

**MINUTES OF OCFEC BOARD OF DIRECTORS MEETING  
HELD DECEMBER 17, 2015**

**1. CALL TO ORDER:**

Gerardo Mouet called the meeting to order at 9:06 a.m.

**2. MISSION STATEMENT**

**3. PLEDGE OF ALLEGIANCE:**

The Pledge of Allegiance was recited by Director Bagneris. Roll call taken by Jessica Zimmerman.

**4. DIRECTORS PRESENT:**

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

**DIRECTORS ABSENT/EXCUSED:**

Director Cervantes

**OTHERS PRESENT:**

Kathy Kramer, OCFEC CEO; Debbye McDaniel, OCFEC Interim VP Finance & Administration; Jessica Zimmerman, OCFEC; Jerry Eldridge, OCFEC; Jeff Willson, OCFEC; Deborah Fletcher, Office of the Attorney General; Josh Caplan, Office of the Attorney General; Janet Taylor, Stenographer; Joan Hamill OCFEC; Reggie Mundekis; Beth Refakes

**5. CEO'S OPERATIONAL UPDATE**

Kathy Kramer, OCFEC CEO, welcomed John Caplan, Office of the Attorney General, who will be taking Deborah Fletcher's place upon her retirement in a little over a year.

Kramer announced Michele Richards, VP Business Development, had been called for jury duty. Kramer then discussed upcoming events at OCFEC.

Debbye McDaniel, OCFEC Interim VP Business and Administration, provided a recap of November financials.

McDaniel stated as of November 30 the cash on hand is a little over \$2.8 million, investments slightly in excess of \$31 million, total net cash is \$34 million; as of Year to Date revenue just under \$39 million, expenses under \$32 million and net income of \$6.9 million. OCFEC is at 240 percent over budget on net income due to using the rolling average.

Kramer mentioned the Western Fair Associations convention will be held in Anaheim this year from January 4 through 6. OCFEC will be hosting a hospitality suite on January 5 immediately following the awards dinner.

Kramer gave an update from Gonsalves & Sons regarding the repeal of AB4X22. She also discussed the final interviews for the VP of Finance and Administration.

Kramer stated the new VP of Operations, Ken Karns, has been hired and will be starting on January 25, 2016. He is from London, Canada whom was a director of facilities for Western Fair Association; he has over 25 years of experience.

Kramer concluded on thanking the board for their support and guidance that past 12 months and wished everyone a special holiday season.

**6. PUBLIC COMMENT**

Beth Refakes thanked Kramer for working on the repeal of AB4X22. She spoke in support of the Crossroads of the West Gun Show.

A speaker who identified themselves as Q stated that it OC Fair is the best fair in the world. She thanked Vice Chair Berardino, noting that she cannot compare what he has gone thru when he was in war. She thanked him for his service. She stated that the Gun Show offers more than just guns, they offer classes, memorabilia, veterans support, etc. She stated that they have complied with all the rules and policy for over 29 years.

Vice Chair Berardino has stated that guns are a controversial issue and we need to understand that some folks are going around the state laws and stressed the need to be compliant with the State of California.

**7. MINUTES:**

**A. Board Meeting held November 19, 2015**

**ACTION:** Director LaBelle motioned and Director Ruiz seconded to review and approve the minutes from the Board meeting held November 19, 2015. **MOTION CARRIED. AYES:** Chair Mouet, Vice Chair Berardino, Director La Belle, Director Tkaczyk, Director Aitken, Director Bagneris, and Director Ruiz. **NAYES:** none.

**8. CONSENT CALENDAR**

A. Standard Agreements: SA-145-15FT; SA-260-15SP; SA-170-15FT; SA-201-15SP; SA-254-15FT; SA-255-15FT; SA-257-15FT; SA-261-15SP; SA-262-15SP; SA-265-15YR; SA-266-15CF

B. Amendments : SA-200-15SP (Amend #1)

C. Interagency Agreements: none

D. Letters of Understanding: none

E. Rental Agreements: R-055-15; R-058-15; R-075-15; R-144-15; R-145-15; R-146-15; R-147-15; R-148-15; R-149-15; R-017-16; R-018-16; R-023-16; FT-065-15

F. Active Joint Powers Authority Agreements: none

G. Correspondence

Communications to the Board from the public in response to Board discussion or to comments made before the Board are to be listed on the meeting agenda and included in the Board materials as an item of public disclosure.

i. none.

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

9. **GOVERNANCE PROCESS:**

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

i. Centennial Farm Foundation Board (Vice Chair Mouet)

Chair Mouet asked that if any Directors had specific interest in being part of a committee to let him know.

Chair Mouet gave a quick update on Centennial Farm Foundation, he has talked to the volunteers that there will be changes.

B. **Review and Approve Financial Monitoring Committee Recommendation Regarding Hourly Rates for 23-day Seasonal Fair-Time Positions**

Chair Mouet thanked Kramer and McDaniel for their hard work and presentation.

Kramer discussed about the seasonal job rate analysis, and discussed about the pay models. She also discussed what will happen if we increase pay rates across the board.

Reggie Mundekis supported the increase in the hourly pay rate. She then discussed work visa programs that allow vendors to hire foreign workers. She brought up how RCS hired employees from South Africa.

**ACTION:** Director Bagneris motioned and Director Tkaczyk seconded to authorize Financial Monitoring Committee Recommendation Regarding Hourly Rates for 23-day Seasonal Fair-Time Positions  
**MOTION CARRIED. AYES:** Chair Mouet, Vice Chair Berardino, Director Ruiz, Director La Belle, Director Tkaczyk, Director Aitken, Director Bagneris, and Director Cervantes. **NAYES:** none.

### C. Review and Approve 2016 OCFEC Operating Budget & Capital

Chair Board Mouet stated that we had a great budget study session and it was a good reminder that we're only as good as our people. He then passed it over to Kramer to share the 2016 budget and considering approving.

Kramer thanked for all the help from the board subcommittee, staff and the audience on this journey. The 2016 budget is about reinvesting into the organization to prepare for future growth.

Kramer discussed the 2016 budget including requests for additional Civil Service staff, expanding on-site programming, new initiatives around the agricultural and educational programming, introducing resources to manage the guest experience, technology, and the redesign of our website. She noted that management is anticipating a 5 percent increase in projected revenue.

McDaniel discussed adding another generator to power up the Administration building in the event of an outage; the overall estimated capital expenditure that included a \$250,000 for a second generator. This raises the unrestricted capital to just under \$8.7 million.

Jerry Eldridge, OCFEC Director of Facilities, discussed the expenses for buildings and grounds including \$3.1 million is set aside for Heroes Hall and \$1.2 million for Pacific Amphitheatre seating. He is also looking into the second generator to support for the Administration building, and or another facility or building on the grounds if needed.

Director Tkaczyk asked about the generator and would like the generator to be permanently located at Administration Building.

Eldridge stated that the size of the generator is substantial too large to have on location, something he will be looking into.

Kramer further discussed the revenue generating point and relative to fair admissions ticket price.

Chair Board Mouet stated that Director Tkaczyk brought up a great point on the benefit of incremental planning on fair admission ticket price, not a big jump but a little jump. Also stated that Director Sandra Cervantes suggested to review admission prices in 2016 and in 2017 perhaps increase it then.

Kramer discussed the recommendation to increase year-round parking from \$7 to \$8 while OC Fair parking will remain at \$10.

Director LaBelle complimented the staff. He then asked Fletcher to see if we can get some authorization from General Services to provide additional assistance to Eldridge in terms of local project manager and skills, looking at augmenting staff in terms of the projects they're working on. This will required some action on the part of the State.

Joan Hamill, Director of Exhibits & Education Programs, explained that there will be staff and volunteers to support from both exhibits and agriculture education.

Vice Chair Berardino complimented the staff and suggested the addition of a temporary person to help Jessica Zimmerman with some of the Board needs and demands during Fair.

Kramer agreed and stated she will be looking at that demand for Fair time planning.

Chair Board Mouet thanked the staff, Kramer and the involvement of the public and board members. He stated that it's important to have a good master plan for 2016.

**ACTION:** Director Aitken motioned and Director Bagneris seconded to authorize 2016 OCFEC Operating Budget & Capital **MOTION CARRIED. AYES:** Chair Mouet, Vice Chair Berardino, Director Ruiz, Director La Belle, Director Tkaczyk, Director Aitken, Director Bagneris, and Director Cervantes. **NAYES:** none.

**10. CLOSED SESSION**

None

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

Director La Belle complimented the staff and board members and wished everyone happy holidays, Merry Christmas and Happy New Year.

Director Ruiz wished everyone a Merry Christmas and a Happy New year and congratulated Kramer on her first year.

Vice Chair Berardino requested that a discussion of gun shows be included on the agenda. Additionally he requested the appointment of Barbara Venezia to the Heroes Hall Foundation be on the February agenda. He then asked the Board Chair to create an investigative committee to learn more about the work Visa program used by the carnival and how it works on at the fairgrounds. Director Berardino then complimented Fletcher for her work on behalf of the organization over the years. He then thanked everyone and wished everyone a Merry Christmas and a Happy New Year.

Director Aitken complimented Fletcher. She then asked whether our rental contracts included any language about signs put up in the community by promoters for events at the fairgrounds. She then wished everyone a Merry Christmas and a Happy New Year. Thanked everyone for their hard work.

Director Tkaczyk thanked the staff for a great year and thanked Fletcher for her work; and wished everyone a Merry Christmas and a Happy New Year.

Director Bagneris thanked McDaniel, the board, Kramer, staff and Zimmerman for all of their work; and wished everyone a Merry Christmas and a Happy New Year.

Chair Board Mouet noted that he had attended the IAFE convention and had connected with the Chair of the Board for the San Diego County Fair and plans to attend the 2016 San Diego County Fair. He then mentioned that he planned on attending the WFA convention and would be going to the seminar on the work visa program. He also attended the recent gun show and introduced himself to the event promoter, exchanging contact information. He then thanked the board, staff and Kramer for a great year; wished everyone a Merry Christmas and a Happy New Year.

**12. NEXT BOARD MEETING: THURSDAY, JANUARY 28, 2016**

**13. ADJOURNMENT**

Meeting adjourned at 11:28 a.m.



Gerardo Mouet, Chair



Kathy Kramer, Chief Executive Officer