

**MINUTES OF OCFEC BOARD OF DIRECTORS MEETING  
HELD OCTOBER 22, 2015**

**1. CALL TO ORDER:**

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

**2. MISSION STATEMENT**

**3. PLEDGE OF ALLEGIANCE:**

The Pledge of Allegiance was recited by Vice Chair Mouet. Roll call taken by Jessica Zimmerman.

**4. DIRECTORS PRESENT:**

Chair Aitken, Vice Chair Mouet, Director Tkaczyk, Director La Belle, Director Berardino, Director Bagneris, Director Cervantes, and Director Ruiz

**DIRECTORS ABSENT/EXCUSED:**

Director Nguyen

**OTHERS PRESENT:**

Kathy Kramer, OCFEC CEO; Michele Richards, OCFEC VP Business Development Officer; Debbye McDaniel, OCFEC VP Operations & Administration; Jessica Zimmerman, OCFEC; Jerry Eldridge, OCFEC Director of Facilities; Jeff Willson, OCFEC; Deborah Fletcher, Office of the Attorney General; Janet Taylor, Stenographer; Ernesto Munoz, Costa Mesa Public Services Director; Lisa Sabo; Grant Anderson; Theresa Sears; Reggie Mundekis; Beth Refakes

**5. CEO'S OPERATIONAL UPDATE**

Kathy Kramer, OCFEC CEO, encouraged everyone to come by and see the Cirque production of Kurios.

Kramer also stated that services of Joe A. Gonsalves & Sons have been secured; they are a professional legislative representative firm in Sacramento who will be working with OCFEC to get ABX422 repealed.

Kramer stated that Gonsalves will identify a legislative author to get this introduced as legislation and then work with the Orange County delegation.

Kramer also stated Tandem will be working with the Governor's office to add this as a budget trailer; confident that will be completed in 2016. This is a short term contract for this project and developing an RFP to secure professional legislative representation service.

Kramer discussed about post-fair community neighborhood meeting on Monday, October 19 and asked for feedback from two vantage points, one point as a neighbor and the other as a guest of the fair.

Kramer noted the overwhelming positive feedback OCFEC received around the new Neighborhood Ambassador program. There were many good comments about the cleanliness of the Fair, the programming, and several people commented that this was one of the best fairs and commended staff for all the hard work that took place. Overall, the neighbors are very appreciative of all of the efforts the organization is making to continue being good neighbors.

Michele Richards, OCFEC Vice President, Business Development, discussed LFestival, a Latin American music and cultural festival debuting at OCFEC on Saturday, November 24 through Sunday, November 25.

Richards mentioned that Kurios, the Cirque Du Soleil show, continues through November 29 and the Veterans + Labor Event will be held on November 11. Richards then provided a review of upcoming events at OCFEC.

Director Berardino mentioned the controversy surrounding gun shows and asked whether or not there is an exemption that allows the sale of assault rifles.

Richards stated she did not know and that she would do some research on that issue.

Chair Aitken stated there are a lot of exemptions we can get around with waiting periods, background checks, etc. She requested a discussion of guns shows be agendaized for next board meeting.

Director Tkaczyk would like to know what the rules are regarding guns shows on the property.

Debbie McDaniel, OCFEC Interim VP Business and Administration discussed OCFEC financial numbers. She stated OCFEC currently has nearly \$38 million in the bank; \$34 million which is in a LAIF account.

McDaniel stated that in Q3 the organization made \$32M on revenue, expenses were \$19 and a half million, the net income of \$12 and half million. That's for July, August, and September 2015 alone. For the Fair alone, these are not concrete numbers - \$30 million fair-related revenue, expenses 18 million, with a net income of 11 million; almost 2 million less than in 2014.

McDaniel concluded year-to-date results as of September 30 – revenue is 36 million, 28 million in expenses and 7 million in income year-to-date. We're \$3.2 million above our budgeted income, which is a 72% higher net income than we anticipated.

Vice Chair Mouet discussed about the improvements in the accounting system that will help the budgeting role.

Director Tkaczyk thanked Kathy Kramer and the staff on a great job on the accounting

Kramer concluded that for this year is really about labor management and using analytic tools to understand as budgeting for 2016. She has made a commitment, along with McDaniel, to help staff during the budget process and sit in budget meetings; to manage things by variance reports and variance meetings and making a front piece of our culture and everyone having an understanding and growing from the bottom up.

## 6. PUBLIC COMMENT

Beth Refakes thanked Kathy Kramer and OCFEC staff for community meeting highlighting the need for the Neighborhood Ambassador program and continued sound monitoring.

## 7. MINUTES:

### A. Board Meeting held September 24, 2015

**ACTION:** Director Cervantes motioned and Director Ruiz seconded to review and approve the minutes from the Board meeting held September 24, 2015. **MOTION CARRIED. AYES: Chair Aitken, Vice Chair Mouet, Director La Belle, Director Tkaczyk, Director Berardino, Director Bagneris, Director Ruiz and Director Cervantes. NAYES: none.**

## 8. CONSENT CALENDAR

A. Standard Agreements: SA-256-15FT; SA-263-15SM

B. Amendments : SA-258-13WC (Amend #1); SA-260-13CS (Amend #1); SA-166-15FT (Amend # 1)

C. Interagency Agreements: none

D. Letters of Understanding: none

E. Rental Agreements: R-055-15; R-058-15; R-075-15; R-144-15; R-145-15; R-146-15; R-147-15; R-148-15; R-149-15; R-023-16

F. Active Joint Powers Authority Agreements: none

G. 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.

**ACTION:** Director La Belle motioned and Director Ruiz seconded to review and approve the Consent Calendar. **MOTION CARRIED.**  
**AYES:** Chair Aitken, Vice Chair Mouet, Director La Belle, Director Tkaczyk, Director Berardino, Director Bagneris, Director Ruiz and Director Cervantes. **NAYES:** none.

## 9. GOVERNANCE PROCESS:

### A. Committee/Task Force/Liaison Reports

Vice Chair Mouet stated that the Centennial farm Foundation Board members asked me if he plans to continue being a member of the Foundation Board of Directors and he stated that that was his intention. He plans to help them be creative to try to raise more money to help the farm.

Director Berardino discussed the Heroes Hall Foundation noting that they are still awaiting their 501 (c)(3) number from the IRS.

Director La Belle stated that the next Heroes Hall Finance Committee meeting is scheduled for October 29.

### B. Arlington Bioswale Update

Lisa Sabo spoke in opposition to the Arlington Bioswale project as proposed, expressing concerns about safety and noise at the Equestrian Center. She suggested continuing with the bioswale but moving the trail to the opposite side of the street.

Reggie Mundekis thanked the Board for their efforts working towards repealing ABX422. She then spoke in opposition to the Bioswale project as proposed. She asked that OCFEC look into the safety issues building this trail, noting that when an accident happens, it's going to be the Fair's name in the paper.

Kramer introduced Ernesto Munoz, the Public Service Director with the City of Costa Mesa to provide an overview of the project.

Ernesto Munoz provided an overview of the Arlington Bioswale project stating that it is a unique opportunity for the fairgrounds to partner with the city to construct aesthetic improvements on the north side of the fairground property and at the same time implementing an ecologically sensitive solution to address the fairground water quality challenges.

Munoz stated this project will also result in material savings to the fairground to implement and complete roadway, parkway, and storm drain improvements between the fairgrounds and the city. Munoz noted that

OCFEC is committed to approximately \$2 million in improvements on Arlington Drive and by partnering with the City, OCFEC would be asked to contribute a \$1 million flat fee.

Jerry Eldridge, OCFEC Director of Facilities, stated the responsibilities for OCFEC include a storm drain pipe from approximately Gate 4 to Gate 9 as well as all the street repairs, curb and gutter, fire hydrants, and anything else related to street improvements per the city's requirements. The storm drain improvements are estimated at \$1,366,000 and roadway improvements estimated \$662,857.

Vice Chair Mouet noted that if the trail is separated from the Bioswale project, OCFEC is liable for the full cost of the improvements to the south side of Arlington.

Grant Anderson, Traffic Engineer for Kabbara Engineering, discussed proposed improvements to driveways along Arlington as part of the proposed project.

Director Berardino asked about the noise issue for the Equestrian Center and how will it be controlled.

Munoz stated that the noise issue could be addressed through either a block wall or vegetation screen. He also mentioned that the city will work with OCFEC on this issue.

Chair Aitken asked whether or not OCFEC's participation in this project with the City would correct the current encroachment issues the fairgrounds faces.

Munoz answered that yes, pending approval from Sacramento, the city is looking to grant a permanent easement.

Director Berardino asked, with OCFEC's contribution of \$1 million to the project, would the organization have a say in the design.

Munoz stated that the City plans on working with OCFEC staff to implement the design.

Director Bagneris asked when this project will be completed due to having a schedule stating late 2015.

Munoz stated that if the Board of Directors approves the project he anticipates break ground after the 2016 Fair.

Director La Belle asked Munoz regarding the existing roadway width is what today and what will it be with the project as proposed?

Munoz introduced Leah Kabbara, Kabbara Engineering, to provide an answer to Director La Belle's question.

Kabbara stated the street transitions from a 40-foot width at Gate 6 to approximately 27 feet of pavement at the Equestrian Center.

Vice Chair Mouet stated that the project is fiscally responsible and ecologically responsible, and as long as we are mindful of safety concerns, the project is a win-win situation for everyone.

**ACTION:** Director Tkaczyk motioned and Director La Belle seconded Arlington Bio-Swale Update. **MOTION CARRIED. AYES: Chair Aitken, Vice Chair Mouet, Director Ruiz, Director La Belle, Director Tkaczyk, Director Berardino, Director Bagneris, and Director Cervantes. NAYES: none.**

**C. Approve Letter of Understanding with CFFA Regarding Completion of Heroes Hall Architectural Design and Construction Documents**

Richards presented the staff report and recommendation to approve the Letter of Understanding with CFFA regarding completion of the Heroes Hall architectural design and construction documents.

**ACTION:** Director Berardino motioned and Director Ruiz seconded to approve Letter of Understanding with CFFA regarding completion of Heroes Hall Architectural Design and Construction **MOTION CARRIED. AYES: Chair Aitken, Vice Chair Mouet, Director Ruiz, Director La Belle, Director Tkaczyk, Director Berardino, Director Bagneris, and Director Cervantes. NAYES: none.**

**D. Ratification of Updated OCFEC Smoking Policy**

Richards presented that staff report and recommendation which includes the following revised smoking policy:

*By state law and in the interest of public health, smoking shall not be permitted in or within 20 feet of any State of California building, including the Santa Ana Pavilion area, OC Promenade area, Centennial Farm, Pacific Amphitheatre seating area, and Arena grandstand and bleacher seating areas. This policy includes the use of electronic cigarettes, vaporizers and oil/wax pens.*

*During OCFEC-produced events (i.e. OC Fair, Imaginology) smoking and the use of electronic cigarettes, vaporizers and oil/wax pens is prohibited.*

*Year-round event promoters may adopt more restrictive policies at their discretion, and with the prior approval of the Association.*

**ACTION:** Director La Belle motioned and Director Cervantes seconded to approve Ratification of Updated OCFEC Smoking Policy **MOTION CARRIED. AYES: Chair Aitken, Vice Chair Mouet, Director Ruiz, Director La Belle, Director Tkaczyk, Director Berardino, Director Bagneris, and Director Cervantes. NAYES: none.**

**E. Review and Approve the Appointment of the Board Chair to serve on behalf of the 32<sup>nd</sup> District Agricultural Association as an Elector for the California Fair Services Authority (CFSA) Board of Directors Elections**

Kramer presented the staff report and recommendation.

**ACTION:** Director Berardino motioned and Director Bagneris seconded to review and approve the Appointment of the Board Chair to serve on behalf of the 32<sup>nd</sup> District Agricultural Association as an Elector for the California Fair Services Authority (CFSA) Board of Directors Elections. **MOTION CARRIED. AYES: Chair Aitken, Vice Chair Mouet, Director Ruiz, Director La Belle, Director Tkaczyk, Director Berardino, Director Bagneris, and Director Cervantes. NAYES: none.**

**F. The 32<sup>nd</sup> District Agricultural Association Board of Directors delegates authority to execute all forms of agreements, contracts, and purchase orders without further authorization from the Board of Directors (Policy 2.3.5). All such agreements, contracts and purchase orders are to be submitted to the Board of Directors for review at subsequent meetings. This delegation is subject to board review at each annual meeting**

Kramer presented the staff report and recommendation.

**ACTION:** Director Bagneris motioned and Director Ruiz seconded to review and approve the following delegation of authority: The 32<sup>nd</sup> District Agricultural Association Board of Directors delegates contractual authority to the CEO, Kathy Kramer, up to \$50,000 for general contracts and \$300,000 for talent guarantees. Michele Richards, Vice President Business Development, and Debbye McDaniel, Vice President Finance and Administration, may sign contractual instruments as delegated by the CEO within the limits of the aforementioned contractual authority. Additionally, the Board authorizes an exemption for staff to issue payment for billings in excess of \$50,000 via the "Over \$50,000 Expenditure Budget Schedule" which is submitted with each annual budget or an approved contract, LOU or rental agreement or is payment for utilities, Cal Card expenditures, insurance, payroll or State mandated employee services. **MOTION CARRIED. AYES: Chair Aitken, Vice Chair Mouet, Director Ruiz, Director La Belle, Director Tkaczyk, Director**

**Berardino, Director Bagneris, and Director Cervantes. NAYES:  
none.**

**10. CLOSED SESSION**

Chair Aitken adjourned to Closed Session at 10:40 a.m. and the meeting resumed at 11:25 a.m.

Chair Aitken stated there was nothing official to report but gave direction to counsel on pending litigation.

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

Director La Belle thanked the staff for the Bioswale report.

Director Bagneris thanked McDaniel for all her hard work. She also thanked Chair Aitken for all her hard work.

Director Tkaczyk thanked Chair Aitken for all her hard work this year

Vice Chair Mouet thanked Chair Aitken for all of her hard work throughout the whole year and enjoyed working with her. He also was looking forward to the LFesitval.

Director Cervantes thanked Chair Aitken for all her hard work this year.

Director Ruiz thanked Chair Aitken and welcomed Vice Chair Mouet to his new position as Board Chair. He then encouraged everyone to come to the Veterans and Labor event.

Director Berardino thanked Chair Aitken all of her hard work. He then asked that the Board discussed minimum wage policies for seasonal employees at the next Board meeting.

Deborah Fletcher advised that staff coordinate with CalHR regarding this discussion.

Kramer noted that the Human Resources Department is currently conducting a salary survey and staff will bring back a report at the next Board meeting.

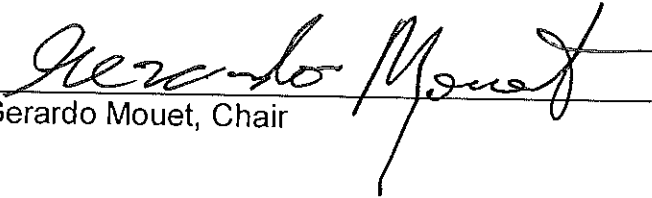
Chair Aitken thanked the board and staff for all the efforts while she was Board Chair.


**12. NEXT BOARD MEETING: THURSDAY, NOVEMBER 19, 2015**



13. ADJOURNMENT

Meeting adjourned at 11:35 a.m.

  
Gerardo Mouet, Chair

  
Kathy Kramer, Chief Executive Officer