

**MINUTES OF OCFEC BOARD OF DIRECTORS MEETING
HELD FEBRUARY 25, 2016**

1. CALL TO ORDER:

Chair Mouet called the meeting to order at 9:00 a.m.

2. MISSION STATEMENT

3. PLEDGE OF ALLEGIANCE:

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

4. DIRECTORS PRESENT:

Chair Mouet, Vice Chair Berardino, Director Tkaczyk, Director La Belle, and Director Cervantes

DIRECTORS ABSENT/EXCUSED: Director Aitken, Director Bagneris, and Director Ruiz

OTHERS PRESENT:

Kathy Kramer, OCFEC CEO; Michele Richards, OCFEC VP of Business Development, Ken Karns, OCFEC VP Operations; Jessica Zimmerman, OCFEC; Jerry Eldridge, OCFEC; Deborah Fletcher, Office of the Attorney General; Josh Caplan, Office of the Attorney General; Janet Taylor, Stenographer; Evy Young, OCFEC; Joan Hamill, OCFEC; Reggie Mundekis; Beth Refakes

5. CEO'S OPERATIONAL UPDATE

Kathy Kramer, OCFEC CEO, announced that the 2015 financials. The actuals and budget have been finalized. OCFEC finished at \$39M in revenue; an increase of \$1.4M from 2014.

Kramer discussed that the legislative representative, Gonsalves & Sons continues to make progress on getting AB4X22 repealed. Assembly member Daly has introduced repeal language as bill AB 1907.

Michele Richards, OCFEC VP of Business Development, announced the upcoming events for the month of March. She also thanked the Events Services Department for a great job.

Kramer spoke about her visit with California State University Fullerton Student Consulting Program. They will begin working on helping OCFEC identify additional agricultural opportunities and creating an agricultural education demand-and-supply study. The projected completion date would be end of May.

Kramer also announced that the HR team is busy preparing for hiring fair staff during March and April. Last year's seasonal staff are being contacted and provided the opportunity to return to work at 2016 fair.

Kramer spoke about participating in the California Ag. Day in Sacramento on March 16. It's a celebration of California's diverse agriculture community and is an opportunity to interact with state agriculture agency and commodity groups.

6. PUBLIC COMMENT

Reggie Mundekis requested the work visa, work history, job duties, and credentials of the Vice President of Operations including but not limited to, security compliance with all federal, state, and municipal laws.

Mundekis requested for the release of the work history, credentials and job duties for the Director of Technology and Production, Jason Jacobsen.

Roy Englebrecht thanked the Board and stated that Fight Club OC had kicked off their sixth year at OCFEC with a sold out crowd. He thanked OCFEC staff for the surprise of the giant cake presented to him for his five year anniversary.

Beth Rafakes thanked Kathy Kramer regarding the update on the AB1907 bill. She asked about the status on the gun show and if there is any intention of discontinuing it. She also wanted to make sure the sound monitoring and neighborhood ambassador programs that were in place last year will continue for 2016 Fair.

7. MINUTES:

A. Board Meeting held January 28, 2016

ACTION: Director Cervantes and Director Tkaczyk seconded to review and approve the minutes from the Board meeting held January 28, 2016. **MOTION CARRIED. AYES:** Chair Mouet, Vice Chair Berardino, Director La Belle, Director Tkaczyk, Director Altken, Director Bagneris, and Director Ruiz. **NAYES:** none.

8. CONSENT CALENDAR

A. Standard Agreements: SA-019-16AS(Revised); SA-39-16HH; SA-043-16FT; SA-046-16YR; SA-047-16LL; SA-048-16YR ; SA-270-15SP

Chair Mouet asked if there are any items that staff would like to pull.

Kramer asked to pull the Pepsi Contract. The contract is a two-year sponsorship contract with three one-year options for renewal for Pepsi to be the exclusive year-round carbonated soft drink sponsor.

B. Amendments : SA-21-14SP AM #1

C. Interagency Agreements: SA-042-16IA

- D. Letters of Understanding: none
- E. Rental Agreements: R-001-16; R-006-16; R-007-16; R-008-16; R-018-16; R-026-16; R-030-16; R-031-16; R-034-16; R-046-16; R-050-16; R-052-16; R-056-16; R-062-16; R-064-16; R-066-16; R-069-16; R-078-16
- F. Active Joint Powers Authority Agreements: none
- G. Correspondence
 - i. none.

Chair Moute called on Bryn Arnold.

Bryan Arnold, attorney from Gordee, Nowicki & Blakeney, representing Medical and Safety Incorporated requested OC FEC to not award this contract because it was awarded without competition.

Vice Chair Berardino asked counsel about this bid.

Joshua Caplan, Office of the Attorney General, explained as to why the bidder was disqualified. The protest was denied under the Public Contracts Code by the Department of General Services.

Director Tkaczuk asked Kramer if the qualifications were reviewed.

Kramer answered yes.

Vice Chair Berardino asked about the terms of this contract.

Richards stated the term of this contract is from March 7, 2016 through December 31, 2017, it's a two-year contract and option to renew.

Vice Chair Berardino stated he is very comfortable with the review procedure and with counsel.

Director Tkaczuk asked for a quarterly report so any issues can be discussed as they arise.

Richards stated that this will be under Ken's oversight and spoke about the requirements of the contract.

ACTION: Vice Chair Berardino motioned and Director Cervantes seconded to review and approve the Consent Calendar. **MOTION CARRIED. AYES:** Chair Moute, Vice Chair Berardino, Director La Belle, Director Tkaczuk, and Director Cervantes. **NAYES:** none.

9. GOVERNANCE PROCESS:

A. Committee/Task Force/Liaison Reports

- i. Centennial Farm Foundation Board (Chair Mouet)
- ii. Heroes Hall Foundation Board (Vice Chair Berardino, Director La Belle)
- iii. Financial Monitoring Committee (Chair Mouet, Director Bagneris)
- iv. Workers Memorial Task Force (Vice Chair Berardino, Director Aitken)
- v. 2016 OC Fair City Liaison Committee (Director La Belle, Director Cervantes)
- vi. Legislative Monitoring Task Force (Vice Chair Berardino, Director Aitken)
- vii. Organizational Needs Assessment Task Force (Director La Belle, Director Ruiz)
- viii. Tenant Liaison Committee (Director Tkaczyk, Director Berardino)
- ix. Consumer Initiatives Task Force (Director Tkaczyk, Director Bagneris)

Chair Mouet spoke about the MOU with the Centennial Farm Foundation. He then asked Vice Chair Berardino and Director La Belle for an update on the Heroes Hall Foundation Board.

Vice Chair Berardino provided an update about Heroes Hall and about the continuous support from staff and people.

Director La Belle mentioned that next meeting will be March 2 at 11a.m.

Director La Belle asked Richards to give a brief update regarding the 2016 OC Fair City Liaison Committee.

Richards provided a brief update on the OC Fair City Liaison Committee, stating that OC FEC is starting to involve the cities of Orange County. Staff will be hosting a breakfast with the mayors and city managers from each city in April.

Vice Chair Berardino briefly discussed and provided an update about the Legislative Monitoring Task Force.

Chair Mouet asked if they can stop by to thank the Assembly member Daly when traveling to Sacramento.

Director Tkaczyk asked if they can also add the state representatives during this visit.

Director La Belle provided a brief update on the Organizational Needs Assessment Task Force

Director Tkaczyk stated he has no update to report on the committee, anything further will be discussed in Item H.

B. Approval of Legislative Representation Services

Kramer provided background regarding the legislative representatives Joe A. Gonsalves & Son who is the winner bidder.

ACTION: Vice Chair Berardino motioned and Director Sandra Cervantes seconded to approve of Legislative Representation Services. **MOTION CARRIED. AYES:** Chair Mouet, Vice Chair Berardino, Director La Belle, Director Tkaczyk, and Director Cervantes. **NAYES:** none.

C. Approval of Barbara Venezia for Heroes Hall Veterans Foundation Board Member

This has been moved for next month Board Meeting in March.

D. Consumer Initiatives Task Force Recommendation for 2016 Concessionaire Commission Percentage

Kramer stated that staff worked with Consumer Initiatives Task Force to review the OC Fair historical operating data and provided more detail information.

Vice Chair Berardino suggested not to increase the prices in the concessions. He believes the decrease in attendance is not the weather but the prices of each vendor pricing is too high.

Director Tkaczyk agreed with Vice Chair Berardino, however, he stated that pricing is one of the things people commonly discussed with him.

Director La Belle agreed with Vice Chair Berardino and wants concessionaires to make a reasonable profit but also wants it to be a good family experience that's affordable for everyone; certainly do not want to see this increase passed.

Chair Mouet concluded we should study Del Mar and L.A. because there's that common ground.

ACTION: Vice Chair Berardino motioned and Director Sandra Cervantes seconded to approve Consumer Initiatives Task Force Recommendation for 2016 Concessionaire Commission Percentage. **MOTION CARRIED. AYES:** Chair Mouet, Vice Chair Berardino, Director La Belle, Director Tkaczyk, and Director Cervantes. **NAYES:** none.

E. Centennial Farm Foundation MOU

Chair Mouet introduced Centennial Farm Foundation to the board, staff and public.

Richards discussed and went over the highlights on the MOU to the board and the public. The term of the MOU is 5 years and also discussed the obligations to OCFEC.

Chair Mouet discussed the Centennial Farm Foundation. He mentioned that in theory the \$45,000 has not been the problem it's the mechanics that has been the problem due to not having procedures and an understanding in place.

Director La Belle would like to see something in writing stating that's just the minimum.

Vice Chair Berardino asked how many staff members are dedicated to the Centennial Farms.

Richards answer there are five full time Civil Service employees that are involved in the farm operations, three full time Civil Service employees on the administrative educational, exhibit side, a total of eight Civil Service Employees.

Chair Mouet stated there will be a lot of people going through and learn and appreciate what Heroes Hall going to offer the public, staff and the county.

Director Cervantes stated it's a relationship that makes this foundation.

F. Heroes Hall Construction Project

Beth Refekes has some concern about feedback from CFFA being provided to the Board and to the public about some major milestones and what the project status on each one of those is. Lastly she would like a monthly progress report on how the project is progressing due to the tight schedule.

Ken Karns, OCFEC VP Operations, thanked Director Tkaczyk and stated the importance of the schedule; he will not compromise this project in spite of it. The company that will be taking care of the project it's JRN Construction for \$3,850,738.72, which is the total of the LOU.

Director La Belle asked what the fee is and who will be the staff that will be contacted at OC Fair.

Karns stated that it will be 6% for the fee and Jerry Eldridge will be the

one for direct contact.

Director Tkaczyk stated that is a bit higher in the dollar amount and asked if this needs to be re-voted.

Both Chair Mouet and Kramer stated that it's in the budget no need to be re-approved.

ACTION: Vice Chair Berardino motioned and Director Sandra Cervantes seconded to approve Heroes Hall Construction Project. **MOTION CARRIED. AYES:** Chair Mouet, Vice Chair Berardino, Director La Belle, Director Tkaczyk, and Director Cervantes. **NAYES:** none.

G. Legal Fees Paid to Date by Association for the Formation of Heroes Hall Veterans Foundation

This has been moved for next month Board Meeting in March.

H. OC Market Place Rental Agreement Assignment and Spectra Contract Extension

Mike Robbins stated he believed in magic and how truly amazed he feels and thanked them.

Carol Russo thanked the board for letting them speak and express their thoughts. She also stated they would like to form some type of committee and work with Spectra.

Steve Furlan thanked the Board for taking them seriously and their hard work.

Kramer requested Board approve negotiations between Spectra and Tel-Phil for the purchase of the OC Marketplace by Spectra from Tel-Phil.

Chair Mouet stated the Board would like to make sure rent shortfall shortage; an estimated \$250,000 is paid in full as we go through this process, all of the equipment that is in needs to be taken care of and removed before this process concludes with regards the sale. Also all of the rent that is accrued to the point of sale is paid in full, before the Board moves on approving the final approval of the sale or there will be some issues.

Vice Chair Berardino stated all vehicles and equipment must be off the property and everything must be cleared; leaving with a very positive way, clear the desk and move on.

Kramer asked for a second request for the Board to approve a contract extension for Spectra, the association's master concessionaire; this will be subject to Spectra's purchase of the OC Marketplace from Tel-Phil.

Director Tkaczyk stated he looks forward to the new relationship with Spectra, but emphasized they need to pay and equipment being removed by next Board Meeting; if it's not completed before the Board Meeting this will put them in a situation where they will not be able to grant approval.

Director La Belle also emphasized by the next board meeting.

Director Tkaczyk lastly stated again it must be done by the next Board Meeting and they will not hold up the deal, this will rest on Tel-Phil.

ACTION: Director Cervantes motioned and Director La Belle seconded to approve of the OC Market Place Rental Agreement Assignment and Spectra Contract Extension. **MOTION CARRIED. AYES:** Chair Mouet, Vice Chair Berardino, Director La Belle, Director Tkaczyk, and Director Cervantes. **NAYES:** none.

10. CLOSED SESSION AT 10:40 A.M. TO 11:44 A.M.

Nothing was reported from Closed Session.

11. BOARD OF DIRECTORS MATTERS OF INFORMATION

Director Cervantes stated that she is very excited about OCFEC and Spectra coming on board; excited going into a lot of great things this year.

Vice Chair Berardino agreed with Director Cervantes and thanked everyone for their generosity.

Director Tkaczyk thanked all the vendors that came to speak to the staff and Board; he has also thanked the Tel-Phil for their great years of performance and also stated it will be a great opportunity for Spectra.

Director La Belle has stated and agreed with the Board on all the comments they provided and thanked the staff.

Chair Mouet has thanked the staff and stated how thrilled he is of the changes. He also stated how excited to be able to participate at the TET festival.

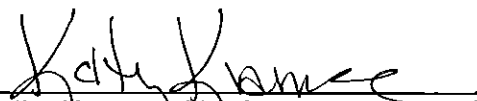
12. NEXT BOARD MEETING: THURSDAY, MARCH 24, 2016

13. ADJOURNMENT

Meeting adjourned at 12:11 p.m.



Gerardo Mouet, Chair



Kathy Kramer, Chief Executive Officer