

**MINUTES OF OCFEC BOARD OF DIRECTORS MEETING  
HELD November 18, 2021**

*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](https://s3.us-west-1.amazonaws.com/ocfair.com/wp-content/uploads/2021/11/03082143/21_11_November_Transcript.pdf) website.*

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**1. CALL TO ORDER:**

Chair La Belle 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 Ashleigh Aitken. Roll call was taken by Summer Angus.

**4. DIRECTORS PRESENT (via Zoom):**

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

The following Directors joined the meeting after roll call:

- Director Bagneris joined the meeting at 9:11 a.m.
- Director Cervantes joined the meeting at 9:14 a.m.
- Director Rubalcava-Garcia joined the meeting at 9:15 a.m.
- Vice Chair Pham joined the meeting at 9:40 a.m.

**DIRECTORS ABSENT/EXCUSED:** None.

**OTHERS PRESENT:**

(Via Zoom): Michele Richards, OCFEC CEO; Ken Karns, OCFEC Chief Operating Officer; Joan Hamill, OCFEC Chief Business Development Officer; Jason Jacobsen, OCFEC Director of Planning & Presentation; Summer Angus, OCFEC Executive Assistant; Josh Caplan, Office of the Attorney General; Kathy Swank, transcriptionist; Gibran Stout; Leigh-Ann Kazolas; Reggie Mundekis; Jeanine Robbins

Chair La Belle announced Item 8B regarding the 2020 Audit will be brought back to the December Board meeting.

**5. MINUTES:**

**A. Board meeting held October 12, 2021**

Action Item

**B. Board meeting held October 28, 2021**

Action Item

**ACTION:** Director Aitken motioned and Director Rafiei seconded to approve the minutes from the Board meetings held October 12, 2021 and October 28, 2021. **MOTION CARRIED. AYES: Chair La Belle,**

**Director Ruiz, Director Aitken, Director Kovacevich and Director Rafiei. NAYES: None. ABSTENTIONS: None.**

**6. MATTERS OF PUBLIC COMMENT**

Gibran Stout discussed there is a lot of public programming happening at the Equestrian Center that the Board may not be aware of. She also asserted there is a county-wide boarding crisis and suggested taking the opportunity to look at the restoration of the EQC to the original footprint to maximize public access and increase income for the OC FEC. She encouraged the Board to attend an event at the Huntington Beach Equestrian Center on December 11<sup>th</sup>. She announced public tours have been scheduled at the EQC and invited Board members to schedule a private tour.

**7. CONSENT CALENDAR: (Policy 4.3.4)**

**A. Standard Agreements (New):** SA-004-22YR ; SA-005-22YR

**i. Standard Agreement Amendments:** SA-035-21GE (Amend #1)

**B. Rental Agreements:** R-021-21; R-055-21; R-071-21; R-081-21; R-086-21; R-090-21; R-091-21; R-092-21

**i. Rental Agreement Amendments:** R-082-21 (Amend. #1)

**C. Active Joint Powers Authority Agreements (New):** None.

**D. Correspondence:**

Communications to the Board from members of public related to OC FEC business are identified below and included with the Board materials (available on the OC FEC website). Note that this agenda item includes only those communication(s) that were sent to the entire Board and CEO before the publication of this month's agenda. *The deadline for correspondence to be included on the December agenda is December 3, 2021.*

**i. None**

**E. 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. None**

*-End of Consent Calendar-*

**ACTION:** Director Rafiei motioned and Director Ruiz seconded to approve the Consent Calendar. **MOTION CARRIED. AYES:** Chair La Belle, Director Ruiz, Director Bagneris, Director Aitken, Director Kovacevich and Director Rafiei. **NAYES:** None. **ABSTENTIONS:** None.

**8. GOVERNANCE PROCESS**

**A. Review and Vote on Whether or Not to Approve the Draft EQC Operating Agreement with Equestrian Services II**  
Action Item

CEO Richards reported at the October Board of Directors meeting, the Board approved the Facilities Committee recommendation to move forward with a one-year agreement with Equestrian Services II for the operation of the Equestrian Center (EQC), giving staff time to develop a plan for transitioning, in the strategic direction that the Board set, for self-operation of the Equestrian Center and the expansion of public programming. CEO Richards reported the Board Facilities Committee reviewed the draft agreement.

Directors Cervantes and Rubalcava-Garcia joined the meeting.

Leigh-Ann Kazolas, EQC boarder/user, asked for clarification on language in the EQC operating agreement relating to public programming/activities currently occurring at the EQC and if those activities would need to cease under the new agreement. She encouraged and invited the Board to come out for a tour of the EQC.

Reggie Mundekis shared her concerns regarding the structural condition deficiencies identified in the infrastructure analysis of the EQC and questioned why action has not been taken. She shared her concerns and questioned why the contract term states the operator is only responsible for the condition of the facility, from the date of the contract forward, and does address their obligation regarding the maintenance obligation that they signed in 2009. She shared her concerns that the OCFEC is making a gift of public funds by making the repairs to the EQC in lieu of the contractor.

Gibran Stout questioned what plans are in place to ensure continuity of care and staff knowledge of horse care as staff prepares to take over management of the EQC. She shared her concerns with some of the

contract language regarding repairs, and asserted the need for detail and specificity related to repair expectations and deadlines. She strongly recommended the Facilities Committee do their own inspection and follow the infrastructure report recommendation of additional inspections. She suggested reinstatement of the Board Equestrian Center Committee.

CEO Richards confirmed the agreement is for a one year term to allow staff to transition toward self-management of the EQC, as well as time for the Board to continue its strategic planning and revisit the infrastructure assessment and the master site plan.

Chair La Belle shared his hopes for the strategic plan draft to be completed by early 2022.

Director Aitken encouraged keeping the lines of communication open between EQC users/trainers, the EQC operator and OCFEC staff.

Director Ruiz added the contract was intended to keep all parties involved.

**ACTION:** Director Rubalcava-Garcia motioned and Director Bagneris seconded to approve agreement SA-157-21YR Equestrian Center Operating Agreement with Equestrian Services II as presented. **MOTION CARRIED. AYES: Chair La Belle, Director Rubalcava-Garcia, Director Ruiz, Director Bagneris, Director Aitken, Director Kovacevich and Director Rafiei. NAYES: None. ABSTENTIONS: None.**

**B. Presentation on the 2020 Financial Audit and Vote on Next Steps**  
Action Item

Item was pulled from the agenda and will be brought back to the December 16, 2021 Board of Directors meeting.

**C. Discussion and Vote Regarding Starting Times for the 2022 Board of Directors Meetings**  
Action Item

CEO Richards presented the agenda item.

Board discussion ensued regarding the meeting start times of the Board approved meeting dates, items included:

- Keeping monthly Board meeting time at 9:00 a.m. and leaving public committee meeting times at the discretion of the committees
- Moving the monthly meeting time by 30 minutes to 9:30 a.m.
  - Comments supporting the suggestion of 9:30 or 10:00 a.m.
    - Allowing drive time for when meetings resume to in-person meetings
- Being mindful of the number of agenda items and the length of the meetings
- Comments supporting afternoon meeting times once a quarter (3:00 or 4:00 p.m.)
- Scheduling the times in advance to allow for work/childcare scheduling

Jeanine Robbins asked when in-person meetings will resume allowing members of the public to meet the two new Board members, who were appointed during COVID, face to face.

Chair La Belle shared his hopes for in-person meetings to start in January or February.

Director Bagneris motioned and Director Rubalcava-Garcia seconded to start the monthly Board meetings at 10:00 a.m. instead of 9:00. Director Rafiei requested to amend the motion to a 9:30 a.m. start time. Directors Bagneris and Rubalcava-Garcia agreed to the amendment to the motion.

Chair La Belle stated he would make every effort within his control to ensure agenda items can be completed within a reasonable time.

**ACTION:** Director Bagneris motioned and Director Rubalcava-Garcia seconded to hold the Board of Directors meetings at 9:30 a.m. on the Board meeting dates previously approved. **MOTION CARRIED.**  
**AYES:** Chair La Belle, Vice Chair Pham, Director Rubalcava-Garcia, Director Ruiz, Director Bagneris, Director Aitken, Director Kovacevich and Director Rafiei. **NAYES:** None. **ABSTENTIONS:** None.

Chair La Belle suggested to revisit whether or not to have afternoon meetings once in-person meetings start again.

#### **D. Update and Discussion on the Proposed California Authority of Fairgrounds and Expositions Joint Powers Authority Initiative**

## Information Item

CEO Richards reported she attended the Annual Fall managers Conference held by the California Fairs Alliance where there was a panel discussion regarding the proposed California Authority of Fairs and Expositions (CAFE) JPA initiative. CEO Richards provided an update:

- Introduction was given by California Agriculture Secretary Karen Ross
- The JPA would be comprised of two or more public agencies, and asserted it is not privatization
  - The agencies would share a common power to jointly implement programs, build facilities or deliver services
- CAFE would allow CDFA to transfer some of their authority and oversight promoting administrative efficiency and cost savings to the State
- Restated the Governor's comments "transitioning the State's relationship with fairs while acknowledging the need to continue supporting properties that may be necessary for emergency operations"
- State budget includes \$50M one-time general fund to continue to support operations while the State evaluates alternative business models
- At the conference Secretary Ross stated, regarding CAFE, "a viable pathway to more autonomy and more local control."
- CAFE would be comprised of CDFA, County of Siskiyou, the district agriculture associations and potentially other counties
- The JPA Board would be comprised of 15 individuals:
  - One from each of the seven areas in California for fairs
  - One representative from each fair size - small, medium and large (OCFEC falls under large fair size)
  - Secretary Ross and two of her appointees
  - An appointee from the California Department of Finance
  - An appointee from the Rural County Representatives from California
    - This Board would oversee a network of nonprofit fair associations and the JPA agreement would be between the Board and those nonprofit fair associations for the operations of fairgrounds
- Discussions for some of the potential services provided by CAFE could be, human resource flexibility in hiring and salary schedules, resources for part-time employees and volunteers,

flexibility in contracting and procurement to use local businesses and services, and JPA to distribute AB1499 funds

- Both Secretary Ross and the Governor strongly support the JPA initiative
- Employees will have the option to remain state employees or become employees of the nonprofit
- The draft agreement is still going through legal review

Director Bagneris expressed her curiosity to see the proposal.

Reggie Mundekis argued that “Nonprofit Fair Association” is privatization, taking functions performed by the State and putting them in the hands of a private nonprofit with no public input or visibility. She cautioned that private nonprofit would control contracting processes which could potentially mean board members could contract with themselves to decide who gets contracts and other issues. She spoke in opposition of moving to a nonprofit.

#### **E. Presentation of the 2022 Budget and Vote on Whether or Not to Approve**

Action Item

CEO Richards thanked the six Board members who attended the budget study session. CEO Richards presented the 2022 Budget.

Vice Chair Pham, on behalf of the Financial Monitoring and Audit Committee spoke in support of the 2022 budget presented. He shared his concerns with continuing inflation and labor costs.

Director Bagneris, also on behalf of the committee, thanked the Board members who attended the study session. She also thanked staff for their great work and motioned to approve the budget.

Gibran Stout suggested for future consideration the Board add a line for public programming for the Equestrian Center.

Chair La Belle requested the Board consider moving the Heroes Hall Walk of Honor project to 2022 from 2024 on the capital expenditures list. He reported the Heroes Hall Veterans Foundation will be meeting to discuss a possible \$100K contribution to the project. He continued to report the foundation has approximately 20 candidates who meet the criteria to be included in the Walk of Honor and it has been two years since the last inductee. He also requested the Board defer action on the budget until the December Board meeting, allowing the Governmental Relations Committee and the CEO to evaluate whether

or not there is a benefit in going through the RFP process for a legislative lobbyist service for the possible legislative items moving forward next year.

Discussion occurred on the following items:

- Not delaying approving the budget to add items
- Bring back individual items for review and consideration to the full Board at a later meeting

**ACTION:** Director Bagneris motioned and Director Rubalcava-Garcia seconded to approve the 2022 Budget as presented. **MOTION CARRIED. AYES:** Chair La Belle, Vice Chair Pham, Director Rubalcava-Garcia, Director Ruiz, Director Bagneris, Director Aitken, Director Kovacevich and Director Rafiei. **NAYES:** None. **ABSTENTIONS:** None.

Chair La Belle stated the two items he proposed will be added to the December agenda for Board consideration.

#### **F. 32<sup>nd</sup> DAA Board of Directors Committee Assignments**

Information Item

Chair La Belle announced changes to committee appointments and two new committees as follows:

- Financial Monitoring Committee:
  - Adding the objective of rating the carnival RFP and any other RFP determined for Board involvement
  - Director Kovacevich to take Vice Chair Pham's place on the committee as the committee Chair
- Adding - Entertainment and Business Development Committee:
  - Members: Director Rubalcava-Garcia (Committee Chair) and Director Cervantes
  - Committee objectives:
    - Entertainment – expand Pacific Amphitheatre activities, overall entertainment activities in The Hangar and Action Sports Arena
    - Business Development – the committee with staff develop additional opportunities that might exist

Director Bagneris shared her concerns that the committee seems operational in nature and questioned the need for the committee.



Director Rubalcava-Garcia agreed that the committee does appear to be operational and the Board is a governing body. She stated as a committee they can develop policy to help establish a direction for staff. She urged the Chair to look at the focus of the committee and see if there is a way to create a policy aspect for the Board to stay true to the governance responsibilities and not operational.

Chair La Belle stated his intent is to have the committee explore programming opportunities and develop areas that add to the programming OCFEC provides. He suggested the committee, as one of their tasks, look at different items the committee would focus on and bring back to the Board. He argued some committees, like the Financial Monitoring committee, have operational involvement in RFPs for example.

Discussion ensued on Board involvement in scoring the carnival RFP:

- Scoring precludes Board members from voting on the item when it comes forward
- Losing two votes on such an important RFP
- Deferring to the committee for scoring
- Adding – Governmental Relations Committee:
  - Members: Director Aitken (Committee Chair) and Vice Chair Pham
  - Committee Objectives – look at opportunities to expand relationships with communities in Orange County and interact with the cities, adding legislative monitoring (removing legislative monitoring from the Governance Committee), evaluating a “State of the District” presentation and bring recommendations back to the full Board for consideration

## **G. Committee / Ad Hoc Committee / Liaison Report**

### **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 agendaized for a future Board meeting.

- i. Leadership Committee (Chair La Belle, Committee Chair; Vice Chair Pham)
- ii. Financial Monitoring and Audit Committee (Director Pham, Committee Chair; Director Bagneris)
- iii. Facilities Committee (Director Ruiz, Committee Chair; Director Aitken)
- iv. Governance Committee (Director Cervantes, Committee Chair; Director Rubalcava-Garcia)
- v. Community Affairs Committee (Director Bagneris, Committee Chair; Director Rafiei)
- vi. Centennial Farm Foundation Liaison (Director Cervantes, Director Kovacevich)
- vii. Heroes Hall Veterans Foundation Liaison (Chair La Belle, Director Cervantes)

Director Ruiz left the meeting at 10:56 a.m.

Vice Chair Pham, on behalf of the Financial Monitoring and Audit Committee, reported:

- The committee met on the 2022 budget and had the budget study session
- Revenue favorable to budget by \$25M
- Cash reserves over \$60M
  - Good amount of liquidity

Director Bagneris reported the 2020 audit agenda item was tabled due to not receiving the report on time; the item will be brought back to the December meeting.

Director Aitken, on behalf of the Facilities Committee, reported:

- Excited to see the EQC agreement move forward
- Pandemic delayed projects and staff has been conservative
  - Moving Cap X projects forward in the new budget season

CEO Richards, on behalf of the Community Affairs Committee, made a presentation on Native American Heritage Month.

Director Bagneris, on behalf of the committee spoke in support of bringing attention to the heritage months, celebrating all.

Director Rafiei, on behalf of the committee, also noted that the first Native American cabinet secretary is Deb Haaland, as Secretary of the interior and the first Native American to hold that position. She clarified, the fact presented regarding Pocahontas, what is know from history, is that her marriage was not desired by her and she was a child bride.

## **9. CLOSED SESSION (Closed to the Public)**

**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).)
- iii. To confer with counsel, discuss, and consider the following pending litigation to which the 32nd DAA is a party. 32nd District Agricultural Association v. Ovations Fanfare, L.P., et al., United States District Court, Central District of California, Case No. 8:20-cv-02049-CJC-JDE.
- iv. To confer with counsel, discuss, and consider the following pending litigation to which the 32<sup>nd</sup> DAA is a party. Adam Carleton v. 32<sup>nd</sup> District Agricultural Association, et al., Orange County Superior Court, Case No. 30-2020-01174951-CU-OE-CJC

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

The meeting adjourned to closed session at 11:03 a.m. and reconvened at 11:14 a.m.

Matters to report out of closed session: None.

Director Rubalcava-Garcia left the meeting after closed session.

## **10. CEO'S OPERATIONAL ANNOUNCEMENTS AND UPDATES**

CEO Richards reported the following:

- October event revenue was an all-time monthly record at \$1.6M
- OC FEC's self-produced Boo Ha Ha haunted craft beer event was a success with a 55% increase in attendance and more than double the revenue compared to 2019
- Over 300 people attended OC FEC's Veterans Day event at Heroes Hall to honor veterans and celebrate the opening of the new exhibit

"Through Their Eyes," a veteran art exhibition and the refreshed Santa Ana Army Air Base exhibit

- The Today Show featured its pick for documentary of the week - a film shown at the Newport Beach Film Festival about competitive table setting competitions that was filmed at the 2019 OC Fair

CEO Richards presented the October financials statements.

Joan Hamill, Chief Business Development Officer, provided an overview of upcoming events at OC FEC.

#### **11. BOARD OF DIRECTORS MATTERS OF INFORMATION**

Director Bagneris shared she is looking forward to the year ahead. She reminded everyone to be cautious as COVID is on the rise again. She wished everyone a happy Thanksgiving.

Director Aitken shared it was nice to see Chair La Belle, Chair the Board again. She wished everyone a happy Thanksgiving and a happy birthday to her fellow Board members.

Director Rafiei thanked staff and the Chair for a great meeting. She also wished everyone a happy Thanksgiving and happy birthday to her fellow November birthday Directors.

Director Kovacevich also thanked the Chair and staff for a great meeting. He stated, when the time is right, the Board will go back to in-person meetings. He also wished everyone a happy thanksgiving and reminded everyone to remain cautious and to stay safe.

Vice Chair Pham echoed his fellow Board members sentiments.

Chair La Belle thanked staff for an excellent job in regards to the agenda and budget. He also thanked the Financial Monitoring and Audit Committee and Board members who attended the budget study session. He shared his hopes to finish the strategic planning process by early 2022.

#### **12. NEXT BOARD MEETING: DECEMBER 7 & 18, 2021**

#### **13. ADJOURNMENT**

The meeting adjourned at 11:32 a.m.



Doug La Belle, Chair



Michele Richards, Chief Executive Officer