

MEETING OF THE OCFEC BOARD OF DIRECTORS
32nd DISTRICT AGRICULTURAL ASSOCIATION

Held on: Thursday, October 22, 2015

Reported by: Janet M. Taylor
CSR No. 9463
Certified Realtime Reporter
Registered Merit Reporter

1 Meeting of the OCFEC Board of Directors,
2 reported by Janet M. Taylor, a Certified Shorthand
3 Reporter for the State of California, with principal
4 office in the County of Orange, commencing at 9:02 a.m.,
5 Thursday, October 22, 2015, in the Administration
6 Building, Orange County Fairgrounds, Costa Mesa,
7 California.

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9 APPEARANCES OF BOARD MEMBERS:
10 Ashleigh Aitken, Board Chair
11 Gerardo Mouet, Vice Chair
12 Barbara Bagneris, Member
13 Nick Berardino, Member
14 Sandra Cervantes, Member
15 Douglas La Belle, Member
16 Robert Ruiz, Member
17 Stanley Tkaczyk, Member

18 STAFF:
19 Kathy Kramer, CEO
20 Debbye McDaniel, Interim VP, Finance & Administration
21 Michele Richards, Chief Business Development Officer
22 Jerry Eldridge, Director of Maintenance & Operations
23 Jeff Willson, Entertainment Supervisor
24 Jessica Zimmerman, Board Clerk

25 APPEARANCE OF COUNSEL:
OFFICE OF THE CALIFORNIA ATTORNEY GENERAL
BY: DEBORAH FLETCHER, ESQ.
600 West Broadway
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PUBLIC SPEAKERS:
Beth Refakes
Lisa Sabo
Reggie Mundekis
Ernesto Munoz
Grant Anderson
Leah (phonetic)

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Thursday, October 22, 2015

Costa Mesa, California

9:02 a.m.

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CHAIR ASHLEIGH AITKEN: We'll call the meeting to order. Good morning, everyone. We will start our meeting off with the Pledge of Allegiance.

Vice Chair Mouet, can I have you lead us in the Pledge of Allegiance?

VICE CHAIR GERARDO MOUET: Yes. My pleasure.

(Pledge of Allegiance conducted.)

CHAIR ASHLEIGH AITKEN: Jessica, can we have the roll call?

BOARD CLERK JESSICA ZIMMERMAN: Yes.

(Roll call conducted by Board Clerk Jessica Zimmerman.)

CHAIR ASHLEIGH AITKEN: All right. I'll turn it over to our CEO for our Operational Announcements.

MS. KATHY KRAMER: Okay. All right. Good morning. It's hard to believe we're already in the fourth quarter. Staff is busy with the 2016 budget preparation and fair planning.

We're having an extremely busy and diverse fourth quarter of that schedule, which includes the

1 six-week run of the Cirque production Kurios. And
2 encourage you if you haven't had a chance to see it,
3 it's probably one of their better shows to take in.
4 Very pleased that they selected the fairgrounds to host
5 this for six weeks.

6 We've also been busy on a couple other
7 fronts. We've secured the services of Joe A. Gonsalves
8 & Sons. They are a professional legislative
9 representative firm in Sacramento. They're going to
10 work with us to get the ABX422, the antisale
11 legislation, repealed.

12 They're going to begin work on this -- they
13 already have begun work on this project, and they're
14 taking a dual-track approach. They will identify a
15 legislative author to get this introduced as legislation
16 and then work with the Orange County delegation.

17 And in tandem, they're going to be working
18 with the Governor's office to add this as a budget
19 trailer. Either way they are very confident that we can
20 have this completed in 2016.

21 This is a short-term contract with them
22 specifically for this project, and we're going to be
23 developing an RFP to secure professional legislative
24 representation services on an ongoing basis.

25 We held our post-fair community neighborhood

1 meeting on Monday, October 19th, and approximately 30
2 people were in attendance. We asked for feedback from
3 two vantage points, one from wearing the hat of a
4 neighbor and then from one as a guest of the fair.

5 We received overwhelming positive feedback
6 around the new ambassador neighborhood program. They
7 loved the visibility to help provide support, pick up
8 the trash, and really serving as a general deterrent and
9 connection back into the fair.

10 There certainly was no shortage of feedback
11 as to suggestions for artists for the fair's concert
12 series, so Dan will have to sort through all those, as
13 well as other programming ideas. Really many good
14 comments about the cleanliness of the fair, the
15 programming, and several commented that this was one of
16 the best fairs and commended staff for all the hard
17 work.

18 Overall, the neighbors are very appreciative
19 of all of our efforts we are making to continue being
20 good neighbors. Staff left with several good take-aways
21 to consider next year. So it was a great meeting, and,
22 like I said, I believe there's nuggets in every
23 situation. So we appreciate all that.

24 At this time, I'd like to ask Michele
25 Richards, VP of Business Development, to provide an

1 update on events happening at the OC Fair and Event
2 Center for the fourth quarter.

3 MS. MICHELE RICHARDS: Absolutely. I'd like to
4 first start off with a very exciting event that is
5 taking place this weekend. Opening Saturday at noon and
6 continuing through Sunday is the L: Festival. If you
7 walk or drive around the fairgrounds, you can see them
8 busily setting up for that event.

9 It's a Latin American music and cultural
10 festival, and we're very, very excited to have them
11 here. Not only is it the first time here at the OC Fair
12 and Event Center, but it is a first-time event. So we
13 wish them lots of success with that event.

14 As Kathy said, Kurios, the Cirque Du Soleil
15 show, continues through November 29th. And, Kathy, I
16 would have to echo what you said. I've been to a lot of
17 Cirque shows, and that's by far my favorite, anyhow.
18 Tickets are available starting at \$50. It's a great,
19 great family event to go to.

20 Not to be overshadowed by the All-Breed Cat
21 Show that will be on Saturday and Sunday, October 31st
22 and November 1st. So this is the 48th annual event. It
23 features all breeds of cats, demonstrations, cats
24 available for adoption. So for you cat lovers out
25 there, that's a great family event too. Tickets

1 starting at \$10.

2 Then coming up on Friday, Saturday, and
3 Sunday, November 6 through 8, we have our annual
4 Christmas Company event. It's a fantastic holiday
5 shopping event with over 80 unique specialty vendors.
6 Admission is \$10, so just in time for the holidays.

7 On Saturday, November 7th, we have a lot
8 going on that day at the fairgrounds. Our own
9 Centennial Farm is offering a gardening class on pruning
10 fruit trees and the basics for that. And that is just
11 \$5 for class materials. So we encourage the community
12 to come out for that.

13 Also on Saturday, the 7th, a first-time event
14 here at the OC Fair is StyleCon where beauty meets
15 fashion expo. So it's a one-day beauty and fashion
16 event where attendees can participate in style panels,
17 fashion presentations, and meet-and-greets with their
18 favorite Instagramers, bloggers, and YouTubers.

19 We're very much looking forward to our second
20 annual Veterans and Labor Community Celebration on
21 Veterans Day, November 11th, and that will take place
22 here near the main entrance. There's live music, all
23 kinds of representatives from veterans communities, free
24 hot dogs, lots of veterans organizations and support
25 services are available, and we very much look forward to

1 that. That is on Wednesday, November 11, from 10:00 to
2 3:00, and admission is free to the community.

3 Coming up on November 12th, 13th, and 14th is
4 the Sugar Plum Arts and Crafts Festival holiday
5 festival, and that's free to the community, as well,
6 with lots of great holiday shopping.

7 Repticon is coming on November 12 through 14.
8 It's a reptile event featuring vendors offering reptile
9 pets and supplies. I can see, Director Bagneris, that's
10 one you'll want to attend; right? They also sell cages
11 and other merchandise. So admission is starting at
12 \$12 for adults for that event.

13 And then later in the month, Saturday and
14 Sunday, the 21st and 22nd, is the Southern California
15 Indian Center's 47th Annual Powwow. It is open to the
16 public. General admission is just \$5. It's a great
17 Native American cultural festival with music and crafts
18 and learning all about the Native American culture. So
19 great event.

20 We have Crossroads of the West Gun Show
21 returning on November 28th and 29th. Admission is \$16.
22 And then moving in on November 29th, I always love it
23 because it just starts to feel like Christmas when the
24 Magic Trees Christmas Lot moves in starting
25 November 29th. So if you're looking for a beautiful

1 Christmas tree for your home, that's certainly the place
2 to be.

3 In addition to those events, we also have
4 tours of Centennial Farm open to the public free of
5 charge Monday through Friday 1:00 to 4:00, Saturday and
6 Sunday 9:00 to 4:00. So if you haven't paid a visit to
7 the farm recently, now is a good time.

8 Our food trucks Wednesday at lunch -- I'm
9 sorry -- Thursday at lunch, Wednesdays after dark in
10 front of the box office, our Farmers Market runs on
11 Thursdays from 9:00 to 1:00 out here in front of the box
12 office, and then the Orange County Marketplace I wanted
13 to mention they're open on Saturdays and Sundays, but on
14 Sunday, October 25th, this coming weekend, is their
15 annual trick-or-treat festival.

16 And as Kathy said, we're working on some
17 great events for fourth quarter. I'll announce some
18 other events coming in December at next month's meeting,
19 but it's shaping up to be a very, very good quarter for
20 our events program.

21 DIRECTOR STAN TKACZYK: Question. I don't get up
22 this early to come over here. Cars and Coffee, are they
23 still here?

24 MS. MICHELE RICHARDS: They are, yes. That is a
25 part of the Marketplace, Orange County Marketplace,

1 every Saturday.

2 DIRECTOR STAN TKACZYK: Right. Okay. Good.

3 DIRECTOR NICK BERARDINO: I have a question about
4 the gun show.

5 MS. MICHELE RICHARDS: Yes.

6 DIRECTOR NICK BERARDINO: I mean there's a lot
7 of -- and I don't know -- there's a lot of controversy
8 about gun shows and that there's some exemptions. Now,
9 this is something I just -- someone just brought to my
10 attention when they heard we were having a gun show,
11 that at gun shows there's an exemption that they can
12 sell assault rifles? Is that true?

13 MS. MICHELE RICHARDS: I don't know, Nick. I'd
14 have to research that.

15 CHAIR ASHLEIGH AITKEN: There's a lot of
16 exemptions that we can get around with waiting periods,
17 background checks, things like that. Those are the gun
18 show exemptions that I think generate a lot of
19 controversy in the press every time we have a mass
20 shooting.

21 But if we'd like to agendize this for a
22 further meeting, I would love to talk about it,
23 especially with the President's recent call for us to do
24 something about these --

25 DIRECTOR NICK BERARDINO: Yeah. I'm with you,

1 Madam Chair. Are you saying you'd like to agendize it?

2 CHAIR ASHLEIGH AITKEN: Yeah. I would support
3 that.

4 DIRECTOR NICK BERARDINO: Yeah. I think we need
5 to have a very thorough discussion about gun shows
6 because these exemptions -- I thought -- the person that
7 called me said they have exemptions for assault weapons.
8 And I said, holy cow. I mean nobody needs an assault
9 weapon in the United States. That's the last thing
10 anybody needs. But then waiting periods and some other
11 things --

12 CHAIR ASHLEIGH AITKEN: I believe that's part of
13 the con- -- I mean I'm in the midst of looking into it,
14 as well.

15 DIRECTOR NICK BERARDINO: Oh, are you?

16 CHAIR ASHLEIGH AITKEN: Because I think it varies
17 from state to state and how different communities handle
18 it, but there's overarching -- they're mostly Federal
19 exemptions. So it's a very complicated area.

20 DIRECTOR NICK BERARDINO: Yeah. I see it --
21 thank you.

22 DIRECTOR STAN TKACZYK: You touched on it, but I
23 was hoping we could have staff -- let's find out what
24 the rules are and what the rules are at the gun show
25 that we currently have. And then when we have that

1 information, bring it back to us and then --

2 DIRECTOR NICK BERARDINO: She's going to agendize
3 it, so --

4 DIRECTOR STAN TKACZYK: Okay. Okay. But at that
5 point, then, we would have that information? I just
6 don't want to start conversation without having the
7 basic understanding of what legally exists here. That's
8 what I meant.

9 DIRECTOR NICK BERARDINO: That's the purpose of
10 agendizing it, so we have all that.

11 DIRECTOR STAN TKACZYK: Okay. Okay.

12 MS. KATHY KRAMER: Stan, if I may --

13 CHAIR ASHLEIGH AITKEN: We'll have it ahead of
14 time, so --

15 DIRECTOR STAN TKACZYK: I just want to clarify.
16 That's all.

17 MS. KATHY KRAMER: We'll work on that research
18 and have it done.

19 DIRECTOR STAN TKACZYK: Yeah.

20 DIRECTOR NICK BERARDINO: Yeah.

21 VICE CHAIR GERARDO MOUET: I have a comment.
22 Generally, it's a great quarter, as you said. There's a
23 lot of events. I'm assuming it's better than in the
24 past. I'm assuming there's an increase of interest in
25 doing events on our site here.

1 MS. MICHELE RICHARDS: Very much so.

2 VICE CHAIR GERARDO MOUET: And so it would be
3 interesting that staff, as you're excited about all
4 these events coming our way, think about what has
5 triggered this progress, this -- and so we can figure
6 out and you can share with the Board later on how to
7 keep doing that -- right? -- because that's a good
8 thing.

9 MS. MICHELE RICHARDS: Yes.

10 VICE CHAIR GERARDO MOUET: It always helps the
11 budget, and it helps value the site by more people using
12 it. So it's good. Congratulations. That's great.

13 MS. MICHELE RICHARDS: Yeah.

14 MS. KATHY KRAMER: Thank you, Michele.

15 I would like at this time to ask Debbye
16 McDaniel -- Debbye is our interim VP of Finance and
17 Administration -- to provide some third-quarter
18 financial numbers.

19 MS. DEBBYE MCDANIEL: Can I go to the lecturn?

20 MS. KATHY KRAMER: Yeah, absolutely.

21 MS. DEBBYE MCDANIEL: Good news. We have nearly
22 \$38 million in the bank. That's, I think that's very
23 admirable, very impressive. I will tell you that the
24 33, almost \$34 million of investments is in a late
25 account. The statewide late balance is 45 million. So

1 34 of it is ours, and that's quite impressive. So --

2 DIRECTOR STAN TKACZYK: Close the account.

3 MS. DEBBYE MCDANIEL: If only we could. Can't
4 quite close it. The state depends on those, apparently.

5 I know that you're accustomed to seeing
6 financials on a monthly basis. For this Board Meeting,
7 we've chosen to present to you the third quarter
8 financials instead.

9 Typically, in the October budget -- excuse
10 me -- Board Meeting, you get July's financials, and
11 you're several months behind. And we made a decision
12 that in order to give you more accurate and more current
13 data so it's more meaningful if we make decisions going
14 forward, we're going to give you Q3 right now as opposed
15 to taking the time to do July, August, September, and
16 maybe by the end of the year you would get Q3, and it's
17 kind of meaningless at that point.

18 We are moving toward -- to that level P&L's
19 and financials, in addition to what you're accustomed to
20 seeing, so that we will be able to say how much did the
21 Cruise for a Cure make or how much did each event make.
22 Did we make money on that, did we lose money on that.
23 We have historically not been able to do that because we
24 have not had our general ledger set up entirely to allow
25 that.

1 So the numbers that we have are not -- when
2 we're talking about numbers for any given event, they're
3 not concrete numbers. There's a lot of massaging of
4 numbers, pulling data from different places to come up
5 with that rather than, you know, purely running that
6 from a general ledger, which is the way it should be.

7 I know everyone wants to know how the fair
8 did. Before we get there, let's just look at this real
9 quickly. This is our Q3 financials. We made
10 \$32 million in revenue. Expenses were 19 and a half
11 million, the net income of 12 and a half million.
12 That's for the third quarter, July, August, and
13 September of 2015 alone. Pretty impressive.

14 And, of course, most of that is attributable
15 to the fair. And I know you're all asking how'd we do
16 at the fair. Here's how we did at the fair for 2015.
17 Sorry. Fair alone. And, again, these are not concrete
18 numbers. We've extrapolated as much as we can events
19 that are subsequent to the fair in Q3.

20 But this is what we've come up with,
21 \$30 million fair-related revenue; expenses, 18 million;
22 with a net income of 11 million for the fair. Pretty
23 impressive. When you look at comparable 2014, you can
24 see our revenue is relatively flat, and expenses are
25 slightly elevated, which, of course, makes our net

1 income slightly less -- almost 2 million less than in
2 2014.

3 You may be asking why we have almost
4 \$2 million less in -- decrease in income from the 2014
5 fair. It's because of events -- we did some intentional
6 ramp-up. We increased our outreach for the 2015
7 celebration. We added the ambassador program.

8 We also had unforeseen expenses, such as the
9 Willie Nelson concert was canceled. We had to still
10 incur the expenses, yet we didn't -- we weren't able to
11 recoup that revenue.

12 There were other things -- I'm trying to
13 remember what the other one -- the Pacific Plaza --
14 Plaza Pacifica -- excuse me. That was a big expense we
15 didn't have last year, a new program. So we expected
16 this. We expected to have greater expenses in 2015 than
17 2014.

18 Here's our year-to-date results. Again, this
19 is as of September 30th. Again, our cash on hand, quite
20 impressive. Our year-to-date revenue is 36 million;
21 year-to-date expenses, 28 million; year-to-date net
22 income is 7 million. We're \$3.2 million was our
23 budgeted -- excuse me -- we're \$3.2 million above our
24 budgeted income, which is a 72 percent higher net income
25 than we anticipated.

1 Now, a lot of that, Gerardo, to your comment
2 about the events, is attributable to the fact that we
3 have significantly more events.

4 MS. KATHY KRAMER: Thank you, Debbye.

5 VICE CHAIR GERARDO MOUET: I'd like to say that
6 Barbara and I had a really good meeting -- conference
7 call meeting with Debbye and Kathy, and I think it's the
8 right thing to do with regards to improving the way they
9 do the accounting so that you can more appropriately
10 measure the effectiveness of each event and not unless
11 you account for it in that way, you make those changes
12 in accounting, you can't really mention the
13 effectiveness.

14 So I think it's kudos to staff to do this
15 kind of improvement in the accounting system that will
16 help us in our budgeting role.

17 DIRECTOR STAN TKACZYK: Just one comment. I
18 appreciate the fact that you had the meeting. I
19 appreciate the fact that Kathy and our financial people
20 have looked at what we had and now are pursuing
21 something that will really allow us better transparency
22 on literally every event that we have, and that's
23 something I was hoping that -- to see, and that's
24 something that's coming our way. So I really appreciate
25 everyone doing what you're doing and the direction we're

1 going in. Excellent.

2 MS. DEBBYE MCDANIEL: It also will allow us to
3 have a clear and more transparent budget process as
4 budget analysis as we move forward.

5 DIRECTOR STAN TKACZYK: Yeah. Thank you.

6 MS. KATHY KRAMER: Thank you, Debbye. My only
7 comment on that, as Debbye said, we'll -- and I'm
8 excited because that's the world I come from is having
9 event-based P&L's.

10 The other thing for us this year is really
11 about labor management and using analytic tools to
12 understand that as we're budgeting for '16 with the
13 baseline as the '14 numbers, we're not accepting '15 we
14 know is an extraordinary year, and our baseline will be
15 '14 to review those.

16 I personally will make the commitment, along
17 with Debbye, to help staff during the budget process and
18 sit in budget meetings. We're going to be very --
19 continue being religious about having monthly meetings
20 and manage those things by variance reports and variance
21 meetings and really making that a front piece of our
22 culture and then everyone having an understanding and
23 growing from the bottom up so the team understands the
24 numbers, where they're going.

25 You know, I like to say whether I have \$50 in

1 the bank or 50 million, I'm going to manage it the same
2 way, through the same being frugal there. So very
3 excited, and I want to thank Debbye for coming on board.
4 She truly has jumped in with both feet and has been very
5 instrumental in helping us get this direction changed.

6 So thank you.

7 DIRECTOR STAN TKACZYK: It's going to be great.
8 We'll be able to see more detail in the future.

9 MS. KATHY KRAMER: Absolutely.

10 DIRECTOR STAN TKACZYK: That's what I really want
11 to see.

12 MS. DEBBYE MCDANIEL: And this is a process,
13 again, that we're moving -- it's not an overnight
14 process, just so you know, that there is a -- we do have
15 to do some GL -- some restructuring of our general
16 ledger and then also reimporting some -- reallocating
17 some of the transactional.

18 But beginning in 2016, we will be -- by
19 January -- end of month January, we will be doing event
20 P&L's.

21 DIRECTOR STAN TKACZYK: Well, what I think of is
22 that this time next year --

23 MS. DEBBYE MCDANIEL: Oh, this time next year it
24 will be old hat.

25 DIRECTOR STAN TKACZYK: I just want to say we

1 will have had a lot of time to digest precise
2 information.

3 MS. DEBBYE MCDANIEL: Right. Yes.

4 DIRECTOR STAN TKACZYK: Thank you.

5 MS. KATHY KRAMER: And that concludes my report.

6 CHAIR ASHLEIGH AITKEN: Okay. Wonderful.

7 We're going to move on to General Matters of
8 Public Comment. I have one card from Ms. Refakes.

9 MS. BETH REFAKES: Beth Refakes, Costa Mesa.

10 I just want to thank Ms. Kramer and her staff
11 for having the open house for the follow-up from fair
12 the other night. I think it was very revealing that --
13 a lot of things revealed from it, especially the
14 ambassador program, has been successful, also the noise
15 monitoring.

16 I think that you also found out that some of
17 the complaints about noise aren't necessarily all from
18 the amphitheater, so there's some work that needs to be
19 done on some of the other areas that are generating
20 noise.

21 So I think it was very successful, and I
22 appreciate that you're taking the time to listen to
23 residents, especially the surrounding neighbors, to
24 resolve these issues, and I think we'll have a better
25 working relationship between the community and the

1 fairgrounds.

2 So, once again, I appreciate it. Thank you
3 very much.

4 CHAIR ASHLEIGH AITKEN: Thank you.

5 Okay. We're going to move on to our minutes,
6 which are in front of us. If -- unless somebody has any
7 changes to our September 24th, 2015, minutes, may we
8 have a motion to move?

9 DIRECTOR SANDRA CERVANTES: So moved.

10 DIRECTOR ROBERT RUIZ: Second.

11 CHAIR ASHLEIGH AITKEN: All right. All in favor?
12 Oh, sorry. Roll call. Caught myself that time.

13 BOARD CLERK JESSICA ZIMMERMAN: Chair Aitken?

14 CHAIR ASHLEIGH AITKEN: Yes.

15 BOARD CLERK JESSICA ZIMMERMAN: Vice Chair Mouet?

16 VICE CHAIR GERARDO MOUET: Yes.

17 BOARD CLERK JESSICA ZIMMERMAN: Director Tkaczyk?

18 DIRECTOR STAN TKACZYK: Yes.

19 BOARD CLERK JESSICA ZIMMERMAN: Director
20 La Belle?

21 DIRECTOR DOUGLAS LA BELLE: Yes.

22 BOARD CLERK JESSICA ZIMMERMAN: Director
23 Berardino?

24 DIRECTOR NICK BERARDINO: Yes.

25 BOARD CLERK JESSICA ZIMMERMAN: Director

1 Bagneris?

2 DIRECTOR BARBARA BAGNERIS: Yes.

3 BOARD CLERK JESSICA ZIMMERMAN: Director

4 Cervantes?

5 DIRECTOR SANDRA CERVANTES: Yes.

6 BOARD CLERK JESSICA ZIMMERMAN: Director Ruiz?

7 DIRECTOR ROBERT RUIZ: Yes.

8 DIRECTOR STAN TKACZYK: Can someone turn the air
9 on?

10 DIRECTOR ROBERT RUIZ: Yeah. It's stuffy in
11 here.

12 DIRECTOR STAN TKACZYK: Yeah. Who's the air
13 conditioning --

14 MS. KATHY KRAMER: I'll do it.

15 CHAIR ASHLEIGH AITKEN: Who's chair of the
16 air-conditioning subcommittee?

17 MS. KATHY KRAMER: There we go.

18 DIRECTOR STAN TKACZYK: Thank you.

19 DIRECTOR DOUGLAS LA BELLE: Doug used to have a
20 problem with that, as I recall. He couldn't get it
21 done. Kathy's got it down pat.

22 CHAIR ASHLEIGH AITKEN: I don't think we're
23 pulling anything from the Consent Calendar. So unless
24 anyone would like -- would anyone like to pull anything
25 from the Consent Calendar? If not, may we have a motion

1 to move the Consent Calendar?

2 DIRECTOR DOUGLAS LA BELLE: So move.

3 DIRECTOR ROBERT RUIZ: Second.

4 BOARD CLERK JESSICA ZIMMERMAN: Chair Aitken?

5 CHAIR ASHLEIGH AITKEN: Yes.

6 BOARD CLERK JESSICA ZIMMERMAN: Vice Chair Mouet?

7 VICE CHAIR GERARDO MOUET: Yes.

8 BOARD CLERK JESSICA ZIMMERMAN: Director Tkaczyk?

9 DIRECTOR STAN TKACZYK: Yes.

10 BOARD CLERK JESSICA ZIMMERMAN: Director

11 La Belle?

12 DIRECTOR DOUGLAS LA BELLE: Yes.

13 BOARD CLERK JESSICA ZIMMERMAN: Director

14 Berardino?

15 DIRECTOR NICK BERARDINO: Yes.

16 BOARD CLERK JESSICA ZIMMERMAN: Director

17 Bagneris?

18 DIRECTOR BARBARA BAGNERIS: Yes.

19 BOARD CLERK JESSICA ZIMMERMAN: Director

20 Cervantes?

21 DIRECTOR SANDRA CERVANTES: Yes.

22 BOARD CLERK JESSICA ZIMMERMAN: Director Ruiz?

23 DIRECTOR ROBERT RUIZ: Yes.

24 CHAIR ASHLEIGH AITKEN: Okay. We're going to

25 move on to our Governance Process. We have two

1 committee or Task Force reports. I'm going to start
2 with the Centennial Farm Foundation Board, which will be
3 Vice Chair Mouet.

4 VICE CHAIR GERARDO MOUET: Yeah. The last time I
5 met with them, the Centennial Farm Foundation Board
6 Members asked me if I planned to continue being as a
7 liaison representative, and I said that's my intention.

8 I like the spirit of volunteerism that they
9 have. They -- I know they need help. Whenever I can, I
10 will help them be creative to try to raise more money to
11 help the farm. So I am joining their meeting. I think
12 they are meeting today at 3:30. So I'll come back for
13 that.

14 But, anyway, that's what I just wanted to
15 mention because they were asking whether I was going to
16 continue, and I said I don't have a problem continuing.
17 I like being able to help them, and the mission is good.

18 CHAIR ASHLEIGH AITKEN: Thank you.

19 Next we have the Heroes Hall Veterans
20 Foundation Board, Director Berardino and La Belle.

21 DIRECTOR NICK BERARDINO: Yeah. And, again,
22 everything is going well. We, you know, are busy
23 raising money. We have money out there ready to pick up
24 except we -- the IRS still hasn't given us our 501(c)(3)
25 number. So I've had people calling me saying, hey,

1 there's \$25,000 here for you to pick up as soon as you
2 get that, and we haven't gotten it yet. I'm saying, no,
3 but give it to us anyway. It's no big deal. And it
4 isn't a big deal, but, you know, some of this money is
5 coming from entities where they need it.

6 So that's going well. And I want Deborah to
7 know we paid our first bill for -- I know we got charged
8 for something and -- no, it was a charge for putting our
9 name on something. So the foundation paid in full.
10 Hope this is a receipt.

11 MS. MICHELE RICHARDS: I got the check just the
12 other day.

13 DIRECTOR NICK BERARDINO: There you go.

14 And anticipating more. We're ordering new
15 checks. So we're on our way to compliance here. So
16 that's it -- thank you -- unless Doug has anything.

17 DIRECTOR DOUGLAS LA BELLE: I just might add our
18 next meeting is next Thursday, the 29th, next foundation
19 meeting, at 1:00 o'clock.

20 DIRECTOR NICK BERARDINO: I think it's the first
21 Wednesday of November. There's a finance committee
22 meeting on the 29th.

23 DIRECTOR DOUGLAS LA BELLE: Oh, is it the
24 finance? Let me check. Let me go back and look at my
25 e-mails. We got a meeting coming up sometime.

1 DIRECTOR NICK BERARDINO: Get this old city
2 manager an assistant, would you, please?

3 DIRECTOR DOUGLAS LA BELLE: I need help. I need
4 help.

5 DIRECTOR STAN TKACZYK: It's called retirees.

6 CHAIR ASHLEIGH AITKEN: At some point, there will
7 be a meeting.

8 DIRECTOR DOUGLAS LA BELLE: That's true.

9 DIRECTOR STAN TKACZYK: Yes, there's meetings.

10 CHAIR ASHLEIGH AITKEN: All right. Thank you
11 very much.

12 The next item on our agenda is the Arlington
13 Bioswale Update, and I know we have some matter --
14 comment cards. So I'm going to call up first Lisa Sabo.

15 MS. LISA SABO: Good morning. And I'm excited
16 about how the fair's doing, the fairground property, and
17 I think it's just the positive influence of all the Fair
18 Board members. And it's really increased the activity
19 of the Equestrian Center.

20 And it's funny as you talk about the cat
21 shows, all these different shows, I think we're all,
22 like, a little out of balance in our groups because
23 everyone giggled with the cat show. So I'm just kind of
24 like one of the out-of-balance horse people there at the
25 Equestrian Center.

1 And so my big concern about the project --
2 and I'm a runner. I like to run. I love trails. I've
3 even run here from my home when my car was in the repair
4 shop. So I love trails, and I love safe sidewalks.

5 My concern is the sidewalk and this trail is
6 not safe. It's been put in a position where it's not
7 safe for many reasons, number one, the runners going
8 across because you've got traffic going across there all
9 day. You're going to lose parking lot spots on the
10 street.

11 But then as an equestrian, I'm concerned
12 about the safety of that whole Arlington side of the
13 property. Down at the end, we have an arena. It's
14 called the Arlington Arena, a riding arena. And having
15 a trail on the other side of the fence there will be
16 dangerous for us in the arena when we're teaching a lot
17 of beginner lessons.

18 And you talk about the -- how popular the
19 fairgrounds is becoming, my phone, as a trainer, is just
20 ringing off the hook with mothers with kids and
21 teenagers and, actually, mothers themselves that want to
22 come for riding lessons. And to do a beginner riding
23 lesson in an arena with a trail on the other side of the
24 street with skateboarders and runners is going to not be
25 safe, let alone all of the barns end along the Arlington

1 fenceline there.

2 And I would like to just invite you all, let
3 you lead my oldest pony down that fenceline and let
4 someone hop -- get on the other side of the fence and go
5 along and see how the pony will spook from the activity
6 on the other side of the fence.

7 So having a trail on the other side of the
8 fenceline of the Equestrian Center is not safe. And
9 it's not safe for the equestrians, and it's not safe for
10 the actual trail people because of the traffic going
11 back and forth.

12 I would suggest, as a lover of trails and
13 running, to put the trail on the other side of the
14 street. Go ahead and do the water bioswale issue and
15 stuff like that. And then also I would suggest keeping
16 the street wider. The fact that we want to narrow the
17 street really concerns me because when you're pulling a
18 big rig in and out of there, you need that entire street
19 to make the turn.

20 And I know the fairgrounds at all these other
21 gates, I think it's Gate Number 8 right before, you've
22 got big trucks pulling in and out of there. And I see
23 them. They use the entire street to pull in and out of
24 there. And to add -- narrow the street, take away
25 parking, and to add pedestrians is just opposite of

1 smart. It's -- I would really think through the
2 process.

3 Okay. Thank you very much.

4 CHAIR ASHLEIGH AITKEN: Thank you.

5 We also have a comment from -- comment card
6 from Reggie Mundekis.

7 MS. REGGIE MUNDEKIS: Hi. Good morning. I would
8 like to thank the Board, first and foremost, for your
9 actions to finally start to take care of the bill that
10 allows this property to be sold on 30 days' notice.
11 That's huge. So thank you, guys, for doing that.

12 I presume that you all received the memo that
13 was written about the safety issues. So if you have any
14 questions, I'm here to answer them.

15 The trail and the bioswale -- excuse me --
16 can be built as two separate projects. They don't have
17 to be built together, and they don't have to be on the
18 same side of the street. The bioswale belongs with the
19 ditches. The trail can be on the north side of
20 Arlington. And some of the bicycle riders in Costa Mesa
21 suggested why don't you put the trail someplace else
22 besides Arlington Drive so it can actually connect to
23 other trails in the city.

24 Arlington Drive is the loading dock for the
25 fairgrounds and also the entry to many parking lots.

1 And the trucks that use Arlington Drive have long
2 stopping distances, and this makes it very difficult to
3 safely quickly stop if a pedestrian steps out in front
4 of you.

5 The trail, if built as proposed on your side
6 of Arlington, will be a permanent safety hazard for your
7 property and will negatively impact your business and
8 will be a permanent gift to plaintiffs' attorneys.

9 You really can't mix pedestrians, bicyclists,
10 strollers, skateboarders, and other people not in a
11 vehicle with vehicles, which are currently all the
12 traffic, all the cars, all the large, heavy vehicles
13 that use Arlington Drive. They will be -- those
14 vehicles will be turning right in front of those people
15 on that trail, and there's nine opportunities along that
16 one-mile stretch for that accident to happen.

17 When an accident happens, it's going to be
18 your name in the paper. They're going to say a kid on a
19 bike was killed at the Orange County Fairgrounds. And
20 we all know what happens when someone is hurt or maimed
21 or killed at a fairgrounds, particularly a kid. It
22 impacts their business. Just ask The Big Fresno Fair.
23 Just ask the Ventura County Fairgrounds. They can tell
24 you what happens when someone is killed or maimed at a
25 fairgrounds.

1 If the city insists on building this trail,
2 let's look into hiring your own engineering firm to do a
3 safety assessment of it. Take a few months. Spend a
4 few bucks. It will be money well spent figuring out
5 with your -- with your own engineering hired firm what
6 the safety issues are and how they need to be mitigated
7 so they don't impact your business in the long term.

8 And, finally, if this project is built by the
9 city, the trail, not the -- the bioswale's okay. It's
10 the trail that's the issue here. If the trail's built
11 by the city in the proposed location, you should ask the
12 city to indemnify you and hold harmless for any
13 accidents that happen on that trail.

14 Because sometimes you can't stop something
15 from happening, but you need to protect yourself, and
16 you need to look at the long-term business interests of
17 this fairground, which will be negatively impacted by
18 putting a trail across your loading dock, across nine
19 driveways in one mile.

20 So thank you. And if you have any questions,
21 I'm here.

22 CHAIR ASHLEIGH AITKEN: Thank you.

23 Okay. I think we have a presentation by the
24 city, so I'll turn it over to Ms. Kramer.

25 MS. KATHY KRAMER: We do. I'd like to ask

1 Ernesto Munoz, the public service director with the City
2 of Costa Mesa, to provide us an overview of the project.

3 MR. ERNESTO MUNOZ: Good morning, Madam Chair,
4 Directors, Orange County staff. I want to thank you for
5 allowing us to present once again the Arlington Drive
6 bioswale diversion project to you.

7 We believe this is a unique opportunity for
8 the fairgrounds to partner with the city to construct
9 aesthetic improvements on the north side of the
10 fairground property to match the rest of the other sides
11 of the fairground, at the same time implementing an
12 ecologically sensitive solution, very elegant solution,
13 to address the fairground water quality challenges.

14 The project will also result in material
15 savings to the fairground relative to the commitment to
16 implement and complete roadway, parkway, and storm drain
17 improvements as per the settlement agreement between the
18 fairgrounds and the city.

19 As you may recall from the presentation I
20 made to you in March, I believe, last year, the concept
21 is quite simple. It involves the reduction of
22 impervious pavement to reduce the amount of runoff and
23 increase the amount of runoff that can be absorbed in
24 the ground.

25 It also includes the construction of an

1 engineered bioswale as you can see here. The purpose of
2 the bioswale is to capture the fairground's runoff, the
3 low-flow runoff and the first flush runoff, and to treat
4 that naturally.

5 If the improvements are made on the south
6 side, the work will also include all of the improvements
7 that the fairground is required to make as per the 1980
8 settlement agreement.

9 As you know, the centerpiece of this project
10 is the bioswale. The city took the initiative to apply
11 for a grant through the OC EPA environmental project to
12 address really a water quality issue related to the
13 fairground.

14 Ninety-nine percent of the water that drains
15 from the fairground through this bioswale would be --
16 or, rather, 99 percent of the water that reaches the
17 bioswale is from the fairgrounds. So this would
18 naturally treat that water. And that is why -- those
19 are the merits that this proposal and this grant
20 proposal was evaluated on, and that's why the city was
21 successful in capturing these funds.

22 Also, the city allocated half a million
23 dollars to be able to complete the portion of the
24 project which includes the multipurpose trail, as well
25 as the bioswale.

1 As you know, the existing conditions on the
2 north side include a fully improved parkway, it includes
3 11 driveways, and one intersection at Junipero,
4 sidewalk, ramps, streets, planters, curb gutter, and
5 striped bike lane which ends at Tewinkle Park.

6 On the south side, adjacent to the fairground
7 property line, we have a, I think, existing third ditch
8 that collects untreated runoff from the fairground and
9 outlets directly to the storm drain pipe system, which
10 impacts the Upper Newport Bay.

11 The Upper Newport Bay has been designated by
12 the Regional Water Control Board as an impaired water
13 body and is to be placed on a high priority list for
14 water quality solutions.

15 The fairground is a permittee of the MS4
16 permit, and I believe the staff will talk a little bit
17 about that. And the city, as a permittee of the same
18 permit, we are required to treat runoff before leaving
19 our properties. And, also, this is outlined in your
20 water quality management plan.

21 We thought it would be helpful to the Board
22 if we could present some of the highlights of -- there's
23 been a lot of discussion about moving the alignment of
24 the swale to the other side of the street, and we wanted
25 to present some of the highlights associated with each

1 of the alignments.

2 If the trail and the bioswale is constructed
3 on the south side, it will result in reduced cost to the
4 fairground for the water quality improvements, which we
5 are required to make as we've already captured funding
6 to be able to construct these improvements.

7 Also, a rohdea from Gate 7 to Newport will
8 reduce runoff and will provide traffic-calming effect,
9 which will decrease vehicle speeds and allow for better
10 decisions to be made by both drivers and vehicles
11 exiting and entering the fairground.

12 A rohdea, by the way, is reducing the amount
13 of pavement that we have there, thereby increasing the
14 more pervious area to absorb some of the runoff. And
15 because of the narrowing of the roadway, we saw on a
16 psychological effect for -- for the drivers to reduce
17 their speeds.

18 It also provides pedestrian and bicycle
19 safety and access on the south side. You would
20 essentially construct a dedicated trail that -- paved
21 trails of the fairgrounds, as well as cyclists and
22 pedestrians can use off of the street.

23 I'd like to point out that this condition
24 already exists around the fairgrounds. With initiative
25 both from fairground staff, as well as city, we have

1 constructed a trail system around the entire fairground.
2 And it crosses driveways, and we -- so far since it's
3 been constructed, we haven't had any issue.

4 It also improves safety of ingress and egress
5 for vehicles. As you know, this side of the fairground
6 property is essentially the alley to the fairground.
7 It's an access point for vehicles to be able to supply
8 to the businesses and the events.

9 This project does not propose to change the
10 functionality, but it does and will have a significant
11 impact on the aesthetics of it. So instead of having an
12 alley side of the property, you'll essentially have a
13 completed look around the fairground property.

14 It will complete the multipurpose trail link
15 around the fair, as I mentioned. It will landscape and
16 enhance the whole property with trees, plants,
17 et cetera, some of which can be used to stream the uses
18 from the Equestrian Center to the trail and implements
19 the city's bike master plan.

20 Now, if the -- as is suggested, the -- since
21 the trail system is close on the swale to be constructed
22 on the north side, the roadway and traffic lanes would
23 be required to be moved. Essentially, what we would be
24 required to do is to shift the entire roadway southerly
25 so we would end up with traffic a lot closer to your

1 property line, in some cases, as close as 5 feet.

2 We would need to clear existing fairground
3 encroachments into the city. Currently, the fairgrounds
4 encroaches into city property. And we believe that if
5 we were to cure those encroachments, it would affect
6 somewhat your operations, and your staff will probably
7 talk about some of that.

8 It would be limited in the water quality
9 treatment opportunity. The bioswale -- we would like to
10 construct the bioswale adjacent to the bicycle facility.
11 By constructing the bioswale on the north side, it
12 really negates the whole purpose of this grant. And it
13 would not -- we would have to transfer that water
14 through the bioswale across the street somehow, which
15 would incur additional costs for the fairground, as well
16 as the city, to be able to accomplish that.

17 It would require -- (indiscernible) --
18 because per the agreement that the fairgrounds has
19 subscribed to with the city, you're required to complete
20 the entire street, all the parkway improvements, curb,
21 gutter, in addition to a storm-drain system.

22 If the project was constructed on the north
23 side, it would require the fairgrounds to also construct
24 laterals to convey that water from the south side to the
25 north side, which would incur additional costs to the

1 fairground.

2 It would limit our opportunities for
3 landscaping. As you know, the north side of the street
4 is already fully improved. And if we were to construct
5 the trail and the bioswale on the north side, it would
6 require us to narrow considerably that area and would
7 not provide a lot of opportunity for landscaping, and
8 the south side would remain unlandscaped.

9 Also, we would have to impact the school
10 driveways. We would have to impact -- all of the curb
11 and gutter on the north side would have to be
12 reconstructed and moved. That's an additional cost to
13 the city of approximately a million dollars, which is
14 currently not appropriated.

15 So it would be very likely that staff would
16 recommend to the City Council that the grant be
17 forfeited because that million dollars is currently not
18 appropriated. And, of course, there will be additional
19 construction cost impacts related to what the fairground
20 would have to do in going along with that project.

21 So since the last presentation that we made
22 to you last year, at that time, you asked us to meet
23 with -- with the equestrian group and hear their
24 concerns and see how some of the concerns could be
25 mitigated, how they could be incorporated in the

1 project.

2 We are very confident -- and we've done that.
3 We met with your staff, our engineering team, our city
4 engineer, myself. We had a meeting with them, and we
5 heard their concerns. We -- they addressed specifically
6 some of the issues that were brought up this morning,
7 and we are very confident that those issues can be all
8 mitigated through a proper design. The city has yet to
9 build a project that is not safe.

10 So all of those issues can be mitigated. We
11 have -- one of the issues that was brought up was
12 ingress and egress through the driveways for the
13 trailers and the conflict with pedestrians and
14 bicyclists.

15 As I mentioned, this has not occurred. You
16 have bike trails all around your property. It has not
17 occurred at the other driveways. However, we are -- we
18 have a traffic engineer here, as well, that can talk a
19 little bit about that. We are proposing with this
20 project to enhance those driveways, to enhance
21 visibility, to properly sign the driveways so that both
22 pedestrians, bicyclists, and trailers and other trucks
23 entering and exiting the fairgrounds have considerable
24 opportunity to look ahead of them and be able to stop.
25 You are not supposed to drive a trailer through without

1 really stopping and looking in the first place.

2 So with that, I -- we're available for
3 comment. Like I said, we have our engineer -- civil
4 engineering team here. We have our traffic engineer
5 here, as well. And I'm available to answer any
6 questions you may have.

7 I'd like to turn it over to CEO Kramer.

8 MS. KATHY KRAMER: Thank you, Ernesto.

9 DIRECTOR NICK BERARDINO: Question before we turn
10 it over.

11 CHAIR ASHLEIGH AITKEN: Do you want to hold --

12 MS. KATHY KRAMER: We've got a presentation where
13 they show --

14 CHAIR ASHLEIGH AITKEN: Maybe the questions --
15 (indiscernible).

16 DIRECTOR NICK BERARDINO: Okay. Well, Ernesto,
17 will you be coming back?

18 MR. ERNESTO MUNOZ: Absolutely. I'm planning on
19 it.

20 MS. KATHY KRAMER: Thank you, Ernesto.

21 The association completed the due-diligence
22 process to understand our obligations around the
23 storm-water drainage and water quality issues. The
24 association's master plan of 2013 identifies a water
25 quality management program, which Ernesto referenced,

1 that includes a comprehensive storm-drain and water
2 quality system designed to collect and convey the runoff
3 from the association into the existing and planned city
4 storm drains along Arlington Drive.

5 In addition, a settlement agreement, which
6 Ernesto referenced, between the association and the City
7 of Costa Mesa, entered into August of 1980, states the
8 association agrees to provide subservice -- subsurface
9 storm drain on the south side of Arlington to the extent
10 that it accommodates storm water that emanates from the
11 fairgrounds.

12 In addition, as Ernesto mentioned, we are
13 responsible for all of the street improvements, curbing,
14 and to get it back up to a usable -- a usable state.

15 That said, I'd like to ask Jerry Eldridge,
16 our Director of Maintenance and Facility Operations, to
17 walk us through the specific requirements and costs
18 based on the scenarios that we have identified to
19 participate with the City of Costa Mesa on this project.

20 MR. JERRY ELDRIDGE: Okay. So what I'd like to
21 do is go through our obligations that, as Ernesto had
22 stated, from our settlement agreement of 1980 is that
23 we -- right here at this point at Gate 9, it looks like
24 9, 9 and a half, that's where the RCP -- the concrete --
25 reinforced concrete pipe is for the storm drain. We're

1 expected to bring it all the way up to Gate 4 right here
2 in front of admin. That was the agreement that the
3 association had done with the city.

4 And also, in doing that, as we tear up the
5 area to put in the storm drain, we will also be
6 responsible for all the street repairs, curb and gutter,
7 fire hydrants, anything that's related to street
8 improvements per the city's requirements.

9 DIRECTOR NICK BERARDINO: That's if -- that's
10 pursuant to their 1980 agreement; correct?

11 MR. JERRY ELDRIDGE: Correct.

12 DIRECTOR NICK BERARDINO: So we don't -- what
13 you're saying is if we -- I was a little unclear what
14 you said. But pursuant to the 1980 agreement, should we
15 not enter into partnership with the city, we're going to
16 be solely responsible for all that?

17 MR. JERRY ELDRIDGE: Correct. We're responsible
18 for it.

19 DIRECTOR NICK BERARDINO: Got it.

20 MR. JERRY ELDRIDGE: Either way, we're
21 responsible to install per the --

22 VICE CHAIR GERARDO MOUET: And, Jerry, also it's
23 not just the settlement agreement. Isn't it pretty much
24 specified in the plans in the master plan --

25 MR. JERRY ELDRIDGE: Correct. I'm getting there

1 too.

2 VICE CHAIR GERARDO MOUET: -- that the Board
3 approved? So the -- the agreement talked about the
4 storm drain installation and the street improvements.
5 So we went in July of 2015 and we brought in JT
6 Engineering, and they gave us a preliminary probable
7 cost estimate on what it would cost to put in the storm
8 drain and to do the street improvements per the city's
9 requirements.

10 This storm-drain improvements was 1,366,000.
11 The roadway improvements were an estimated 662,857.
12 These were just estimated costs. This would be our
13 commitment to installing the storm drain and the road
14 improvements.

15 The master plan addresses for our water
16 mitigation and, you know, the storm wet weather and dry
17 weather runoff is -- their recommendation in the master
18 plan was to put a bioswale all the way down Arlington
19 Drive right here. You can see the yellow. This red
20 line here is the storm drain that we're required to put
21 in, and the yellow shaded up here is a bioswale that the
22 master plan had addressed of 2003.

23 In 2015, we also brought on Keeton Kreitzer
24 Consultants, and they assessed the master plan to take a
25 look at our storm-water runoff. And if the bioswale

1 that the city is wanting to put in would help our
2 mitigation of contaminants of any of the runoff.

3 And as you can see, in 2003 it was already --
4 you know, here it is right here. So the -- the
5 consultants agreed that, yeah, this would be a great
6 opportunity for us to partner up with the city and put
7 this bioswale in.

8 The City of Costa Mesa's commitment to the
9 bioswale project is \$2,600,000. That's what their
10 estimated cost is for their part. They're asking us to
11 contribute a million dollars flat fee and -- to their
12 bioswale project because that's a cost of one million
13 three that we've already said we were going to have to
14 spend anyways for the storm drain.

15 But they said that they would install the
16 storm drain, they would do all project management, they
17 would do the bidding. They would take the whole project
18 on without any other financial responsibility to us if
19 we contribute our \$1 million to this -- to the project.
20 And that's on the south side.

21 If the project moves to the north side, then
22 the city's still at their -- their cost of \$2,600,000 to
23 do their project with actual increases, which would be
24 all the streets and -- I mean the sidewalk and a lot of
25 improvement on that side.

1 We would then be committed to -- the street
2 improvements from JT Engineering, who did the original
3 estimation -- the street improvements, the storm-drain
4 improvements, and also the impact of that would be -- as
5 Ernesto stated, it would draw the street right up
6 against our property line, 5 feet away from all the
7 gates that go down this side on the south side.

8 And the impact on the encroachment right now
9 is from Gate 5 to Gate 7 we encroach onto the city's
10 property currently, and they would ask for that back,
11 which would impact our Action Sports Arena and the
12 bleachers on the north side of the arena.

13 DIRECTOR DOUGLAS LA BELLE: Jerry, what is the
14 size of the encroachment? How far into the city --

15 MR. JERRY ELDRIDGE: It's kind of pie-shaped. It
16 encroaches about 30 feet -- if you're at Gate 5 -- if
17 you're at Gate 5, the fenceline that's there, the
18 chain-link fence that goes to the block wall, it comes
19 in about 30 feet.

20 CHAIR ASHLEIGH AITKEN: Can you show us on the
21 map so we can have kind of a visual?

22 MR. JERRY ELDRIDGE: So the arena -- this block
23 wall right here, this triangle is concrete, and right
24 here is a block wall. From that corner of the block
25 wall, all the way down to Gate 7, so this pie shape

1 right here.

2 DIRECTOR NICK BERARDINO: It's 30 feet in from
3 there?

4 MR. JERRY ELDRIDGE: Yes. About 30 feet here,
5 and then it meanders back, but the backside of this
6 building, their property, all the way over to Gate 7 and
7 a little bit past. So the -- the street would be,
8 actually, closer than that white van right there because
9 that van's 12 feet wide. The street would be, yeah,
10 5 foot off of the gate, off Gate 5.

11 CHAIR ASHLEIGH AITKEN: And how long has it been
12 like that?

13 MR. JERRY ELDRIDGE: I've only been here eight
14 years.

15 CHAIR ASHLEIGH AITKEN: But how long has that
16 building been there I guess would be a better question.

17 MR. JERRY ELDRIDGE: I would have to look back at
18 the drawings. I think the racetrack's been there since
19 I was a kid, so that's -- I'm 50. My dad was at the
20 city before I was born, so it's been there probably that
21 long.

22 DIRECTOR NICK BERARDINO: You're saying your dad
23 was going to the track all the time?

24 MR. JERRY ELDRIDGE: No. My dad was -- worked at
25 the city.

1 DIRECTOR DOUGLAS LA BELLE: May have been there
2 before there was a city.

3 CHAIR ASHLEIGH AITKEN: Okay. That concludes
4 both the city and then our staff presentation. So I
5 know we have a lot of questions, so -- and they're all
6 going to stay until everyone's had their questions
7 asked.

8 So, Director Berardino, I know you had some
9 questions for Mr. Munoz.

10 DIRECTOR NICK BERARDINO: Yes. Thank you for
11 coming, Ernesto. Good to see you again.

12 Just a couple of quick questions. One, you
13 said that you talked to the equestrian people and
14 assured them that you can mitigate by design their
15 concerns, and you're confident of that.

16 MR. ERNESTO MUNOZ: That is correct.

17 DIRECTOR NICK BERARDINO: And how -- just kind of
18 how do you think you can do that?

19 MR. ERNESTO MUNOZ: Okay. There are two major
20 issues that were raised by the equestrian group. One of
21 them was safety of ingress and egress at the driveways.
22 And we are ready to -- our traffic engineer, he can have
23 some graphics that can show you. Partly --

24 DIRECTOR NICK BERARDINO: With him now?

25 MR. ERNESTO MUNOZ: Yeah, he does. We'll put

1 them up. But I just wanted to just kind of summarize.
2 Essentially, what -- we have the opportunity with this
3 project to relook at their driveways, look at all the
4 access points, and see what can we do with those access
5 points to actually make them safer? How can we improve
6 visibility? How can we sign those driveways and for
7 both the pedestrians and the bicyclists, as well as the
8 traffic in and out, so that they could probably be
9 coordinated together and reduce the safety issues that
10 we have right now.

11 So I'll be happy to bring him up so that he
12 could -- Grant, if you could -- talk about the
13 driveways.

14 MR. GRANT ANDERSON: Good morning. I'm Grant
15 Anderson. I work with Kabbara Engineering, and I'm a
16 registered traffic engineer and a civil engineer, as
17 well.

18 So what this slide is showing is an attempt
19 to show how a truck would exit the fairgrounds pulling a
20 trailer. And in today's condition, referred to as the
21 existing condition, we have the fairground fencing.
22 Property line is back in this general area. This truck
23 is coming out -- the street is very narrow. The truck
24 has to swing wide onto the wrong side of the road before
25 it finally gets onto the correct side of the road right

1 down here. That's what's happening today.

2 If a truck tries to turn sharper and get on
3 the correct side of the road without swinging wide, it
4 will either drive over the ditch and the dirt and the
5 plants in this general area. So that's what we are
6 looking at trying to improve with either alternative,
7 the north side or the south side. We would try to
8 improve that so we can have a truck turn and arrive on
9 the correct side of the street without having to swing
10 wide.

11 That's -- what this slide is showing is the
12 proposed southerly alignment of the trail. Keeping the
13 trail, the bioswale, all on the fairground side of the
14 property would push the road, keep it on the north side
15 of the street, provide more room. During design of this
16 driveway, we'd be able to put a wider flare on it, a
17 radius right here. So the truck would leave the gate
18 just as it does now, turn, and would arrive on the
19 correct side of the street now without having to swing
20 wide.

21 This -- we talked about some of the features
22 of the safety of the bikes and crossing this
23 intersection of the driveway, if you will. A trail on
24 this side of the street, the bikes would have to come to
25 a stop when they arrived at each driveway. The trucks

1 leaving the property, they're coming to a stop when they
2 arrive to the edge of the street. So it's a very
3 low-speed zone where these crossings are occurring.

4 During final design of these improvements,
5 the planting plan would ensure that there's adequate
6 sight visibility between the trucks and the bikes, as
7 well as trucks as they're coming down the road to come
8 in. We wouldn't want any bikes hiding behind a bush and
9 popping out, so the landscaping of these areas would be
10 important to look at during the final design.

11 The location of the trail, as it approaches
12 these driveways, would make sure -- since a lot of the
13 locations there's a solid fence right up to the property
14 line, we'd make sure the bikes, they weren't hugging the
15 fence and just popping out into view. The trail would
16 have to have a certain distance between the fenceline
17 and the trail so there would be enough room for the
18 truck and the driver to look and see the bicycle, as
19 well as the bike can see and know there's a truck coming
20 out before they -- so they have enough time to stop.

21 The next slide would be if the trail is moved
22 to the north side of the street, as well as the
23 bioswale, it would push the entire roadway up to the
24 fairgrounds as previous -- people have mentioned. The
25 pavement would be right next to the property line.

1 Turning out would be difficult.

2 The way that that would be improved is these
3 driveways would have to be coming on into --
4 improvements would have to come on into existing
5 fairground property. The trucks would have to start
6 their turn before they even get to today's fenceline.

7 The gates would have to be moved back as much
8 as 13 feet in some locations so the trucks could stop
9 and then start turning and arrive on the correct side of
10 the street by swinging wide like they do today.

11 The extensive changes to the fenceline in
12 these general areas, the -- much more difficult, anybody
13 swinging in now, this driveway is probably not going to
14 be wide enough if someone was exiting the same time
15 somebody is coming in. We don't have it on this slide,
16 but you can imagine this green area, if someone's coming
17 in at the same time, they're going to be swinging wide
18 into the wrong side of the driveway now. And there's --
19 without having a wider driveway, you wouldn't be able to
20 get two trucks in at the same time.

21 DIRECTOR NICK BERARDINO: Thank you. The other
22 question I have, now, you go back to the southerly --
23 right. So we see one concern was would there be, like,
24 a stop sign on the trail for bikers and skateboarders to
25 know you have to stop here and then a stop sign for the

1 people that are leaving?

2 MR. GRANT ANDERSON: Correct. The -- what we've
3 drawn up to date, they're all concept plans. And those
4 kind of issues -- signing, striping, planting plan --
5 would all be during final design.

6 But, typically, on a bike trail when it comes
7 up to a high-volume driveway or a street, we would place
8 a stop sign for the bicyclists. For people exiting the
9 driveway, we typically have a stop sign up near the --
10 (indiscernible) -- for them. So both sides would be
11 typically stopped.

12 DIRECTOR NICK BERARDINO: Got it. Thank you.

13 I have another question for you, Ernesto.
14 Okay. Now, the other -- now, you mentioned should we
15 not agree to this, I mean we're going to lose -- the
16 city's basically going to reclaim its property on the
17 encroachment because you have to do that to do the other
18 part of it. Okay. So I understand that.

19 And then the last thing with the equestrians,
20 the noise issue, that's something you can also try to
21 mitigate too in terms of design, or is that -- see --
22 and the thing I'm getting at is if the noise issue --
23 if -- I think in these -- this is kind of addressing
24 Ms. Sabo's concerns.

25 I mean the safety concerns are something that

1 is, you know, obvious and seems as if people would
2 take -- the noise concern, I don't know how we get at
3 that. But do you have some thoughts on that?

4 MR. ERNESTO MUNOZ: Sure. Madam Chair, Director
5 Berardino, the noise issue could be addressed through
6 either a wall or vegetation screen. That's a
7 conversation that we've had with your staff, and that's
8 something that would have to be addressed with the
9 design.

10 If the trail is placed on the northerly
11 portion of the street, as was mentioned, the traffic
12 would be brought in a lot closer. So we feel that those
13 impacts, actually, would bring the traffic closer to the
14 fenceline, would be more of an impact. But to address
15 your question, yes, the noise concerns could be
16 addressed, as well.

17 I also wanted to mention that the
18 encroachments that were mentioned by Mr. Eldridge, if we
19 are able to partner on this project, the city would work
20 with the fairgrounds to ensure that no encroachments
21 need to be cured at this time. We've done that with
22 other projects around the fairgrounds. For those of us
23 that have been here 20-plus years, all the projects that
24 we've executed on Fair and along Newport frontage road
25 that were initiated by the city with providing those

1 improvements for the fairground wind had encroachments
2 related to them, and we've worked to cure those
3 encroachments, and we worked through Sacramento to make
4 sure all those encroachments are being taken care of.

5 So if we do partner on this project, those
6 encroachments would not need to be cured at this time,
7 and it would not impact your operations.

8 CHAIR ASHLEIGH AITKEN: Is there a way to
9 permanently cure them as part of an agreement? I mean
10 you say cured not at this time. That makes me nervous.

11 DIRECTOR DOUGLAS LA BELLE: Agreed. Agreed.

12 MR. ERNESTO MUNOZ: That is correct. That is
13 correct. We're subject to having approvals through
14 Sacramento. And as we all know, that's a long-term
15 process.

16 So if we move forward with the project,
17 whatever remnant encroachments we have, either the city
18 and -- on Orange County property or the fairgrounds on
19 city property will be processed through Sacramento to
20 make sure that those are all cleaned up and we reach
21 agreement to have the property line where it will
22 ultimately be.

23 CHAIR ASHLEIGH AITKEN: So the city's intending
24 to grant a permanent easement.

25 MR. ERNESTO MUNOZ: Absolutely. And we would be

1 requesting the fairgrounds to actually do the same, yes.
2 This has been done already on Fair Drive with all of the
3 driveway improvements the city installed there in
4 cooperation with the fairground, as well as the Newport
5 frontage road.

6 DIRECTOR NICK BERARDINO: Now, a couple more
7 questions. One is we're putting in a million bucks
8 towards this improvement, which is a lot of money. And
9 so are we going to be partnering in any way with the
10 design or, you know, so that we can have maybe some
11 input on that? I mean that would be, I think, kind of
12 important.

13 Maybe the city wants to come in and put in
14 just palm trees and we go, hey, I don't know about palm
15 trees. We ought to put in some orange trees and sell
16 the oranges at the fairground. But, you know, there's
17 all kinds of ways to do it. That would make up the
18 million bucks you're charging us for this thing.

19 It's your project, you know, that we're
20 getting to use our property for. It's a little cheaper
21 than a million bucks, but I'll leave that up to staff to
22 see if they can knock a little bit off. That's a lot of
23 money.

24 But that -- so what would be our
25 participation in that?

1 MR. ERNESTO MUNOZ: Thank you. I think you
2 raised a couple of very good points. First of all, the
3 million dollars is not for the city project. It's
4 actually to offset the cost that the fairgrounds is
5 responsible for, actually, at a very large discount. If
6 you were to go along with the project, you're looking at
7 \$2 million plus. So that would be a major discount.

8 The city is willing to commit that with a
9 million-dollar contribution, they would take care of all
10 your responsibilities relative to improvements that you
11 are required to make as per the settlement agreement.

12 The second point is, absolutely, this is a
13 partnership project. So what that means is that we'll
14 work with your staff to implement the design, to fully
15 arrive at the landscape scheme that you're comfortable
16 with, something that supplements the look that you
17 envision for that north side of your property. So, yes,
18 that would occur.

19 DIRECTOR NICK BERARDINO: And then my last
20 question is that you'll be operating on our property and
21 doing construction on the property. And it is a -- so
22 that -- prevailing wage will be included in your --

23 MR. ERNESTO MUNOZ: Absolutely, yes. It's public
24 moneys, so it will be required.

25 DIRECTOR NICK BERARDINO: And in terms of

1 prevailing wage, we have a policy regarding safety
2 issues for allowing people to work on our property. I
3 mean they have to meet a certain safety standard that we
4 have in place. And has that been discussed with you by
5 staff?

6 MR. ERNESTO MUNOZ: We have not had that
7 discussion, but the city, as well -- because we'll be
8 operating on the city property, as well as fairground
9 property, those measures will be taken. It's a
10 requirement of the grant. It's -- all of the OSHA, all
11 of the state requirements, all of the requirements
12 relative to traffic control, all of that will be taken
13 into consideration.

14 DIRECTOR NICK BERARDINO: Yeah. Our safety
15 agreement requires people have to have completed
16 apprenticeship programs. We don't -- the Board's taken
17 a very strong policy. We don't want people coming on
18 our property because some contractor has gone out and
19 gotten the lowest bid and the lowest bidder, and we end
20 up with people without apprenticeship completions,
21 without proper safety training, and that kind of thing.

22 So I would encourage you and would encourage
23 the staff to be sure to have that discussion because
24 that would be something that's very -- at least very
25 important to me.

1 MR. ERNESTO MUNOZ: Absolutely. We will work
2 with your staff to do that. And our projects -- the
3 projects that the city implements that have public
4 funding associated with it are required by state law to
5 meet prevailing wage requirements, as well as
6 apprenticeship programs.

7 And -- (indiscernible) -- that those programs
8 are occurring, and then we use local work force and a
9 variety of other -- everything that the state mandates
10 would be part of this project.

11 DIRECTOR BARBARA BAGNERIS: So I have a question
12 also. If we move forward with this partnership, it says
13 that the start would be late 2015. So it's late 2015.
14 When would that start?

15 MR. ERNESTO MUNOZ: As you know, through the
16 Chair, we have been working on this project for over a
17 year now. We originally put together some schedules,
18 obviously -- (indiscernible) -- those schedules that
19 we -- in anticipation of having this meeting with the
20 Board and getting direction from the Board, we've
21 delayed not only the design process, but we've also
22 asked OCTA to extend the -- the grant deadline for us.

23 So if you were to approve going forward with
24 the partnership with the city for this project, we could
25 conceivably go through -- there's considerable outreach

1 that needs to occur with the school district, with all
2 the stakeholders around the fairgrounds, and with your
3 staff to -- and to make sure that that process moves
4 through, we anticipate that we could probably break
5 ground after the fair in 2016, so -- and during the fall
6 of next year. And that would still meet our grant
7 deadlines that would be required that we requested
8 extensions for.

9 CHAIR ASHLEIGH AITKEN: I know these plans are
10 mostly conceptual and things are going to change as we
11 get closer to a start date. My question was on the -- I
12 don't know if we have it on the slide, the Arlington
13 Drive concept plan that we have, is there going to be a
14 crosswalk or any type of walkway for people to get from
15 the south side to Tewinkle Park?

16 MR. ERNESTO MUNOZ: There will be a crosswalk to
17 be able to get pedestrians and bicyclists to the north
18 side of the street. We will retain the facilities that
19 are on the north side right now, your sidewalks, your
20 curb, gutter, the bike lane that's on the street right
21 now. All of that will be retained. So we will have to
22 provide some means of access to the north side for
23 pedestrians.

24 CHAIR ASHLEIGH AITKEN: So there will be a
25 crosswalk across Arlington for people that want to --

1 MR. ERNESTO MUNOZ: Yes, there will be.

2 DIRECTOR STAN TKACZYK: And that does not exist
3 now?

4 MR. ERNESTO MUNOZ: That is correct.

5 DIRECTOR BARBARA BAGNERIS: So I would be hopeful
6 in that design, since my son has been hit by a car in a
7 wide-open space in a crosswalk, that you'd have some
8 those reflector lights that come on, a pedestrian's
9 getting ready to cross, and those lights start blinking.
10 Because stop signs will not keep people from running
11 them and hitting you.

12 MR. ERNESTO MUNOZ: That is absolutely correct.
13 In fact, we discourage midblock crossings because
14 psychologically it's -- people don't think that they
15 need to stop midblock. So we would do something other
16 than just a signage.

17 We would put lighted crosswalks or some other
18 means to alert traffic that there is -- because we're
19 anticipating this is going to be a low-speed roadway.
20 And by the improvements that we're making, we're hoping
21 to discourage high-speed use of Arlington and will also
22 help in giving people a heads-up of the crossing of
23 pedestrians.

24 DIRECTOR BARBARA BAGNERIS: Okay.

25 DIRECTOR DOUGLAS LA BELLE: A couple of

1 questions. Ernesto, refresh my memory. The existing
2 roadway width is what today, and what will it be with
3 the project as proposed?

4 MR. ERNESTO MUNOZ: I'd like to ask our civil
5 engineer, Leah (phonetic), if you could provide an
6 answer, please.

7 LEAH: It changes width, so we're just going to
8 pull --

9 MR. ERNESTO MUNOZ: Yeah. It does change
10 throughout the length of Arlington, but she can probably
11 give you a better answer than that.

12 DIRECTOR DOUGLAS LA BELLE: While they're
13 checking that, in accord with Director Bagneris and
14 Director Berardino's comments, would it be possible for
15 the final plans and specs, because we're dealing with
16 conceptual drawings, after you work with staff to come
17 back before this Board for one final look-see before you
18 start the bid process?

19 MR. ERNESTO MUNOZ: I think that that would be
20 appropriate. What I would hope is that it does not
21 require an actual approval, but we'll be happy to work
22 with staff. Staff can work with the Board to let you
23 know what is being produced and that -- also, that can
24 be agendized so that your staff makes a presentation on
25 what the final product will look like, and that's

1 certainly a possibility. What we don't want is to make
2 the process subject to another approval so that we can
3 move forward.

4 DIRECTOR DOUGLAS LA BELLE: I think we can ask --
5 have staff bring back various progress reports on what
6 is being looked at. One of the concerns I have and
7 Director Berardino raised it is that whole noise issue.

8 From my past-life experiences, noise is
9 mitigated by one source, and that's a solid barrier.
10 Obviously, landscaping has the aesthetic benefit, but
11 that, in and of itself, does not preclude noise issues.
12 So I think you're going to probably need both from my
13 perspective in terms of the plans and significant
14 landscaping from aesthetic purposes and then the solid
15 barriers for noise issues.

16 One of the concerns when the fair is going on
17 in July and August, there's lots of stuff going on on
18 Arlington Avenue, people getting in and out of the fair,
19 trucks coming in, you know, people delivering goods, and
20 I think that anything you can do to maximize the -- the
21 warning issues, you know, with stop signs, with -- I
22 think Director Bagneris' comment is a very good one.
23 I've seen that in a lot of areas where you have the
24 flashing crosswalks. So I think that ought to be looked
25 at very closely when you do the final design plans.

1 MR. ERNESTO MUNOZ: I certainly will do that.

2 DIRECTOR BARBARA BAGNERIS: And we have an expert
3 sound man, so -- sound mitigation guy.

4 DIRECTOR DOUGLAS LA BELLE: There we go. Yeah.
5 I think Gary would -- Gary, do you agree with my comment
6 about it takes mass to --

7 MR. GARY HARDESTY: Very well put, Doug. Very
8 well put.

9 LEAH: And in response to your question,
10 Director, the street transitions from a 40-foot width to
11 about Gate 6 and transitions to the narrower width as we
12 front the equestrian area to 27 would be your pavement.

13 DIRECTOR DOUGLAS LA BELLE: And the pavement
14 width today is what?

15 LEAH: I believe it's closer to the 40, which is
16 what it is from right now before the improved section
17 from Fairview to somewhere around maybe four to five.

18 DIRECTOR DOUGLAS LA BELLE: So in the equestrian
19 area, it would narrow down significantly, 13 feet give
20 or take?

21 LEAH: Yes. It is narrower there now because
22 there's no improvements on that south side. But we
23 would make the ultimate narrow roadway width 27 in that
24 area.

25 DIRECTOR DOUGLAS LA BELLE: Okay.

1 LEAH: Does that answer?

2 DIRECTOR DOUGLAS LA BELLE: That would be one
3 lane in each direction?

4 LEAH: One lane in each direction; right.

5 DIRECTOR DOUGLAS LA BELLE: And no parking on the
6 north side?

7 LEAH: That's correct. Parking will be
8 supplemented.

9 DIRECTOR DOUGLAS LA BELLE: That's all my
10 questions.

11 CHAIR ASHLEIGH AITKEN: Okay. Does anyone --

12 DIRECTOR STAN TKACZYK: Jerry, in -- in regards
13 to our -- our obligation that we have with the contract
14 that we have, if we don't go along with the city, are
15 there other -- I understand there's some other projects
16 that we would have to start specifically -- some type of
17 drainage or some type of clarifier?

18 MR. JERRY ELDRIDGE: Yeah. You know, per our MS4
19 Ernesto had talked about, it's a permit that the state
20 has required large facilities to start cleaning and
21 mitigating and getting the water that we actually
22 discharge in the high channel, and this permit is asking
23 us to clean the water before it exits there. Also, we
24 need to be paying -- having consultants come and test
25 the waters to make sure that they're clean at that

1 point.

2 In our efforts to get in better and to
3 achieve the required results, we have in our budget and
4 we have in the past put in clarifiers. So before the
5 water exits into the culvert on the side over here, it
6 passes through a clarifier.

7 We have currently in this year's budget three
8 clarifiers to install that would clean -- help clean the
9 water that goes into the culvert with the bioswale
10 there. Keeton Kreitzer Consultants, they and the city
11 have assured us that -- and I also talked to the county.
12 They ensured us that the bioswale would be better than
13 the clarifiers that we would install.

14 DIRECTOR STAN TKACZYK: So we would not have to
15 install the clarifiers?

16 MR. JERRY ELDRIDGE: We would not be required to
17 do that; correct.

18 DIRECTOR DOUGLAS LA BELLE: What are the costs of
19 the clarifiers roughly, Jerry?

20 MR. JERRY ELDRIDGE: The box itself, they're
21 about 10 to \$12,000 and then our labor to install them,
22 tying into the culvert, or the storm drain is actually
23 where they would be tying into.

24 DIRECTOR NICK BERARDINO: Do you have to clean
25 them out?

1 MR. JERRY ELDRIDGE: Yes.

2 DIRECTOR NICK BERARDINO: How often?

3 MR. JERRY ELDRIDGE: Depends on our weather. We
4 clean them every six months.

5 DIRECTOR NICK BERARDINO: How much does that
6 cost?

7 MR. JERRY ELDRIDGE: Currently right now, the
8 city -- they pump them.

9 DIRECTOR NICK BERARDINO: So it won't be -- we
10 can't even get any money off the million dollars.
11 They're pumping --

12 DIRECTOR STAN TKACZYK: I might just share with
13 the Board I had a lot of experience when I was in
14 business with clarifiers. And to get them pumped out is
15 a significant cost and to me a significant cost to get a
16 truck in here and because of the material that's in
17 there could run anywhere from 5,000 to \$10,000 a pop.

18 MR. JERRY ELDRIDGE: Yeah. And the clarifier has
19 filters so the water passes through it. We also have
20 separators on the grounds, as well, so that it's a
21 couple of stations so the water flows through that and
22 then separates heavier sediment so that the water that
23 discharges into the culvert is cleaner in its sediment
24 but still has, you know, oils and the asphalt
25 contaminants, whatever's on the surface.

1 DIRECTOR STAN TKACZYK: Yeah, because the sludge
2 can't go just go to a landfill. It has to go to a
3 designated hazardous waste facility.

4 MS. KATHY KRAMER: I want to just add something,
5 Jerry. The clarifiers do not in any way take away from
6 our responsibility on the storm-water drain-off;
7 correct? We would still -- that's still required.
8 That's not -- you don't do one or the other. It has to
9 be both.

10 MR. JERRY ELDRIDGE: We have to do the clarifiers
11 and --

12 MS. KATHY KRAMER: Right. We're still on the
13 obligation from the master plan and the settlement
14 agreement to construct that.

15 MR. JERRY ELDRIDGE: Yes. If we do not partner
16 with the city, we will have to put in the clarifiers,
17 the storm drain, and street improvements, and then they
18 would come in and do the bioswale wherever --

19 MS. KATHY KRAMER: Everything that you talk about
20 in that first slide, the 2 million --

21 DIRECTOR BARBARA BAGNERIS: So if you have the
22 bioswale, you don't need the clarifiers. Did I hear
23 that correctly?

24 MR. JERRY ELDRIDGE: Correct.

25 DIRECTOR STAN TKACZYK: Okay. That's what I want

1 to make clear. All right. So that no only saves us
2 the -- the money that we would have to build them but
3 the long-term business expense of maintaining that
4 facility.

5 MR. JERRY ELDRIDGE: Yeah. We have about \$60,000
6 budgeted to do the clarifiers.

7 DIRECTOR STAN TKACZYK: Thank you.

8 DIRECTOR DOUGLAS LA BELLE: And the bioswale
9 eliminates the need for the storm drain and the
10 clarifiers?

11 MR. JERRY ELDRIDGE: No. The storm drain -- the
12 storm still doesn't capture our -- the runoff that we
13 have. But the surface runoff that goes into -- because
14 the storm drain doesn't capture all of the water. We
15 have water coming out drive lanes. We have water coming
16 out right off the asphalt here. It goes under the curb
17 out into the culvert on the side.

18 So we have storm-drain catches throughout,
19 and that's what we need to tie into the storm drain
20 coming through. But the water that sheds off the
21 property that doesn't get captured, then that hits the
22 culvert, which would then filter through the bioswale.

23 DIRECTOR DOUGLAS LA BELLE: Once again,
24 partnering with the city costs us a million. If we
25 don't do that, what's the number again, Jerry?

1 MR. JERRY ELDRIDGE: It was two million two, and
2 that was just our cost towards the street improvements
3 with the storm drain that I didn't factor in the savings
4 on the clarifiers that we would put in and --

5 VICE CHAIR GERARDO MOUET: The -- you know, I
6 read the -- I read our consultant's report back in 2013,
7 which did a really good job in kind of reminding the
8 Board -- it's a good thing that we did that on our
9 obligations because of the EIR, the master plan -- the
10 master plan and the settlement agreement in 1980, and it
11 reminds us that we have certain obligations on the water
12 drainage.

13 And -- and some would argue that maybe we
14 should have done it incrementally. However, though,
15 it's at a minimum 2 million is what I hear if we don't
16 partner with the city.

17 But I think the two public comments that were
18 mentioned are important to me and, I'm sure, to everyone
19 here. Safety for people using these facilities, safety
20 for the equestrian functioning there is important.

21 I took the time and I came Saturday and I
22 walked it. I wanted to see -- and it's true. There are
23 more driveways on the north side. Eleven, I think, plus
24 the street or including the street. And there's fewer
25 over here on the south side.

1 But -- but, you know, we are sort of -- we're
2 the state. We're representing the state. There is a
3 water crisis and an important obligation to improve the
4 quality of the water. And -- and it's not like a nice
5 thing to do. It's a legal thing to do. It's a required
6 thing to do.

7 And -- and we do have a water crisis, and it
8 is a good thing to be listening to the state because we
9 are the state on -- with regards to leadership on water
10 quality.

11 But I also want to mention about, I believe,
12 the benefit and the value of this project. During open
13 house on Monday that Stan attended and I attended, I
14 took note of some people that mentioned, and one of the
15 things that we really enjoyed was the extra bike racks
16 that we placed because there were so many more
17 bicyclists that came.

18 And we do have an obligation to provide
19 alternative modes of transportation to get to our
20 events, to our fair, to our events. And I think it was
21 pointed out that we have this kind of network trail
22 system already, and this is sort of the missing link.
23 And I think that would add value to it.

24 But then we have to be fiscally prudent. Two
25 million dollars versus a million dollars. I still think

1 that we need to be wise in spending that million
2 dollars. We trust the city, but, you know, we always
3 have to be wise and making sure that it's invested
4 properly. And I like the whole partnership thing.

5 So as long as we keep mindful of the traffic
6 safety issues that were brought up and the concerns
7 about -- from the equestrians -- I am very concerned
8 that if it's built on the north, you really are going to
9 increase the noise problem for the equestrians because
10 of the traffic being closer to the south side and -- and
11 possibly having that little encroachment issue that we
12 talked about concerning.

13 So I -- I -- I'm a believer in partnership,
14 partnership with the community and the equestrians and
15 with the city. I think we can figure this out and make
16 sure that it's a win-win for everybody. But I also
17 think there's going to be added value of aesthetics and
18 good landscaping.

19 MR. ERNESTO MUNOZ: Madam Chair, if I may.

20 CHAIR ASHLEIGH AITKEN: Yes.

21 MR. ERNESTO MUNOZ: I just wanted to add to what
22 Mr. Eldridge mentioned earlier relative to the clarifier
23 systems that you need to add. I just want to point out
24 that you are required to do those. They would take
25 additional real estate from the fairgrounds to construct

1 those, install them.

2 What essentially is happening by agreeing to
3 the bioswale, you're transferring the liability for the
4 maintenance of those systems to the city. So the city
5 will be fully responsible for the maintenance of that
6 bioswale once it's constructed. I just wanted to point
7 that out.

8 DIRECTOR BARBARA BAGNERIS: Madam Chair?

9 So I want to be clear. I think, Jerry, when
10 you showed the cost chart, the million dollars, and I
11 see those two below the line, cost TBD, so it's a
12 million plus what those two items may be. Just to be
13 clear, it's not just the million dollars.

14 MR. JERRY ELDRIDGE: On our obligation to the
15 assignment?

16 DIRECTOR BARBARA BAGNERIS: When it talks about
17 required for four months inspection as needed during the
18 project, and then you have the CFFA fees and project
19 impact.

20 MS. DEBORAH FLETCHER: South side, Jerry. That's
21 where the CFFA --

22 VICE CHAIR GERARDO MOUET: Scenario one.

23 DIRECTOR BARBARA BAGNERIS: That's scenario one?

24 MS. DEBORAH FLETCHER: Yes.

25 DIRECTOR BARBARA BAGNERIS: And it had cost TBD,

1 so it's a million plus what those two items may cost, or
2 is -- or those may not be costs at all?

3 MR. JERRY ELDRIDGE: On the -- well, any -- so as
4 Nick had stated per the -- thank you. You know, as a
5 state agency, we will need to inspect any work that
6 is -- so any work that is done on state property, we'll
7 have to have our inspectors inspect.

8 CFFA is our inspection representative or --
9 so we currently -- when we come off of -- when we leave
10 our property to tie into the storm drain, the -- our --
11 CFFA will need to be here to inspect the tie-ins and the
12 depths and all inspection -- (indiscernible) --
13 requirements. They won't be required to inspect the
14 whole storm drain because it's not on our property. But
15 there will be costs incurred, and I -- I don't know what
16 those are.

17 DIRECTOR DOUGLAS LA BELLE: Is that an absolute,
18 Jerry? I mean we said earlier that they're going to
19 manage the entire project from beginning to end.

20 MR. JERRY ELDRIDGE: But they can't inspect on
21 our property.

22 DIRECTOR DOUGLAS LA BELLE: Well, I don't know.
23 I'd like to look into that further.

24 MR. JERRY ELDRIDGE: You can -- when we get into
25 conversations about CFFA about their fees and stuff,

1 they may be able to grant them that responsibility, but
2 I don't personally know. All's I know is that we had
3 discussed that in the past. And if there's work done on
4 our property, that they would need to inspect that
5 tie-in.

6 DIRECTOR DOUGLAS LA BELLE: Well, I'd like to
7 look into that more closely because I would think it
8 would make a whole lot of sense to just have one set of
9 inspectors out there. The city knows what they're
10 doing. They're going to have all kinds of experts out
11 there. And if they can do that for us and save us that
12 cost of CFFA, I think that's what we ought to look
13 towards doing.

14 MR. JERRY ELDRIDGE: Okay.

15 DIRECTOR BARBARA BAGNERIS: And also to kind of
16 piggyback on what Director Berardino said about the
17 million dollars that was a cost, I'm not sure how that
18 was derived, but maybe it is possible that that's not a
19 million dollars anymore or it would be something other
20 than that, or is that a fixed cost?

21 MR. JERRY ELDRIDGE: Well, our -- can I address
22 that?

23 CHAIR ASHLEIGH AITKEN: Sure.

24 MR. JERRY ELDRIDGE: So our -- our cost to put in
25 the storm drain is one million three. Our cost to do

1 the road improvements was \$660,000. So our total cost
2 to do this project is an estimated \$2 million.

3 What the city's asking us is saying, look,
4 we'll save you basically a million three if you partner
5 with us on that because we'll take on the road
6 improvements, and we'll install the bioswale -- I'm
7 sorry -- we'll install the storm drain. And they're
8 only asking for the million instead of the two million
9 that we think the project might cost us.

10 DIRECTOR BARBARA BAGNERIS: So there is a fixed
11 cost?

12 MR. JERRY ELDRIDGE: It's a fixed cost. The
13 other two point -- or the other two million two is --

14 VICE CHAIR GERARDO MOUET: Could be more.

15 MR. JERRY ELDRIDGE: -- an estimated cost. It
16 could be up higher; correct.

17 DIRECTOR STAN TKACZYK: One other thing that you
18 mentioned as far as taking responsibility on the
19 long-term maintenance of that facility, I can't express
20 to this Board how important that is. Being a business
21 owner and having several clarifiers and ongoing
22 situations with water runoff, it's a major cost of doing
23 business. So I thank you.

24 CHAIR ASHLEIGH AITKEN: Do we have any questions?
25 Any more questions from the Board?

1 MS. LISA SABO: I have some questions. I was
2 wondering if I could --

3 CHAIR ASHLEIGH AITKEN: Well, actually, public
4 comment on this is --

5 MS. LISA SABO: (Indiscernible) -- after.

6 CHAIR ASHLEIGH AITKEN: -- over.

7 MS. REGGIE MUNDEKIS: Usually you do public
8 comment after --

9 CHAIR ASHLEIGH AITKEN: We can take public
10 comment at any time on an agenda item, and so we took
11 it -- we decided to take it before on this one. Or you
12 can do it during the general.

13 So where we are right now is we are going to
14 need -- does any -- do any directors have any more
15 comments for the city? Okay. Or for Jerry?

16 It would be a decision whether we want to
17 have a motion to participate in Costa Mesa's Arlington
18 Bioswale -- Arlington Drive Bioswale Project on the
19 south side with the caveats that we will have our
20 easements clarified and have an ongoing, I guess, update
21 on the conceptual plans as they arise.

22 DIRECTOR STAN TKACZYK: I'd like to make a motion
23 on what you just said be approved.

24 DIRECTOR DOUGLAS LA BELLE: I'll second it.

25 CHAIR ASHLEIGH AITKEN: Okay. Roll call vote.

1 BOARD CLERK JESSICA ZIMMERMAN: Chair Aitken?
2 CHAIR ASHLEIGH AITKEN: Yes.
3 BOARD CLERK JESSICA ZIMMERMAN: Vice Chair Mouet?
4 VICE CHAIR GERARDO MOUET: Yes.
5 BOARD CLERK JESSICA ZIMMERMAN: Director Tkaczyk?
6 DIRECTOR STAN TKACZYK: Yes.
7 BOARD CLERK JESSICA ZIMMERMAN: Director
8 La Belle?
9 DIRECTOR DOUGLAS LA BELLE: Yes.
10 BOARD CLERK JESSICA ZIMMERMAN: Director
11 Berardino?
12 DIRECTOR NICK BERARDINO: Yes.
13 BOARD CLERK JESSICA ZIMMERMAN: Director
14 Bagneris?
15 DIRECTOR BARBARA BAGNERIS: Yes.
16 BOARD CLERK JESSICA ZIMMERMAN: Director
17 Cervantes?
18 DIRECTOR SANDRA CERVANTES: Yes.
19 BOARD CLERK JESSICA ZIMMERMAN: Director Ruiz?
20 DIRECTOR ROBERT RUIZ: Yes.
21 CHAIR ASHLEIGH AITKEN: Okay. So our next item
22 is the letter of understanding with CFFA regarding the
23 completion of Heroes Hall.
24 Michele, I believe you have an update on
25 that.

1 MS. MICHELE RICHARDS: Yes. It is regarding
2 Heroes Hall. So last month the Board approved the
3 design development concept and project construction
4 estimates for Heroes Hall. Today the motion before you
5 is to approve the Letter of Understanding, the LOU, with
6 CFFA regarding completion of the Heroes Hall
7 architectural design and construction documents.

8 DIRECTOR NICK BERARDINO: Move it.

9 CHAIR ASHLEIGH AITKEN: Do we have a second?

10 DIRECTOR ROBERT RUIZ: I second it.

11 CHAIR ASHLEIGH AITKEN: We can take a vote on
12 this.

13 DIRECTOR DOUGLAS LA BELLE: I'd like to speak to
14 the motion, if I could.

15 CHAIR ASHLEIGH AITKEN: Absolutely.

16 DIRECTOR DOUGLAS LA BELLE: I'm going to support
17 the motion. But in the past -- and I -- CFFA has done a
18 very good job for us on the projects, but previously
19 this Board has talked about perhaps looking at other
20 construction management services in addition to CFFA or
21 potentially in lieu of that.

22 I would like as a part of the budget process
23 this year to have staff look into what options we do
24 have so we can have that kind of dialogue and
25 discussion. And with that, I support the motion.

1 CHAIR ASHLEIGH AITKEN: Thank you.
2 Do you want to do a roll call vote, please.
3 BOARD CLERK JESSICA ZIMMERMAN: Chair Aitken?
4 CHAIR ASHLEIGH AITKEN: Yes.
5 BOARD CLERK JESSICA ZIMMERMAN: Vice Chair Mouet?
6 VICE CHAIR GERARDO MOUET: Yes.
7 BOARD CLERK JESSICA ZIMMERMAN: Director Tkaczyk?
8 DIRECTOR STAN TKACZYK: Yes.
9 BOARD CLERK JESSICA ZIMMERMAN: Director
10 La Belle?
11 DIRECTOR DOUGLAS LA BELLE: Yes.
12 BOARD CLERK JESSICA ZIMMERMAN: Director
13 Berardino?
14 DIRECTOR NICK BERARDINO: Yes.
15 BOARD CLERK JESSICA ZIMMERMAN: Director
16 Bagneris?
17 DIRECTOR BARBARA BAGNERIS: Yes.
18 BOARD CLERK JESSICA ZIMMERMAN: Director
19 Cervantes?
20 DIRECTOR SANDRA CERVANTES: Yes.
21 BOARD CLERK JESSICA ZIMMERMAN: Director Ruiz?
22 DIRECTOR ROBERT RUIZ: Yes.
23 CHAIR ASHLEIGH AITKEN: Thank you.
24 And I believe, Michele, you're also doing our
25 next agenda item, which is our ratification of our

1 updated Orange County Fair and Event Center Smoking
2 Policy.

3 MS. MICHELE RICHARDS: Exactly. So, again, at
4 last month's Board Meeting, Directors voted to update
5 the policy to prohibit smoking at all of our
6 self-produced events, which at this time include the
7 OC Fair and Imaginology.

8 So what is before you today is the revised
9 language to reflect that change. And I'll read it.

10 By state law and in the interest of public
11 health, smoking shall not be permitted in or within
12 20 feet of any State of California building, including
13 the Santa Ana Pavilion area, OC Promenade area,
14 Centennial Farm, Pacific Amphitheater seating area, and
15 Arena grandstand and bleacher seating areas. This
16 policy includes the use of electronic cigarettes,
17 vaporizers and oil/wax pens.

18 During OCFEC-produced events, for example,
19 the OC Fair and Imaginology, smoking and the use of
20 electronic cigarettes, vaporizers, and oil/wax pens is
21 prohibited. Year-round event promoters may adopt more
22 restrictive policies at their discretion and with the
23 prior approval of the association.

24 CHAIR ASHLEIGH AITKEN: So if we have a motion to
25 ratify that policy unless anyone has any changes.

1 DIRECTOR DOUGLAS LA BELLE: So moved.
2 DIRECTOR SANDRA CERVANTES: Second.
3 CHAIR ASHLEIGH AITKEN: Another roll call vote,
4 please.
5 BOARD CLERK JESSICA ZIMMERMAN: Chair Aitken?
6 CHAIR ASHLEIGH AITKEN: Yes.
7 BOARD CLERK JESSICA ZIMMERMAN: Vice Chair Mouet?
8 VICE CHAIR GERARDO MOUET: Yes.
9 BOARD CLERK JESSICA ZIMMERMAN: Director Tkaczyk?
10 DIRECTOR STAN TKACZYK: Yes.
11 BOARD CLERK JESSICA ZIMMERMAN: Director
12 La Belle?
13 DIRECTOR DOUGLAS LA BELLE: Yes.
14 BOARD CLERK JESSICA ZIMMERMAN: Director
15 Berardino?
16 DIRECTOR NICK BERARDINO: Yes.
17 BOARD CLERK JESSICA ZIMMERMAN: Director
18 Bagneris?
19 DIRECTOR BARBARA BAGNERIS: Yes.
20 BOARD CLERK JESSICA ZIMMERMAN: Director
21 Cervantes?
22 DIRECTOR SANDRA CERVANTES: Yes.
23 BOARD CLERK JESSICA ZIMMERMAN: Director Ruiz?
24 DIRECTOR ROBERT RUIZ: Yes.
25 CHAIR ASHLEIGH AITKEN: Okay. Thank you.

1 So next we have -- Kathy, you're going to be
2 addressing the review and approval of the appointment of
3 the Board Chair to serve on behalf of our association as
4 an elector to the California Fair Services Authority
5 Board.

6 MS. KATHY KRAMER: My understanding is this
7 action item is presented as a housekeeping item during
8 the annual meeting. This provides the Board Chair the
9 appointment to participate in any election as it so be
10 called with the CFSA board officers.

11 DIRECTOR NICK BERARDINO: Move it.

12 CHAIR ASHLEIGH AITKEN: Is there a second?

13 DIRECTOR BARBARA BAGNERIS: Second.

14 CHAIR ASHLEIGH AITKEN: Okay. Do a roll call
15 vote, please, Jessica.

16 BOARD CLERK JESSICA ZIMMERMAN: Chair Aitken?

17 CHAIR ASHLEIGH AITKEN: Yes.

18 BOARD CLERK JESSICA ZIMMERMAN: Vice Chair Mouet?

19 VICE CHAIR GERARDO MOUET: Yes.

20 BOARD CLERK JESSICA ZIMMERMAN: Director Tkaczyk?

21 DIRECTOR STAN TKACZYK: Yes.

22 BOARD CLERK JESSICA ZIMMERMAN: Director

23 La Belle?

24 DIRECTOR DOUGLAS LA BELLE: Yes.

25 BOARD CLERK JESSICA ZIMMERMAN: Director

1 Berardino?

2 DIRECTOR NICK BERARDINO: Yes.

3 BOARD CLERK JESSICA ZIMMERMAN: Director

4 Bagneris?

5 DIRECTOR BARBARA BAGNERIS: Yes.

6 BOARD CLERK JESSICA ZIMMERMAN: Director

7 Cervantes?

8 DIRECTOR SANDRA CERVANTES: Yes.

9 BOARD CLERK JESSICA ZIMMERMAN: Director Ruiz?

10 DIRECTOR ROBERT RUIZ: Yes.

11 CHAIR ASHLEIGH AITKEN: Thank you.

12 Lastly, we are going to have Ms. Kramer also
13 address the 32nd DAA Board of Director delegates.

14 MS. KATHY KRAMER: This, again, is another
15 housekeeping. This item comes forth at the general
16 meeting. It just delegates the signing authority,
17 contractual authority, to myself as the CEO up to
18 \$50,000 for general contracts and \$300,000 for talent
19 guarantees.

20 In addition, executive management may sign
21 contractual instruments as delegated by the CEO within
22 those limits. So nothing has changed in that within the
23 limits -- or excuse me -- nothing -- the limits have
24 stayed the same. There we go.

25 DIRECTOR NICK BERARDINO: The CEO's changed.

1 MS. KATHY KRAMER: Yes.

2 DIRECTOR NICK BERARDINO: Move it.

3 DIRECTOR ROBERT RUIZ: Second.

4 DIRECTOR BARBARA BAGNERIS: So I have a question.
5 Do we want to put names in there or just functions?

6 MS. KATHY KRAMER: Well, we'll have a new VP of
7 Operations soon, so it's assumed that myself and the
8 three vice presidents would be in that executive
9 management team.

10 DIRECTOR BARBARA BAGNERIS: Okay.

11 MR. JEFF WILLSON: If I can chime in, Director
12 Bagneris, my understanding, and I might be a little off,
13 but my understanding is the state wants the names. So
14 it's not necessarily for our purposes. We could work
15 the files. The state wants the resolution to actually
16 have names.

17 DIRECTOR BARBARA BAGNERIS: Okay. So as things
18 change, we have to update this.

19 MS. KATHY KRAMER: Okay. Perfect. Thank you,
20 Jeff.

21 DIRECTOR ROBERT RUIZ: I just have a question on
22 the \$300,000 limit for the -- (indiscernible) -- can
23 that be moved up higher later on if the Board so
24 desires?

25 MS. KATHY KRAMER: Absolutely.

1 MS. MICHELE RICHARDS: That's by Board
2 discretion.
3 DIRECTOR ROBERT RUIZ: All right. Thank you.
4 Thanks.
5 MS. KATHY KRAMER: Do you have an act in mind?
6 DIRECTOR ROBERT RUIZ: (Indiscernible.)
7 MS. KATHY KRAMER: We'll talk after.
8 DIRECTOR BARBARA BAGNERIS: So move the
9 recommendation.
10 DIRECTOR ROBERT RUIZ: Second.
11 CHAIR ASHLEIGH AITKEN: Do we have a second? I'm
12 sorry. Thank you.
13 Can we have a roll call vote, please?
14 BOARD CLERK JESSICA ZIMMERMAN: Chair Aitken?
15 CHAIR ASHLEIGH AITKEN: Yes.
16 BOARD CLERK JESSICA ZIMMERMAN: Vice Chair Mouet?
17 VICE CHAIR GERARDO MOUET: Yes.
18 BOARD CLERK JESSICA ZIMMERMAN: Director Tkaczyk?
19 DIRECTOR STAN TKACZYK: Yes.
20 BOARD CLERK JESSICA ZIMMERMAN: Director
21 La Belle?
22 DIRECTOR DOUGLAS LA BELLE: Yes.
23 BOARD CLERK JESSICA ZIMMERMAN: Director
24 Berardino?
25 DIRECTOR NICK BERARDINO: Yes.

1 BOARD CLERK JESSICA ZIMMERMAN: Director
2 Bagneris?

3 DIRECTOR BARBARA BAGNERIS: Yes.

4 BOARD CLERK JESSICA ZIMMERMAN: Director
5 Cervantes?

6 DIRECTOR SANDRA CERVANTES: Yes.

7 BOARD CLERK JESSICA ZIMMERMAN: Director Ruiz?

8 DIRECTOR ROBERT RUIZ: Yes.

9 CHAIR ASHLEIGH AITKEN: Okay. Thank you.

10 We are going to go into closed session, and
11 we'll be back briefly.

12 (Closed session held from 10:40 a.m. until
13 11:25 a.m.)

14 CHAIR ASHLEIGH AITKEN: Okay. We have nothing
15 official to report but gave direction to counsel on some
16 pending litigation.

17 With that, we're at the end of our agenda.
18 We will start with our Board of Directors Matters of
19 Information. I'll start on this side this month with
20 Director La Belle.

21 DIRECTOR DOUGLAS LA BELLE: Yes. I want to thank
22 staff for an excellent report today on the bioswale
23 project. Glad to be here. Passed my driving test, so
24 I'm in good shape. With that, that's all I have.

25 DIRECTOR BARBARA BAGNERIS: I'd like to thank

1 Debbye for all that you've been doing and a lot of work,
2 and I'm looking forward to the improvements that we will
3 have in the future. Thank you for all you do.

4 And, of course, Kathy and the rest of the
5 staff. I enjoyed Cirque. I'd never been to a Cirque,
6 and we went. And I just hate that I didn't get to walk
7 across that bridge. But I was kind of worried as I saw
8 them take that down. That was something. But, anyway,
9 really, really good event. Really appreciate the fact
10 that I had the opportunity to do that.

11 And I want to thank Ashleigh for all that you
12 do for the Board and how you represent us so well.

13 CHAIR ASHLEIGH AITKEN: Oh, thank you.

14 DIRECTOR DOUGLAS LA BELLE: Ditto. Yes.

15 DIRECTOR STAN TKACZYK: I just want to say thank
16 you, Ashleigh, for a great year of leadership. And it
17 was really, really exciting to have you in the Chair,
18 and I really was honored to be here with you. Thank
19 you.

20 CHAIR ASHLEIGH AITKEN: Thank you.

21 VICE CHAIR GERARDO MOUET: Also, thank you. And
22 I also went to the Cirque Du Soleil, which was fabulous.
23 And, again, it's an indication of all the great
24 increased interest in using our site. That's super.

25 I also am looking forward to this weekend. I

1 bought my -- I bought my ticket for Sunday. I can't
2 make Saturday for the L: Festival. So I'm -- I wish
3 Universal good luck with that, and hopefully you'll have
4 good success. That's it for me.

5 DIRECTOR SANDRA CERVANTES: All right. Well,
6 thank you. It's been an exciting year with you and a
7 lot of fun. And I'm also really excited about all the
8 different caliber of events that we have throughout the
9 entire year and the great work that all of you guys do.

10 I'm very excited about the L: Festival, as
11 well, coming here to Orange County and choosing the
12 OC Fairgrounds and Event Center to hold their event.

13 DIRECTOR ROBERT RUIZ: Also, Ashleigh, thank you.
14 Job well done. Looking forward to Gerardo. I'm sure
15 you will do a good job.

16 And I'm just going to encourage everyone to
17 come out on the Veterans Day event. It will be a great
18 event. We'll be there. We'll have a booth. Stop by
19 the booth. I'll give you a T-shirt that we made
20 honoring the vets. Mention my name if I'm not there.
21 And please come on out.

22 So thank you, staff, for great work.

23 DIRECTOR NICK BERARDINO: Also, Ashleigh, as we
24 indicated last month, just tremendous leadership. And
25 you're pretty well known, front page of magazines and

1 other places honoring you for leadership in the various
2 organizations that you lead, and you do a stellar job
3 here. It's really great.

4 Secondly, I'm stunned that Doug passed his
5 driving test. One of --

6 DIRECTOR STAN TKACZYK: It's important.

7 DIRECTOR DOUGLAS LA BELLE: It is.

8 DIRECTOR NICK BERARDINO: And then we had
9 discussed a list of things that we wanted to talk about
10 this year. One of them was minimum wage. And, you
11 know, it was determined by counsel that, you know, the
12 Board can set what the minimum wage is for the kids
13 that -- college kids and other folks that work here
14 and -- because that's a policy issue, as I understand
15 it. So maybe we need to revisit that. Maybe I'm not
16 accurately stating it. And if I'm not --

17 MS. DEBORAH FLETCHER: My age is probably
18 showing. I don't really recall that. But, you know, my
19 sense is that certainly the Board can set policy in
20 terms of wages. It would be a policy issue.

21 DIRECTOR NICK BERARDINO: Yeah. So I'm
22 interested in agendizing that for discussion and looking
23 at the following: What is the current wage we pay these
24 kids? Because they're only here for the summer and
25 struggling. What do they pay now and what 10 percent

1 increments would be in terms of cost to our bottom line?

2 MS. DEBORAH FLETCHER: The only thing that comes
3 to mind is that I think it would be important for
4 executive staff to coordinate that with CalHR. Because,
5 as a general rule, CalHR sets all salaries, wages, and
6 so on, and no single department of the state, to my
7 knowledge, has the authority to change those.

8 So to the -- it might be best for executive
9 staff to first coordinate that with CalHR because
10 ultimately CalHR controls all that.

11 DIRECTOR NICK BERARDINO: Okay.

12 MS. KATHY KRAMER: If I may add to that, Nick,
13 your timing is right on as we roll into budget. The
14 H.R. team is currently doing a salary -- it's important
15 to not only understand the state's side but the
16 competitiveness from the market, and we're doing a
17 survey so we've got all those classifications.

18 So it might be something that would be
19 appropriate to take kind of a liaison or for developing
20 and come back because we'll need to get that rolled up.
21 And another thing that's important for us to consider is
22 as we get return -- we had a very high return rate in
23 our fair-time employees, over 65 percent.

24 We want to make sure we build a system.
25 We've got a model that we're modifying that San Diego

1 uses that rewards for that tenure. It helps us from
2 recruitment costs, you got institutional knowledge, you
3 know, the training, they've got a lot more buy-in.

4 So we're taking those two models right now,
5 so I think you're going to be pleasantly surprised at
6 all the work we've been doing around that to this point
7 to get us to there. We want to be employer of choice.

8 DIRECTOR NICK BERARDINO: So if we can agendize
9 that topic. CalHR, maybe they'll say, no, you can't
10 do -- I don't know what they'll say.

11 MS. KATHY KRAMER: We're up against it. It was
12 timely for everyone because the minimum wage goes up to
13 \$10 an hour. So, then, how does that roll into the rest
14 of the operations, so --

15 DIRECTOR DOUGLAS LA BELLE: Well, this is part of
16 the discussion we had a couple months back, I think,
17 Nick. And you got your classified employees, and then
18 you have your temporary part-time employees, which I
19 think, if I recall correctly, what staff indicated, that
20 those salaries were just basically set through some
21 internal survey that we've done here.

22 MS. KATHY KRAMER: I believe so.

23 DIRECTOR DOUGLAS LA BELLE: So I would think that
24 would be clearly a very good budget discussion item.

25 DIRECTOR NICK BERARDINO: And then lastly, I

1 stole a pen from the table there. I don't know if it
2 belongs --

3 MS. DEBORAH FLETCHER: If it's a Montana funeral
4 home, and I'm not making this up, that would be my pen.
5 (Indiscernible.)

6 DIRECTOR NICK BERARDINO: Let me see. Man, I'm
7 never stealing no funeral home pen. I didn't steal that
8 pen. I saw it on the table, and I was looking for its
9 rightful owner.

10 DIRECTOR BARBARA BAGNERIS: Madam Chair, I want
11 you just to note that November 19th is a very special
12 day in the world because that's my birthday.

13 (Applause.)

14 DIRECTOR NICK BERARDINO: We should say happy
15 birthday to you now in case you're not sober enough to
16 make the meeting.

17 (Multiple speakers.)

18 CHAIR ASHLEIGH AITKEN: As someone who just
19 celebrated their birthday, I know you're like me. It's
20 a month.

21 DIRECTOR BARBARA BAGNERIS: Last year it was and
22 it was 11 pounds and that's what convinced me I better
23 lose some weight. So I won't be doing that this year.

24 CHAIR ASHLEIGH AITKEN: Well, thank you,
25 everybody, and for all of your kind words. I can say

1 I've served on boards before. And this is such a unique
2 organization in that I feel every single person here
3 just cares about the fair so much and is dedicated and
4 is always so well prepared with well thought-out
5 comments.

6 And it's been an interesting year, I think,
7 to be the Chair. We've had some ups and downs with
8 issues. And I think that every decision that we made I
9 just stand behind it. I think we all came to the right
10 decision.

11 And I think it's such a wonderful feeling to
12 be part of a board where even when we don't agree, we
13 are so respectful to one another and we value each
14 other's opinions and we can always come to a consensus
15 which really is to the benefit of the people that come
16 to the fairground.

17 So it's actually been my pleasure. I've
18 learned from every single one of you what it really
19 means to be a dedicated leader in this community. So
20 thank you very much.

21 Normally, I would be -- it would be so hard
22 for me to pass any type of power along to the next
23 person. But the fact that I get to hand this over to
24 Gerardo is an absolute honor. I couldn't turn it over
25 to a better steward of the fair and someone that has

1 such compassion and love and dedication to the
2 community. It's going to be absolutely my pleasure to
3 serve under you.

4 VICE CHAIR GERARDO MOUET: Thank you so much.
5 (Applause.)

6 VICE CHAIR GERARDO MOUET: And --
7 (indiscernible) -- the Board, I -- I actually learned
8 quite a bit from watching your leadership. You're very
9 inclusive, as you mentioned, very respectful, and
10 very -- very thorough and very -- very analytical,
11 very -- a very good leader. And it's going to be hard
12 to follow up in your footsteps. Congratulations. I
13 look forward to continue working with you. So on behalf
14 of the Board, congratulations.

15 (Applause.)

16 CHAIR ASHLEIGH AITKEN: Thank you. This is
17 wonderful. Thank you, everybody. So now it's his job
18 to adjourn the meeting, not mine.

19 CHAIR GERARDO MOUET: May I have a motion to
20 adjourn? Yes. Some comments?

21 DIRECTOR STAN TKACZYK: No. Do we bring --

22 CHAIR GERARDO MOUET: Oh, yeah. Of course, our
23 vice chair. Absolutely. You're part of the team.

24 DIRECTOR STAN TKACZYK: Did you forget?

25 DIRECTOR NICK BERARDINO: Yeah. I will next

1 meeting, not now.

2 DIRECTOR STAN TKACZYK: Oh, okay.

3 VICE CHAIR GERARDO MOUET: So I am looking
4 forward to working with Nick and everyone. And may I
5 have a motion to adjourn the meeting?

6 DIRECTOR ROBERT RUIZ: So moved.

7 DIRECTOR ASHLEIGH AITKEN: Second.

8 DIRECTOR BARBARA BAGNERIS: Second.

9 DIRECTOR ASHLEIGH AITKEN: I can second the
10 motions now.

11 VICE CHAIR GERARDO MOUET: Very good. Adjourned.

12 * * *

13 (Whereupon, the OCFEC Board of Directors
14 Meeting was hereby adjourned at 11:35 a.m.)

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Certificate
of
Certified Shorthand Reporter

The undersigned certified shorthand reporter
of the State of California does hereby certify:

That the foregoing proceedings was taken
before me at the time and place therein set forth and
was recorded stenographically by me and thereafter
transcribed, said transcript being a true copy of my
shorthand notes thereof.

I further certify that I am neither
financially interested in the action nor a relative or
employee of any attorney of any of the parties.

In witness whereof, I have subscribed my name
this date, November 3, 2015.



Janet M. Taylor
Janet M. Taylor
Certified Shorthand Reporter
Certificate Number 9463