skyhawk Project and Provide Staff Direction on Next Steps
Action Item

Karns presented the staff report asking the Board to choose one of three options regarding the Skyhawk project:

- Option 1 (w/ artificial turf)
- Option 2 (w/ sod)
 - Cost difference between Option 1 and Option 2 equals \$96,400
- Option 3 not to award the bid

Director Bagneris asked if the HHVF could contribute the \$96,000 difference in funds between Option 1 and Option 2.

Director La Belle stated the action the HHVF has taken is the contribution of the plaques.

Board and staff discussion ensued regarding whether to choose Option 2 and at a later date decide to install the artificial turf. Items discussed:

- Approaching the HHVF for more funding
- Fundraising

- Timing issues
- The lack of durability of sod with OCFEC event activities
- Change orders and ending up spending more money

Discussion continued regarding the following:

- Durability, sustainability and maintenance of artificial turf versus sod
- Being environmentally conscience and water wise
- Doing the project right from the beginning
- Artificial turf more desirable
- Fundraising with the sale of personalized bricks
- Contingency money in budget enough to complete the project on time

Director Meyer, Director Aitken, Director Pham Chair Ruiz and Vice Chair Cervantes all spoke in support of Option 1.

Nick Berardino, HHVF President, shared his pleasure working with the Board of Directors, the committee and staff on the project. He stated the HHFV will be doing the plaques. He discussed the HHVF efforts in negotiations with the County for \$200,000 toward the funding of the project. He stated the HHVF is in support of Option 1 and fundraising efforts.

Beth Refakes spoke in support of Option 1. She spoke about cost savings on maintenance and water by choosing artificial turf. She suggested asking the City of Costa Mesa for a donation to the project.

ACTION: Director Bagneris motioned and Vice Chair Cervantes seconded to move forward with Option 1 presented by staff. **MOTION CARRIED. AYES: Chair Ruiz, Vice Chair Cervantes, Director Bagneris, Director Mouet, Director Aitken, Director La Belle, Director Pham and Director Meyer. NAYES: None.**

Doug La Belle suggested a project site groundbreaking event during the OC Fair with the Board, Foundation and County Board of Supervisors.

Director Mouet left the meeting.

B. 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

Action Item

Karns presented the staff report and recommendation: at Board of Directors' discretion to approve staff to work with Spectra and execute

the Orange County Market Place operational financial plan which includes \$100,000 for marketing and promotion and 500,000 for event production. The allocated funds would come out of the rent revenue paid annually to OCFEC by Spectra for the Orange County Market Place and this budget would be reviewed and approved by the Board of Directors annually through the budget process. Spectra took over ownership of the OC Market Place in 2016. Despite renewed efforts to grow, the Orange County Market Place (OCMP) is projected to continue to decline in revenue and increase in expenses which is expected to result in significant losses. The current business model is not sustainable.

Nick Nicora, Vice President Spectra, presented Spectra's proposal.

Tony Hendricks, Regional Vice President, Spectra Food Service and Hospitality Management presented a high level financial overview of the OCMP and explained their current financial situation. He discussed losses in revenues and attendance.

Nicora continued to present the proposal and spoke about engaging R entertainment to drive new events. He talked about the OCMP's 50th anniversary celebration.

Reggie Mundekis spoke in opposition of OCFEC financially supporting Spectra, stating Spectra is part of Comcast one of the largest companies in the world. She criticized the proposal would make another event center in the parking lot.

Jeanine Robbins, OCMP vendor, spoke about her business and long-time customers. She asserted the need to attract new customers and awareness of the OCMP. She shared she supports any event that would drive people to the OCMP. She stated she and hundreds of other vendors are in support of the proposal.

Mike Robbins, OCMP vendor spoke about challenges the vendors have faced over the years. He called the OCMP one of Orange County's great community assets. He spoke in support Spectra and the proposal. He asserted the OCMP supported the fairgrounds for decades.

Greg Silva, OCMP vendor, spoke about his long-time family owned business. He urged that if there is anything the Board can do to help, it would be greatly appreciated.

Beth Refakes spoke in opposition of the proposal sharing her concerns with diverting rent monies to aid the OCMP. She suggested bringing in more diverse vendors and more promotion of the OCMP and the fairgrounds to promote awareness that the fairgrounds did not get sold.

Sandy Marcasy, long term service provider of the OCMP and representing some of the vendors, stated OCFEC is the landlord and as a State facility should be helping the vendors. She urged the Board to look at it from the perspective of the vendors and take a look at how the operation is handled.

Board, Spectra staff and OCFEC staff discussion ensued regarding various points of the proposal, current OCMP business model, vendor rents, issues vendor and customer retention, timeline of proposal concept to Board presentation and Spectra and vendor meetings.

Director Aitken shared her concerns and discussed the following:

- Process and procedure not followed to satisfy the ask
- More notice to the Board the proposal was coming down the pipeline
- A vendor leadership team created, Spectra asking the vendors what they think
- Diverting \$600,00 taxpayer money
 - Larger Board discussion, questioned should OCFEC talk about producing the market place in-house
- Setting a precedence to other partners
- Wanting more time to go through the details

Director Rubalcava-Garcia arrived and joined the meeting at 11:15 a.m.

Director Aitken shared she would like to see Spectra make a capital investment of \$100,000 and revisit after six months to see what if any changes have occurred. She shared her support of the vendors, stating she will always be there for the vendors.

Kramer reported dates and timing of the initial meeting with Spectra where they presented a concept and subsequent meetings with Spectra. She reported it was staff's operational job to vet these things before bringing it before the committee and the Board. She added once Spectra had a full proposal, it was presented to the Tenant Liaison Committee.

Director Bagneris shared her support of the vendors and asked the Tenant Liaison Committee meet on a more regular basis and to follow the progress of the vendors. She suggested tabling the item and asserted the Board needs more information.

Director Pham explained the intention was there not be a vote on the item today but allow for Board discussion. He shared he is in support of taking some sort of action to help the OCMP whether it be an iteration of the proposal or a different iteration.

Director La Belle asked that the original rental agreement between Tel Phil needs to come back to the full Board to refresh memory as well as knowing the conditions and the restrictions on the rent reductions given. He spoke in support of the vendors and suggested tabling the item to have during budget discussions.

Director Meyer discussed having the Board committee involved in discussions earlier. He shared wouldn't be comfortable voting until the Committee had reviewed it in multiple meetings and consideration of numerous alternatives for solving the problem. He shared his support of the vendors.

Director Rubalcava-Garcia suggested looking at other business models, seeing what successful market places are doing. She suggested the Tenant Liaison Committee meet more often.

ACTION: Director Bagneris motioned and Director La Belle seconded to table the item until it is appropriate to bring back. **MOTION CARRIED. AYES: Chair Ruiz, Vice Chair Cervantes, Director Bagneris, Director Aitken, Director La Belle, Director Pham, Director Rubalcava-Garcia and Director Meyer. NAYES: None.**

The meeting broke for a recess at 11:47a.m. and resumed at 11:55 a.m.

Chair Ruiz clarified that the item was listed as an action item giving the Board the opportunity to give staff direction on the item.

C. 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
Action Item

Kramer presented the staff report

John Forsyte, Pacific Symphony President, discussed the Hail to the Heroes concert project:

- Latest "Building Community" concert
- Project to help build the strength and cohesion of our veteran communities and veteran services
- Pledge of 1,277 free tickets to veterans to attend the concert, \$50,000 value
 - Pledge that every veteran family, active duty, and first responder will have free tickets to the concert up to four per household.
- Concert cost \$350,000 to produce

- Fundraising efforts

John Forsyte asked the Board to consider a partnership of \$25,000 to support concert tickets and transportation that the Symphony is providing to veterans, active duty military and first responders.

John Knapp, veteran and Director of the Tierney Center at Goodwill, spoke about veterans and shared his role as a non-profit partner to the Symphony for this event. He asserted the Hail to Heroes concert as a way to show thanks to those that served.

Reggie Mundekis criticized monies given to the Pacific Symphony and asked why State money is needed for this event. She stated it is unclear what the guidelines for receiving the tickets are, the need to be clear on obligation and that the event is open to all persons, not to allow discrimination. She urged the Board not approve this item. She suggested other ways to support veterans.

Beth Refakes spoke about veterans that need assistance and veterans that are homeless and need assistance. She stated she has a problem with taxpayer dollars going to fund all these other activities then having to pass those costs to fairgoers and the community to make up for revenue in the form of increases in parking, admissions and other fees.

Director Meyer asked what process is used for making evaluations of these requests? He shared his concerns with the process for initiating and reviewing these requests. He criticized that funds for the Pacific Symphony were apportioned but no thought was given to apportioning underwriting cost to the Out at the Fair event.

Director Aitken shared her concerns with the process items like this come to the Board of Directors. She asserted the need for a line item in the budget that has a designated amount, for what 501 (c) (3) programs OCFEC will support. She requested to table the item until the Board is presented with a contract, cost and identity of other fundraising partners. She asked if the Tenant Liaison or Finance committees were informed of the proposal.

Board of Directors and John Forsyte discussion ensued regarding fundraising.

Kramer stated Heroes Hall and Centennial Farm will be integrated into event.

Director Pham and Vice Chair Cervantes stated the committees were unaware of the proposal.

ACTION: Vice Chair Cervantes motioned and Director Meyer seconded to table the item to a later date. **MOTION CARRIED. AYES: Chair Ruiz, Vice Chair Cervantes, Director Bagneris, Director Aitken, Director La Belle, Director Pham, Director Rubalcava-Garcia and Director Meyer. NAYES: None.**

Board discussion ensued regarding process of agenda items and staff reaching out to the Board committees to involve the Board on items at an earlier date.

Kramer stated staff wants to follow protocol and process and asked the Board to articulate clear direction when staff is to engage the Tenant Liaison and Financial Monitoring Committees.

Director Bagneris suggested it would be helpful to state the purpose of each committee and their responsibilities.

Director Meyer criticized the amount of money being asked for was not disclosed in the staff report.

E. Consideration of and Vote Regarding 2020 Operating and Capital Budget

Action Item

Director La Belle presented his proposal for the 2020 Budget schedule process:

- Financial Monitoring Committee meets with CEO/staff to review work in progress – date(s) to be determined
- Draft Budget including program narratives distributed to the Board by 11/1
- Board conduct evening Budget workshop the week of 11/10
- Budget workshop conducted at 11/21 Board meeting
- Board adopts 2020 Operating and Capital budgets 12/18

Reggie Mundekis spoke in support of Director La Belle's proposed budget timeline. She urged the need to have an open process where all groups in Orange County can apply for available funds and that the Board decides once or twice a year on these grant applications as far as who does and does not get funded.

Director Meyer spoke in support of Director La Belle's proposal. He suggested a Board committee to review sponsorship requests.

Director Aitken stated the need for policy and criteria for allocating funds to non-profits. She requested information be sent to her regarding what non-profits OCFEC has supported in 2019 and the amounts given.

Director Pham stated the budget process has been improved under the leadership of CEO Kramer.

ACTION: Director Meyer motioned and Director Aitken seconded to adopt the Budget process timeline and recommendations by Director La Belle. **MOTION CARRIED. AYES:** Chair Ruiz, 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 Board Policy Regarding Staff and/or Board of Directors' Public Responses to Hate Crimes and Acts of Discrimination Committed on District Property

Action Item

Director Meyer spoke about the vandalism of rainbow flag that occurred on the fairgrounds, sharing it constitutes a hate crime. He criticized staff position that no public comments should be made regarding the crime that occurred. Once the statement was issued, he criticized it was issued in the name of the Board of Directors. He discussed his recommendation that the Board adopt a policy with clear guidelines regarding public statements made by OCFEC, as an institution, with no qualifications on it when a hate crime is committed on OCFEC property.

Director Rubalcava-Garcia shared she requested staff to issue a press release regarding the incident and was told that law enforcement recommended against issuing a statement. She spoke in support of having a policy in place and in support of Director Meyer's recommendation.

Director Aitken stated the Board cannot defer to law enforcement on how to protect marginalized communities. She spoke in support of press releases being issued on behalf of the institution with a comment from the Board Chair.

Jay Humphrey spoke in support of Director Meyers comments. He stated the State of California says you can't discriminate, nor should you foster discrimination and questioned and criticized the partnership with Vanguard University. He asked the Board to get clarity and information before voting on something.

Board discussion regarding what action the Board may want to consider:

- Possible motion: policy that any hate crime that occurs on this property should be publicly denounced
- Deferring to a committee for study before creating policy

Kramer explained the process of events after the incident and law enforcement's recommendation not to issue a statement in fear a copycat. She explained issuing the statement in the name of the Board of Directors was intended to have the statement carry more weight.

Board discussion insured regarding policy.

Chair Ruiz directed the Governance Committee to study the issue.

No action took place.

G. Update on Diversity and Inclusion Training for District Staff

Action Item

Kramer presented the staff report

Reggie Mundekis criticized staff and alleged there are a number of staff who will never be on board with this.

Director Rubalcava-Garcia commended CEO Kramer for initiating the training. She shared her concerns regarding earlier Board discussions, stating she never assumed insinuated any of the staff are not in favor of different communities within Orange County. She shared she fully supports staff and is impressed with staff.

Director Meyer suggested bringing in experts for this kind of training.

Kramer stated there will be an ask for additional training funds in the 2020 Budget.

No action taken.

H. Update on Diversity and Inclusion Training for Contracted Fair Security

Action Item

Director Meyer asked staff to highlight for the security vendor the incident that occurred so they are aware.

No action taken.

I. Consideration of and Vote to Cancel the August Board of Directors Meeting

Action item

Chair Ruiz presented the staff report.

Board discussion ensued.

ACTION: Vice Chair Cervantes motioned and Director Bagneris seconded to cancel of the August Board of Directors meeting. **MOTION CARRIED. AYES: Chair Ruiz, Vice Chair Cervantes, Director Bagneris, Director Aitken, Director La Belle, Director Pham, Director Rubalcava-Garcia and Director Meyer. NAYES: None.**

**J. Staff Presentation of 2019 OC Fair
Information Item**

Richards presented highlights of the upcoming 2019 OC Fair.

Director Bagneris suggested to do have the fair highlights item as the first item on the agenda in the future.

10. CLOSED SESSION

The meeting adjourned to closed session at 1:47 p.m. and reconvened at 2:41 p.m.

There were no matters to report out of closed session.

11. BOARD OF DIRECTORS MATTERS OF INFORMATION

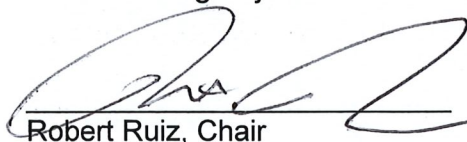
The Board discussed their excitement for the upcoming OC Fair.

Chair Ruiz read a letter from Director Mouet announcing his resignation from the Board of Directors effective August 31, 2019.

12. NEXT BOARD MEETING: AUGUST 22, 2019

13. ADJOURNMENT MOTION TO ADJOURN

The meeting adjourned at 2:43 p.m.



Robert Ruiz, Chair



Kathy Kramer, Chief Executive Officer