



## **Board of Directors Meeting**

**April 23, 2020**

*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)*



## 5. 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).)
- B. Personnel: The Board will meet in closed session to consider the evaluation of performance of the General Manager / CEO. [Govt. Code, § 11126, subd. (a).]



## 6. CEO's Operational Announcements & Updates





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## 6. CEO's Operational Announcements & Updates

- 63 canceled events to-date due to COVID-19
- Representing \$3.74 million in lost revenue
- 9 events rescheduled for Q4
- Representing \$1.107 million in projected regained revenue



# For the Three Months Ended March 31, 2020

	<b>Actual</b>	<b>Budget</b>	<b>Variance</b> Favorable (Unfavorable)
YTD Revenue	\$2,177,345	\$2,994,815	\$(817,470)
YTD Expenses	<u>\$5,523,290</u>	<u>\$7,320,757</u>	<u>\$1,797,467</u>
YTD Net Proceeds (Deficit)	<u>\$(3,345,945)</u>	<u>\$(4,325,942)</u>	<u>\$979,997</u>





# Cash and Cash Equivalents

	<u>March 31, 2020</u>	<u>March 31, 2019</u>
Cash on Hand	\$3,480,585	\$1,809,367
Investments	<u>\$51,255,686</u>	<u>\$50,250,159</u>
Total Cash and Cash Equivalents	<u>\$54,736,271</u>	<u>\$52,059,526</u>
Year over Year Increase	<u>\$2,676,745</u>	
Year over Year % Increase	<u>5%</u>	



## 7. Minutes

### **A. Board meeting held March 26, 2020**

Action Item



## 8. 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.



## 9. 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.





# 10A. 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. Community Engagement Committee (Vice Chair Rubalcava-Garcia, Committee Chair; Director Ruiz)
- ii. Heroes Hall Veterans Foundation Board (Director La Belle, Chair Cervantes)
- iii. Centennial Farm Foundation (Chair Cervantes)
- iv. Financial Monitoring Committee (Director Pham, Committee Chair; Director La Belle)
- v. Legislative Monitoring Committee (Director Aitken, Committee Chair; Director Ruiz)
- vi. Governance Committee (Vice Chair Rubalcava-Garcia, Committee Chair; Director Bagneris)
- vii. Safety & Security Committee (Chair Cervantes, Committee Chair; Vice Chair Rubalcava-Garcia)
- viii. Facilities Committee (Director Aitken, Committee Chair; Vice Chair Rubalcava-Garcia)
- ix. Audit and Compliance Committee (Vice Chair Rubalcava-Garcia, Committee Chair; Director La Belle)
- x. Branding Project Ad Hoc Committee (Director Aitken, Committee Chair)
- xi. Storage, Parking and Traffic Ad Hoc Committee (Director La Belle, Committee Chair; Director Bagneris)

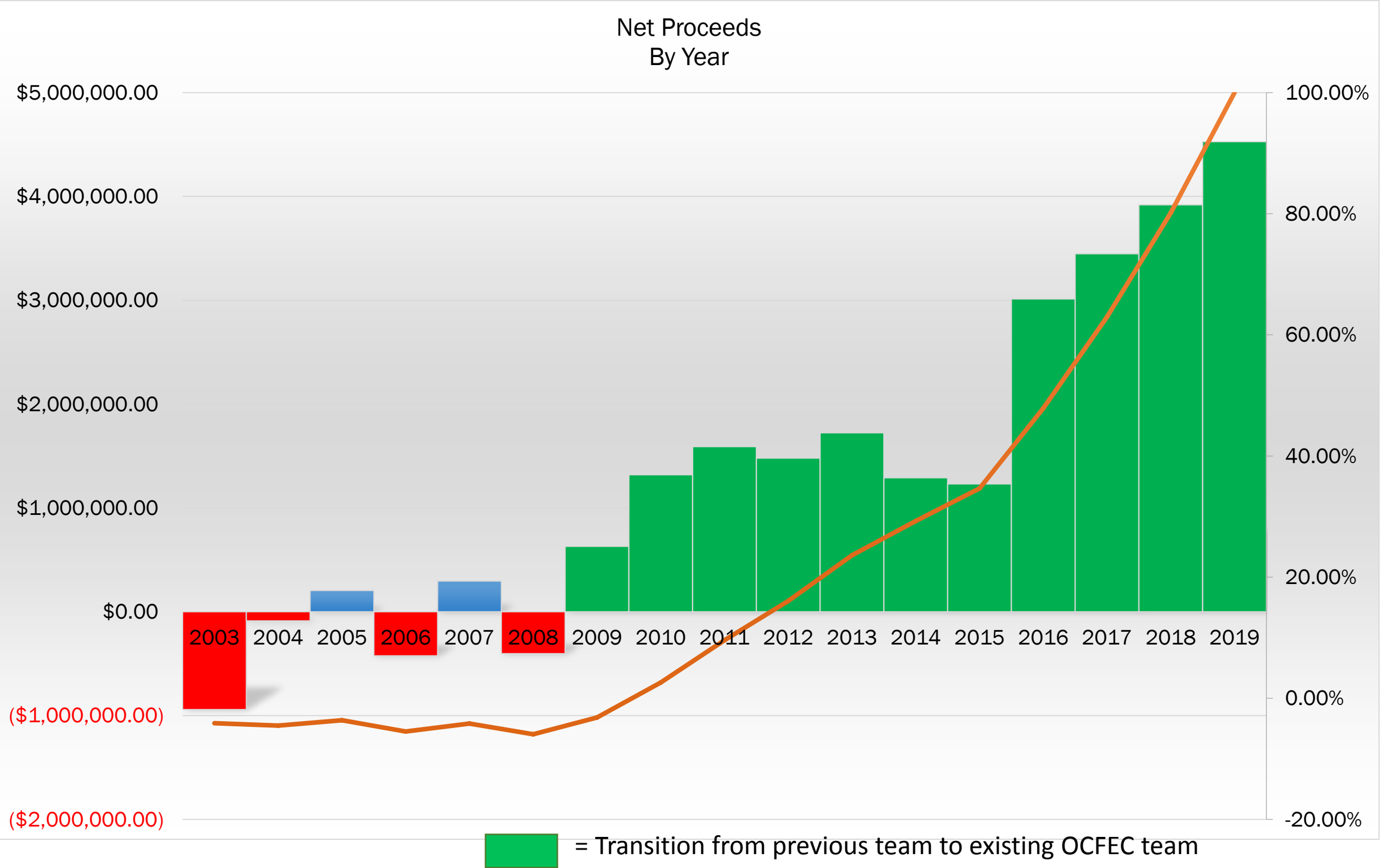


## 10B. Consideration of and Vote on Whether or Not to Approve Release of the Entertainment Marketing and Booking Services RFP

Since reopening in 2003, the Summer Concert Series at the Pacific Amphitheatre has been one of the strongest revenue generating components of the annual OC Fair season. From 2016-2019 alone, concerts at the Pacific Amphitheatre have generated a net profit of \$14,909,861.00.



PACIFIC AMPHITHEATRE NET PROCEEDS BY YEAR



# Net Proceeds By Year

Year	Net Profit	Percent of Total	Cumulative Percent
2003	(\$941,680.00)	-4.13%	-4.13%
2004	(\$87,814.00)	-0.38%	-4.51%
2005	\$204,602.00	0.90%	-3.61%
2006	(\$424,181.00)	-1.86%	-5.47%
2007	\$295,999.00	1.30%	-4.18%
2008	(\$403,326.00)	-1.77%	-5.94%
2009	\$630,000.00	2.76%	-3.18%
2010	\$1,319,711.00	5.78%	2.60%
2011	\$1,590,815.00	6.97%	9.57%
2012	\$1,479,854.00	6.48%	16.06%
2013	\$1,723,846.00	7.55%	23.61%
2014	\$1,290,662.00	5.66%	29.27%
2015	\$1,231,341.00	5.40%	34.66%
2016	\$3,013,122.00	13.20%	47.87%
2017	\$3,448,463.00	15.11%	62.98%
2018	\$3,920,104.00	17.18%	80.16%
2019	\$4,528,172.00	19.84%	100.00%
Total	\$22,819,690.00	100.00%	



## 10B. Consideration of and Vote on Whether or Not to Approve Release of the Entertainment Marketing and Booking Services RFP

The OC Fair & Event Center, like the majority of California Fairs, has long contracted with talent bookers for entertainers at the annual OC Fair. Over the years, many of those responsibilities have been brought in house, specifically for The Hangar, the Action Sports Arena, Grounds Entertainment and various small stages.

The Pacific Amphitheatre, on the other hand, requires a dedicated, full time group working closely with the Entertainment Director to manage marketing and booking of the annual season. In addition to the amount of work required for this service, the District is relying upon the years of industry experience, an excellent reputation and unique industry relationships that the selected bidder would provide.

The cost of this contract is built into the season's event pro-forma thus all costs related to this function are built into the ticket prices.



## 10B. Consideration of and Vote on Whether or Not to Approve Release of the Entertainment Marketing and Booking Services RFP

The current agreement (SA-271-15PA) expires on December 31, 2020 thus staff is recommending the issuance of an RFP to secure entertainment marketing and booking services. Staff is prepared to issue the RFP on Thursday, April 23 with a proposed award announced on Friday, May 29. The resulting agreement would be for two years with three one year options to renew. The agreement would commence on January 1, 2021.

### **RECOMMENDATION:**

At the Board of Directors' discretion.



# 10C. Consideration of and Vote on Policy for the Use of e-Signatures

The use of electronic signatures for contracts and agreements is permitted by the California Department of General Service pursuant to the development and approval of a policy by the Board of Directors for a particular State agency.

The current remote work situation due to the COVID-19 pandemic has created the need for the use of e-Signatures for a variety of administrative forms, agreements and contracts. Use of e-Signatures would greatly streamline administrative processes and avoid the need for employees to go into the office for signatures.

The policy attached to the packet materials, developed through the Attorney General's Office, is presented for the Board's consideration.

## **RECOMMENDATION:**

At the Board of Directors' discretion.



# 10D. Consideration of and Vote on Whether or Not to Approve the LOU and Rental Agreement with the City of Costa Mesa for Placement of Emergency Use Trailers at OC FEC

The City of Costa Mesa has requested the use of space to place ten camping trailers, given to the City by the State of California, for potential emergency housing if needed, for unsheltered residents who may have risk factors that make them vulnerable to COVID-19. It is not yet known if or when the trailers may be used.

The zero dollar (\$0) rental agreement and accompanying Letter of Understanding (LOU) establish the guidelines for use of the property by the City of Costa Mesa including required insurance, State Fire Marshal requirements, security measures and reimbursement of out-of-pocket expenses.

## **RECOMMENDATION:**

At the Board of Directors' discretion.



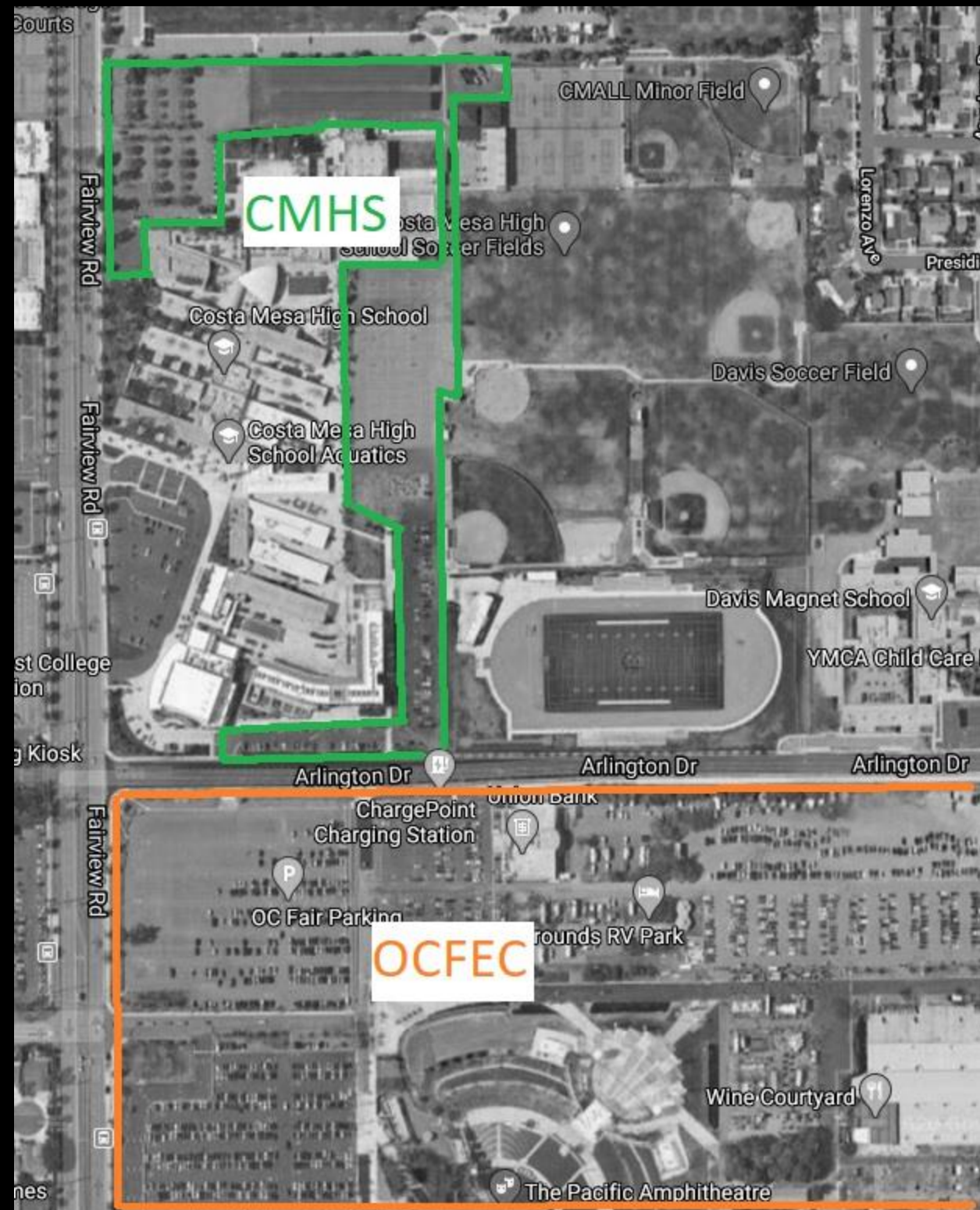


## 10E. Consideration of and Vote on the Operational Expenditure for Renting the Costa Mesa High School and Davis School Parking Lots for the 2020 or 2021 OC Fair

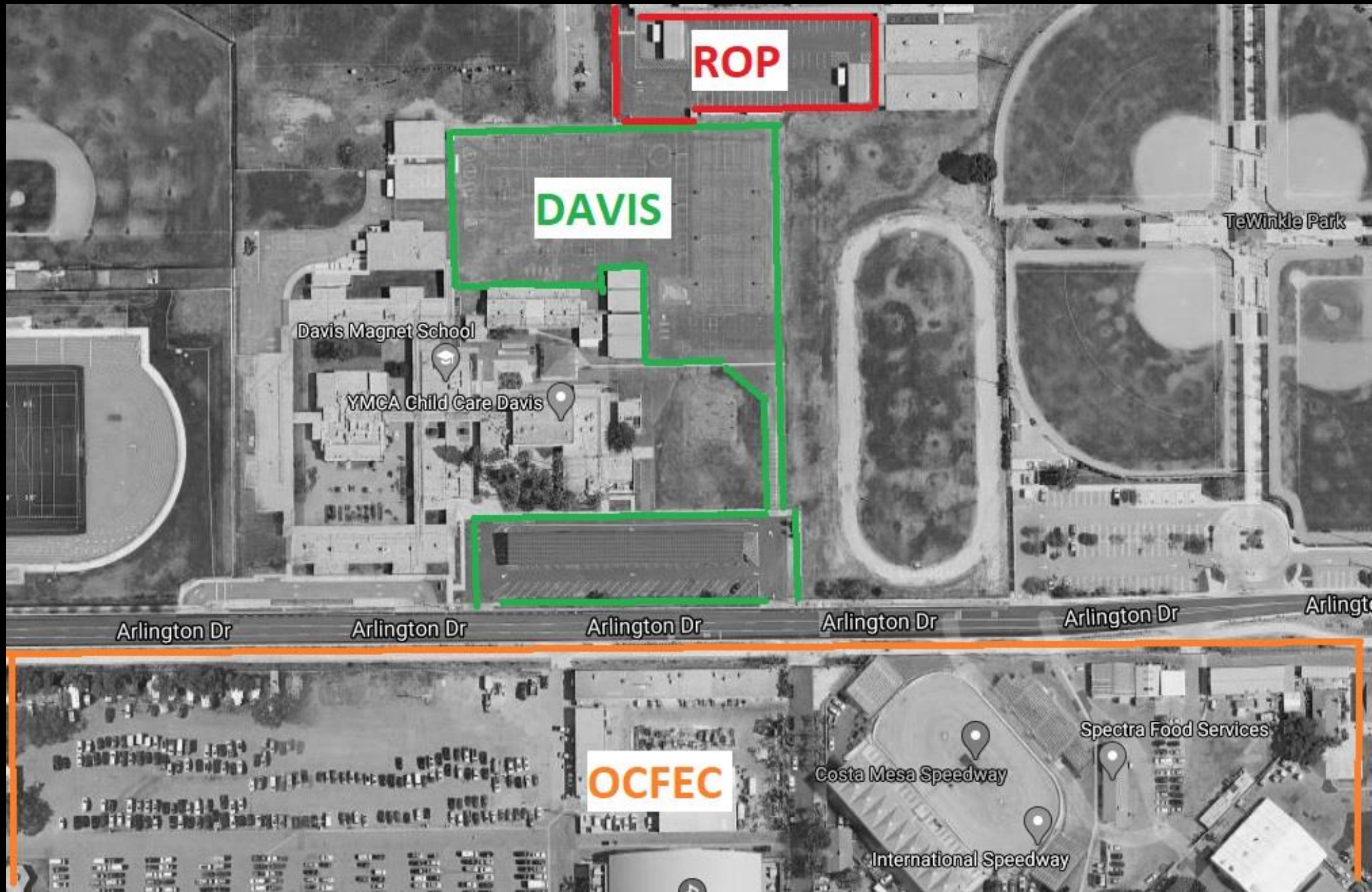
In an effort to alleviate annual fair related vehicular traffic and parking issues and to reduce or limit impact on the local community, additional off-site parking areas are needed to accommodate the high volume of guest, employee and partner vehicular parking. Discussions with Costa Mesa High School and Newport Mesa Unified School District have resulted in a tentative agreement for OCFEC to retain exclusive use, operate and utilize the majority of the Costa Mesa High School property (can accommodate approximately 1,000 vehicles) located at 2650 Fairview Road in Costa Mesa.

The Davis Magnet School front parking lot and blacktop area are utilized for annual fair dry storage, food stocking and back-of-house parking for certain vehicles. Newport Mesa Unified School District estimated rent for 2020/2021 of the Davis Magnet School lot to be approximately \$100,000.00 annually.









# 10E. Consideration of and Vote on the Operational Expenditure for Renting the Costa Mesa High School and Davis School Parking Lots for the 2020 or 2021 OC Fair

Additional monies requested to secure properties will be offset by revenue generated from newly formed paid parking model at Orange Coast College.

•	Costa Mesa High School Property Rental	= \$210,000
	CMHS Parking/Security Labor	= \$ 32,000
	CMHS/Gate 4 Crosswalk Labor	= \$ 15,000
	Rental Equipment	= \$ 15,000
•	Davis Magnet School Property Rental	= \$100,000
	TOTAL COST ESTIMATE	= <u>\$372,000</u>

*Estimated revenue generated from new OCC Paid Parking Mode I = \$253,000*

*(1,100 cars per day X \$10 X 23 Days = \$253,000)*





# 10E. Consideration of and Vote on the Operational Expenditure for Renting the Costa Mesa High School and Davis School Parking Lots for the 2020 or 2021 OC Fair

## **RECOMMENDATION**

At the Board of Directors' discretion.



# 10F. Presentation on the Concept for the Expansion of the Green Gate Entry, Along with Operational and Capital Expenditures

## **INFORMATION ITEM:**

Over the last few years the Green Gate entrance has become heavily impacted during peak times on the weekend throughout the OC Fair. This impact has caused longer lines for patrons going through bag check and ticket scanning while entering the fair.

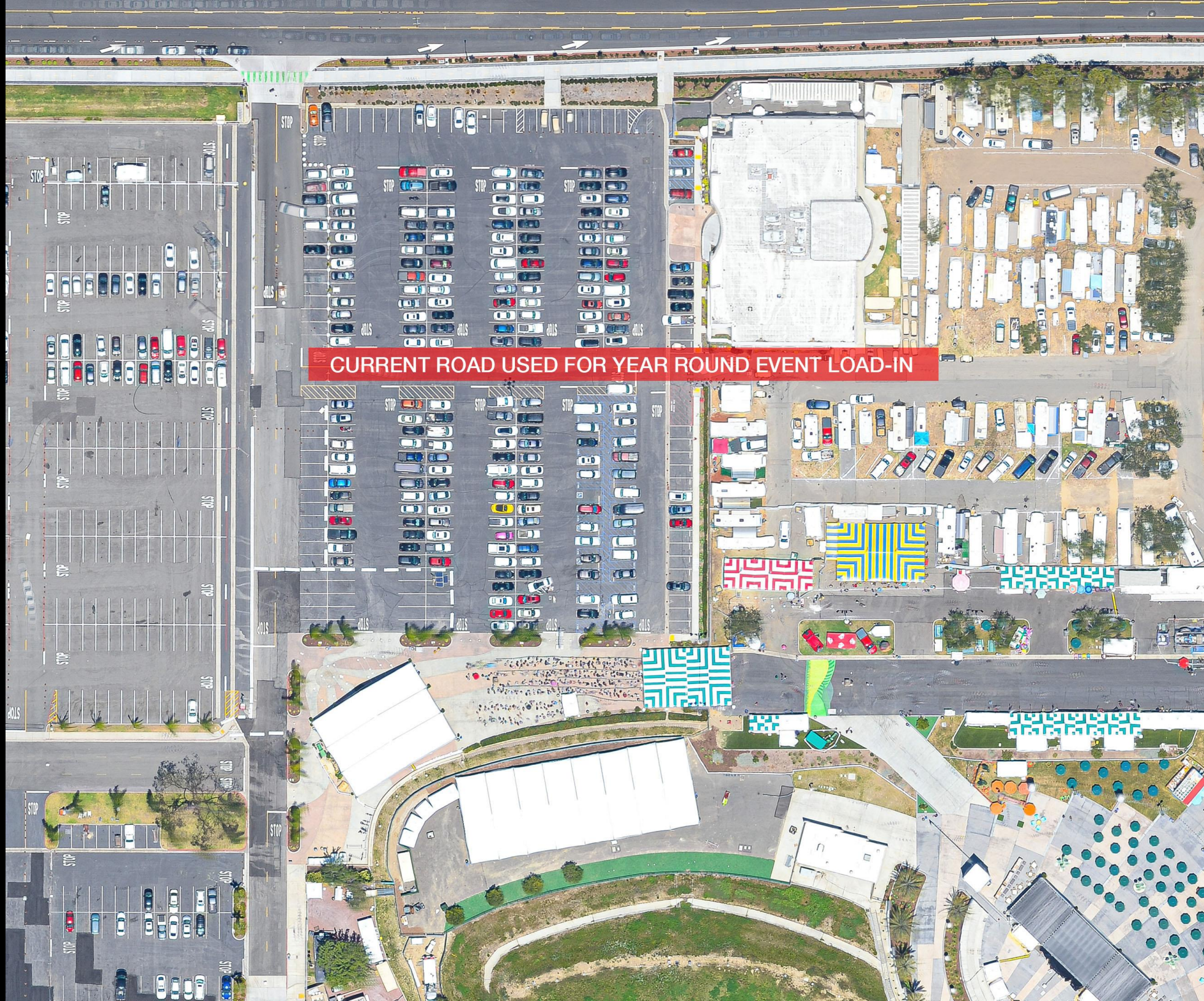
Staff has developed a new Green Gate entry plan to create an additional access road that can be used for year-round events and as an additional entry point for patrons. The plan will add four magnetometers inside a new 40'x30' entry tent to help support patron entry during peak periods giving us a total of ten magnetometers (currently there are six) and ten scan points (currently there are six).

Initial concepts for the Green Gate expansion plan and review the following project estimates to be incorporated into the 2021 capital budget.







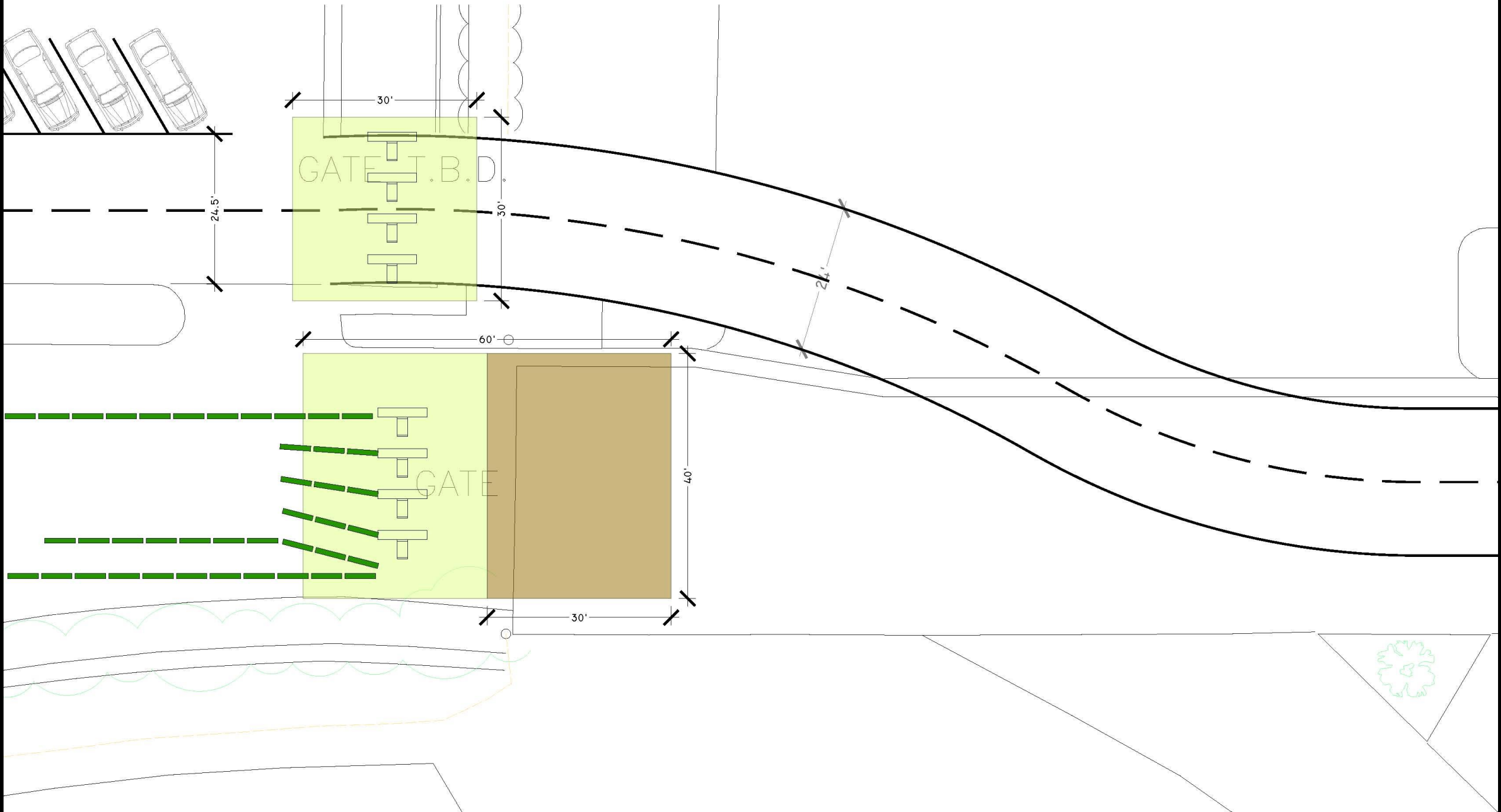


CURRENT ROAD USED FOR YEAR ROUND EVENT LOAD-IN











# 10F. Presentation on the Concept for the Expansion of the Green Gate Entry, Along with Operational and Capital Expenditures

*Estimated project cost: Total – \$252,150*

## Cap X Budget – \$194,150

### Construction - \$50,500

- Concrete demo (\$3k)
- Tree removal (1 tree \$2k)
- Backflow relocation (\$500)
- Sidewalk/curb/roll gate pad install (\$10k)
- New swing gate/fence repair (\$10k)
- New asphalt (grass area \$25k)

### Lot F - \$99,000

- Asphalt repair (\$65k)
- Seal/re-stripe (\$30k)
- ADA signage (\$4k)

### Equipment - \$27,000

- 5 new mags (\$15k)
- 20 new 10' k-rail (\$7k)
- 20 new green barricades (\$5k)

### Contingency - \$17,650

## Operational Budget - \$58,000

### Fair Staffing - \$50,000

- Gate operations staffing (\$15k)
- Security staffing (\$40k)

### Equipment - \$3,000

- Tent rental (\$2k)
- 1 Light Tower (\$1k)



## 10G. Consideration of and Vote on 32nd DAA Staff Communications Protocols with Attorney General Office Staff

It is recommended that communication between Attorney General's Office staff and staff for 32nd District Agricultural Association/OC Fair & Event Center be limited to CEO and Board of Directors in an effort to properly manage legal expenses and streamline communication. To properly manage legal expenses it is recommended that monthly time sheets for legal services provided by the AG's office be reviewed and signed by a member of the board of directors.

### **RECOMMENDATION:**

At the Board of Directors' discretion.



## 11. Board of Directors' Matters of Information

**Additional Board Meeting**

**April 23, 2020**

**Monthly Board Meeting**

**May 28, 2020**





OC Fair & Event Center – Costa Mesa, California