

MEETING OF THE OCFEC BOARD OF DIRECTORS

32nd DISTRICT AGRICULTURAL ASSOCIATION

Held on: Thursday, February 25, 2016

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 9:00 a.m.
5 and ending at 12:11 p.m., Thursday, February 25, 2016,
6 in the Administration Building, Orange County
7 Fairgrounds, Costa Mesa, California.

8
9 APPEARANCES OF BOARD MEMBERS:

9 Gerardo Mouet, Board Chair
10 Nick Berardino, Vice Chair
11 Sandra Cervantes, Member
12 Douglas La Belle, Member
13 Stanley Tkaczyk, Member

14 STAFF:

15 Kathy Kramer, CEO
16 Michele Richards, VP of Business Development
17 Ken Karns, VP of Operations
18 Jessica Zimmerman, Board Clerk

19 APPEARANCE OF COUNSEL:

20 OFFICE OF THE CALIFORNIA ATTORNEY GENERAL
21 BY: DEBORAH FLETCHER, ESQ.
22 BY: JOSHUA CAPLAN, ESQ.
23 600 West Broadway
24 Suite 1800
25 San Diego, California 92186-5266
(619) 645-2070
(619) 645-2271 Fax

26 PUBLIC SPEAKERS:

27 Reggie Mundekis
28 Roy Englebrecht
29 Beth Refakes
30 Bryan Arnold
31 Mike Robbins
32 Carol Russo
33 Steve Furlan

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Thursday, February 25, 2016

Costa Mesa, California

9:00 a.m. - 12:11 p.m.

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CHAIR GERARDO MOUET: I will call this meeting to order. And good morning, everyone. And the -- as we get ready to start, it's always important to remind ourselves about the great mission of our organization. And I was hoping if everyone can join -- Stan, and you can lead us -- in the Pledge of Allegiance.

(Pledge of Allegiance Conducted.)

CHAIR GERARDO MOUET: Thank you. You may be seated.

Jessica, can I hear -- can you do roll call, please?

BOARD CLERK JESSICA ZIMMERMAN: Yes.

(Roll call conducted by Board Clerk Jessica Zimmerman.)

CHAIR GERARDO MOUET: Thank you. We have a quorum.

And we are now going to pass it on to our CEO, Kathy, to give her Operational Announcements.

MS. KATHY KRAMER: Good. Thank you.

Good morning. We finalized our 2015 year-end

1 financial results, and I'd like to share them with you
2 at this time.

3 So if you could put the first slide up,
4 please.

5 We finished --

6 MS. REGGIE MUNDEKIS: We're having trouble
7 hearing you. Is the audio on?

8 (Simultaneous indiscernible discussion.)

9 MS. KATHY KRAMER: Okay. Thank you.

10 I want to share our results from the 2015
11 year end. We finished 2015 at \$39 million in revenue.
12 That was an increase of \$1.4 million from 2014. And I'm
13 extremely proud of our team to announce that 1.3 of that
14 million was a result of our increased year-round event
15 sales.

16 And as you can see, when you have more event
17 sales, you're going to be parking more vehicles, and
18 that helped increase that revenue by 500,000, as well as
19 some VIP. So that was the revenue side.

20 Next slide, Jessica.

21 The operating expenses were 30.9 million.
22 That was an increase of 2.7 over the expenses of 2014.
23 Expenses across the board in 2015 were increased, and
24 that was in support -- if you all remember, we
25 celebrated our 125th anniversary celebration -- to

1 additional programming and around activities around that
2 celebration.

3 Next slide.

4 The 2015 year-end results as a comparison to
5 2014. You can imagine when you have 2.7 million more in
6 expenses how it shakes down to the bottom line. It was
7 a decrease of 1.5. However, with the -- it was offset
8 by the increase of the event sales. So we did realize a
9 1.5 less net income over 2014.

10 Okay. Next. Okay. How did 2015 actuals
11 compare to the 2016 budget? 2016 budget year-to-date
12 net income, we have budgeted for 2.6 million in net
13 income. This is -- this is a decrease year over year.

14 If you remember from our budget
15 presentations, well over \$3 million is being reinvested
16 back into the organization. One million of that is for
17 participation in the Arlington bioswale project. We are
18 reinvesting in civil servant positions and capital
19 expenses, and that brings it to a -- to the \$2.6 million
20 for the net revenue projections.

21 Okay. The next cash slide, Jessica.

22 Cash. That's always an important number.
23 Cash at the end of the year of 2015 is over \$30 million.
24 That was increased by 3 million from 2014. So you can
25 see despite some reinvestment celebrating our 125th

1 anniversary that we still hold a strong cash position.

2 So any questions? Okay. All right. Moving
3 on.

4 Our legislative representative, the firm
5 Gonsalves & Sons, continues to make progress on getting
6 AB4X22 repealed. Assemblymember Daly has introduced
7 repeal language on bill AB 1907. In addition, Daly has
8 reached out to the Orange County delegation asking them
9 to coauthor the bill. Because the Constitution requires
10 all bills be in print for 30 days prior to being heard,
11 it's not eligible to be heard until March 11.

12 Gonsalves continues to have conversations
13 with the State Department of finance, and they are
14 indicating their support for this bill. So all is
15 moving well along in the repeal of that sale. We are
16 very excited about that progress.

17 At this time, I'd like to turn it over to
18 Michele Richards, VP of Business Development, to tell us
19 about what's going to be happening this next month at
20 the OC Fair & Event Center.

21 MS. MICHELE RICHARDS: All right. Thank you very
22 much. Before we look at what's coming up at OC Fair &
23 Event Center in March, I wanted to go back to something
24 that Kathy highlighted regarding the contributions of
25 our year-round events program not only to the bottom

1 line, but to the growth of the organization.

2 Just to point out, a couple of facts and
3 figures since 2009, our events program has grown from
4 \$4.1 million in revenue to 6.6 million at the close of
5 2015. That represents a 61 percent growth rate in six
6 years. And I know a lot of our discussion on a monthly
7 basis is centered around the fair, the annual fair, but
8 I think that's a phenomenal story to tell.

9 And I wanted to take a minute to recognize
10 the team that is responsible for those achievements.
11 So, Howard, where are you? Howard Sandler is our
12 Director of Events. Jenn Olvera, who is not currently
13 here, is our new event supervisor, but our immediate
14 past event supervisor is Linda Keasberry. Why don't you
15 guys all stand, please, all of those in the events
16 department.

17 Abbie Putnam, event coordinator. Stacey
18 Stoner, event coordinator, and Don Michiko De Guzman,
19 event coordinator, as well. So I wanted to lift up this
20 team in their achievements in growing the year-round
21 events program so well. Thank you.

22 (Applause.)

23 MS. MICHELE RICHARDS: And I saw him earlier. Is
24 Roy Englebrecht here?

25 MR. ROY ENGLEBRECHT: Yes.

1 MS. MICHELE RICHARDS: Would you please stand
2 too?

3 Roy just celebrated his five-year anniversary
4 here at the OC Fair.

5 (Applause.)

6 MS. MICHELE RICHARDS: Okay. Let's see what's
7 coming up in March.

8 First of all, in just a week or so from now,
9 Musink will make its appearance again here at the
10 OC Fair & Event Center. It's a three-day tattoo
11 convention, car show, and live music concert with over
12 300 world-renowned tattoo artists and hundreds of
13 vendors, Friday, March 4, from 3:00 to 10:00, Saturday
14 the 5th from noon to 10:00, and Sunday the 6th from noon
15 to 9:00. Price of admission is \$45 or you can get a
16 three-day pass for \$120.

17 Our gardening classes continue at Centennial
18 Farm. If you're interested in learning all about home
19 grown tomatoes, you should come on March 12 from 9:30 to
20 noon. This class will help you easily begin growing
21 great tomatoes at home. You'll learn all about soil,
22 containers, raised beds, and backyard gardens.

23 Once you take the class on the 12th, you can
24 come back again on the 19th for the advanced home grown
25 tomato class. It's aimed at experienced growers, and

1 you'll learn some advanced skills like pruning,
2 pollination, and mulching. The cost is \$5, and that's
3 to cover the cost of materials for the class.

4 And then the weekend of March 12 and 13, we
5 will, once again, host the Radio Control & Hobby Expo,
6 RCX, Saturday the 12th from 10:00 to 5:00 and Sunday the
7 13th from 10:00 to 4:00. Join thousands of radio
8 control and action technology activists as they gather
9 to discuss the latest and greatest new products. Price
10 of admission is \$15 to that event.

11 Then on March 16th, Wednesday, March 16th, we
12 will, once again, welcome Orange County's Largest Mixer
13 from 5:00 to 9:00 p.m. This is the ultimate business
14 networking event. It's hosted by several Chambers of
15 Commerce throughout Orange County and various business
16 organizations. Admission is \$20.

17 And we'll welcome back again our long-time
18 Crossroads of the West Gun Show. It's a two-day gun and
19 western Americana show March 19 from 9:00 to 5:00 and
20 Sunday, March 20th, from 9:00 to 4:00.

21 And then rounding out March will be the
22 Easter celebration in the Pacific Amphitheater. It's
23 open to the public, free admission. Good Friday
24 celebration on March 25th from 7:00 to 9:30, and Easter
25 Sunday sunrise service March 27th from 6:00 to 10:00,

1 and that's hosted by Calvary Chapel.

2 Events that are held every week here at the
3 OC Fair & Event Center, just a reminder to all that
4 Centennial Farm is free to the public, open Monday
5 through Friday, 1:00 to 4:00, Saturdays and Sundays from
6 9:00 to 4:00. And, of course, the Orange County
7 Marketplace takes place Saturdays and Sundays from
8 7:00 a.m. to 4:00 p.m., and that includes Cars & Coffee
9 held every Saturday from 7:00 to 9:00. So if you enjoy
10 cars, that's definitely the event to go to.

11 Our double dose of gourmet food trucks
12 happens Wednesday for dinner from 5:30 to 9:00 and then
13 on Thursdays for lunch from 11:00 to 2:00 in front of
14 the Pacific Amphitheater at the box office.

15 And accompanying the food trucks on
16 Thursday -- every Thursday from 9:00 to 1:00 is the
17 Farmers Market. So plenty of things happening at the
18 OC Fair & Event Center in March.

19 MS. KATHY KRAMER: Thank you, Michele, for that
20 great update, and thanks to the team. That's tremendous
21 year-round growth.

22 Last month I shared with you that we were
23 selected to participate in the California State
24 University Fullerton Student Consulting Program, and we
25 had our first meeting with the six-member student group

1 and their professor.

2 Staff provided a tour of Centennial Farm and
3 provided an overview of our agricultural initiatives.
4 They will begin working on helping us identify
5 additional agricultural opportunities and are planning
6 to create an agricultural education demand-and-supply
7 study -- I'm glad they're doing it. They're MBA
8 students -- along with creating a SWOT analysis for us
9 with projected completion date end of May.

10 We're excited to be working with them. Many
11 of them had not even been to Centennial Farm, and I know
12 we created some new fans with those students.

13 Although fair is just over four months away,
14 the H.R. team is busy hiring seasonal fair staff.
15 During March and April, last year's seasonal staff are
16 contacted and provided the opportunity to return to work
17 at the 2016 fair.

18 We remain having a historically high -- we
19 have about a 70 percent return rate from our seasonal
20 employees. So we're looking forward to having those
21 join us for '16. Once this process is completed, any
22 unfilled positions are recruited from the local market.
23 So if you have a family member sitting on the couch or
24 with no plan for the summer, direct them to our website
25 to see a list of our fairtime job opportunities.

1 Speaking of fair, some highlights from the
2 Pac Amp concert entertainment lineup, for those of you
3 Styx fans, you better be getting in the race. Styx is
4 racing toward a sellout with 5300 tickets sold.

5 The Ziggy Marley/Steel Pulse show went on
6 sale this week and sold 1200 tickets in the first hour
7 of presale. They'll be performing two shows this year.

8 Our Super Pass continues to be popular. To
9 date we've sold 3,780 passes, which represents a
10 15 percent increase to date over last year.

11 We will be participating in the California
12 Ag. Day in Sacramento on March 16. For those of you not
13 familiar with that event, it's a celebration
14 California -- annual celebration of California's diverse
15 agriculture community. It will provide an opportunity
16 to interact with state agriculture agency and commodity
17 groups. So we're looking forward to continuing looking
18 for opportunities there.

19 And that concludes my report. I'm happy to
20 answer any questions.

21 CHAIR GERARDO MOUET: Thank you.

22 Any questions from the Board Members? Very
23 good.

24 Now is the time for public comments. I've
25 received some cards. As I read them here, there's three

1 for general comments and three that are specific to
2 agenda items. So we'll then proceed with the general
3 comments. And then as we get to the agenda items, we'll
4 call on those public comments.

5 The first one in the order I received them is
6 Reggie Mundekis. You have three minutes.

7 MS. REGGIE MUNDEKIS: Thank you. Good morning.

8 The Board of Directors of the 32nd DAA, a
9 state agency, is requested to release the work history
10 and credentials of Vice President of Operation Ken
11 Karns. The Vice President of Operations is responsible
12 for the health and safety of all people using the
13 property under jurisdiction of this Board.

14 The job duties include, but are not limited
15 to, security compliance with all federal, state, and
16 municipal laws, building and fire codes, watershed
17 management, CEQA, workplace safety, and the four legal
18 settlements binding the 32nd DAA. There are additional
19 aspects to this job.

20 The health and safety of all people on the
21 property rely upon the credentials and training of the
22 Vice President of Operations. Release of the work
23 history of Ken Karns is in the public interest and
24 delineated in Government Code 6255. This is the second
25 request for these documents.

1 The release of the work visa of Ken Karns is
2 requested. Ken Karns has spent his entire education and
3 working career in Canada and has been described as a
4 Canadian by CEO Kathy Kramer. A work visa is needed for
5 a foreign national to work in the United States.

6 Work visas have terms and conditions placed
7 upon them. Public money may have been spent to procure
8 said work visa. The 32nd DAA Board appears to agree to
9 displace a qualified American worker by hiring a foreign
10 worker to take a State of California Civil Service
11 position.

12 Release of the work visa file is in the
13 public interest of the people of California as
14 delineated in Government Code 6255. This is the second
15 request for these documents.

16 The release of the work history and
17 credentials for the Director of Technology and
18 Production Jason Jacobsen is requested. The duties of
19 the Director of Technology and Production include, but
20 are not limited to, the safe installation of equipment
21 used during events, including, but not limited to
22 electrical equipment, trusses, rigging, overhead lights,
23 overhead speakers, sun shades, signs, overhead
24 projection systems, overhead video screens, and stages.

25 The job also includes management of the IT

1 network, including, but not limited to, networking,
2 cybersecurity, Wi-Fi, e-commerce, system design,
3 implementation, and management.

4 This position is responsible for compliance
5 with the four settlements which bind the 32nd DAA along
6 with compliance with all state, federal, and municipal
7 laws. There are additional aspects to this job.

8 The health and safety of all people on the
9 property rely upon the credentials of training of the
10 Director of Technology and Production. Release of the
11 work history of Jason Jacobsen is in the public interest
12 as delineated in Government Code 6255. This is the
13 second request for these documents.

14 When will the public be given this
15 information? Will the public receive this information
16 today? And, please, will Mr. Karns please let us know
17 what type of work visa he is on? Thank you.

18 CHAIR GERARDO MOUET: Thank you, Reggie.

19 Roy Englebrecht.

20 MR. ROY ENGLEBRECHT: Thank you, Board.

21 I would be remiss if I didn't call your
22 attention again to the outstanding staff you have here
23 at the fair. A week ago tonight we kicked off our sixth
24 year of Fight Club OC shows with a sold-out crowd.
25 Great evening. We celebrate five years of being here.

1 And at 3:30, Jenn Olvera called me in the box
2 office, said, "Roy, we need you to come out here." As I
3 walked out and went towards the screen area, there was,
4 like, 20 people from the fair walking there.

5 Wondering what's going on? This is kind of
6 strange. And there they had a giant cake and with our
7 Fight Club OC logo and fifth anniversary. And we cut it
8 and shared it with all those people sitting on the back
9 row, Howard and Juan and Linda and Jenn and Jerry and so
10 forth.

11 So, again, this is something they didn't have
12 to do. It made me feel very good and appreciative for
13 the five years that we've been here. So, Board, you
14 have some good people here. Thank you.

15 CHAIR GERARDO MOUET: Thank you, Roy.

16 And Beth Refakes, please.

17 MS. BETH REFAKES: Beth Refakes, Costa Mesa
18 resident.

19 I wanted to thank Kathy for mentioning the
20 AB 1907 bill. We're happy to see that there's something
21 being done and moving forward. And whatever the
22 community can do to support it when it gets to that
23 point, I'm sure that you'll see a lot of residents
24 speaking in favor of having that sale clause rescinded.

25 The other thing I had is the status of the

1 gun show. I'm happy to see that you're having it again
2 in March, and I hope that the -- if there is any
3 intention of discontinuing that, that it is brought
4 before a public forum for discussion.

5 And the other thing, I know that you
6 mentioned that -- Kathy mentioned about the concerts for
7 the fair. I just want to make sure that the sound
8 monitoring and neighborhood ambassador programs that
9 were in place last year will continue with the 2016 fair
10 because it seemed to be very successful, and a lot of
11 residents seemed to be happy with it. Thank you.

12 CHAIR GERARDO MOUET: Thank you, Beth.

13 All right. That concludes the general public
14 comments. And so we're going to move on to our agenda,
15 and the other three public comments I'll call on when --
16 when the agenda item -- when we arrive to that specific
17 agenda item.

18 I believe the next item is the review of
19 minutes. And are there any questions from any Board
20 Members on the January 28th minutes?

21 DIRECTOR STAN TKACZYK: Move.

22 DIRECTOR SANDRA CERVANTES: I so move.

23 VICE CHAIR NICK BERARDINO: Second.

24 CHAIR GERARDO MOUET: I think it was first and
25 second -- first by Sandra and second by Nick.

1 Jessica, could you call for the vote?
2 BOARD CLERK JESSICA ZIMMERMAN: Yes.
3 Chair Mouet?
4 CHAIR GERARDO MOUET: Yes.
5 BOARD CLERK JESSICA ZIMMERMAN: Vice Chair
6 Berardino?
7 VICE CHAIR NICK BERARDINO: 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 Cervantes?
15 DIRECTOR SANDRA CERVANTES: Yes.
16 CHAIR GERARDO MOUET: Motion passes. Thank you.
17 All right. We're on to the Consent Calendar.
18 I know that there is a member of the public that wants
19 to comment. I'll probably ask to clarify. I believe
20 it's a consent item. And are there any items that staff
21 wants to pull?
22 MS. KATHY KRAMER: We pulled the Pepsi contract
23 last month. It is back on the Consent Calendar. I
24 would like to speak to that.
25 CHAIR GERARDO MOUET: Okay.

1 MS. KATHY KRAMER: The contract is a two-year
2 sponsorship contract with three one-year options for
3 renewal for Pepsi to be the exclusive year-round
4 carbonated soft drink sponsor. The new agreement more
5 than doubles the annual sponsorship fee from 21,000 to
6 50,000. In addition, they provided a 20 percent higher
7 rebate on products sold. So the team did a great job
8 negotiating a long-term contract.

9 CHAIR GERARDO MOUET: Yes.

10 DIRECTOR DOUGLAS LA BELLE: Chair Mouet, if I
11 might, my usual pitch on this, my wife and I own 120
12 shares of Pepsi out of 1.5 billion outstanding, so I
13 don't think we have a significant impact. I just want
14 to disclose that.

15 CHAIR GERARDO MOUET: That's a nice -- nice
16 comfort thing when in your retirement -- the -- I'm
17 always reminded of when Steven Jobs was recruiting for
18 the new CEO that was coming from Pepsi, Sculley -- I
19 don't know if you remember -- for Apple. And Steven
20 said, "Do you want to continue selling sugar water for
21 the -- to the world, or do you want to change the
22 world?" But the good thing is that it's always great to
23 have a turkey leg in some sugar water. So that's great
24 news.

25 Is there any other items that --

1 MS. KATHY KRAMER: No.

2 CHAIR GERARDO MOUET: So there is a -- I'm going
3 to call on the person I believe -- I believe it's EMT
4 Contract.

5 MS. KATHY KRAMER: Correct.

6 CHAIR GERARDO MOUET: And that's part of the
7 Consent. So I'm going to call on --

8 VICE CHAIR NICK BERARDINO: I'll move the
9 remainder of the Consent.

10 CHAIR GERARDO MOUET: Okay.

11 DIRECTOR SANDRA CERVANTES: Second.

12 CHAIR GERARDO MOUET: So the -- it's been moved
13 and second for everything at this time except for that
14 item.

15 Jessica could you call for the vote --

16 BOARD CLERK JESSICA ZIMMERMAN: Yes.

17 CHAIR GERARDO MOUET: -- for the balance of the
18 Consent.

19 BOARD CLERK JESSICA ZIMMERMAN: Sure.

20 Chair Mouet?

21 CHAIR GERARDO MOUET: Yes.

22 BOARD CLERK JESSICA ZIMMERMAN: Vice Chair
23 Berardino?

24 VICE CHAIR NICK BERARDINO: Yes.

25 BOARD CLERK JESSICA ZIMMERMAN: Director Tkaczyk?

1 DIRECTOR STAN TKACZYK: Yes.

2 BOARD CLERK JESSICA ZIMMERMAN: Director

3 La Belle?

4 DIRECTOR DOUGLAS LA BELLE: Yes.

5 BOARD CLERK JESSICA ZIMMERMAN: Director

6 Cervantes?

7 DIRECTOR SANDRA CERVANTES: Yes.

8 CHAIR GERARDO MOUET: Okay. Motion passes.

9 Thank you, Jessica.

10 I'm calling on Bryan Arnold. And you have

11 three minutes.

12 MR. BRYAN ARNOLD: Thank you. My name is Bryan

13 Arnold. I'm a lawyer with Gordee, Nowicki & Blakeney.

14 I'm here to talk about the Emergency Medical Technician

15 contract that's on your Consent.

16 I represent Medical and Safety,

17 Incorporated -- (indiscernible) -- contract that has

18 been there for ten years. I'm not here to make a legal

19 argument. I'm here to make a practical argument. I'm

20 here to suggest to you that you should not award this

21 contract because essentially it was awarded without

22 competition.

23 There were three bidders who submitted

24 proposals in response to the RFP. Two of those bidders,

25 Medical and Safety and Joffe Emergency Services, were

1 rejected, rejected for failing to comply with the
2 Disabled Veteran Business Enterprise requirement.
3 That's a policy that's designed to promote, encourage --
4 (indiscernible) -- contract. It's a subcontract with
5 DVBE services.

6 It really had application on this contract
7 because the bulk of the work performed is services. And
8 the services under this contract were to be provided
9 only by the contractor. There was no subcontractor
10 allowed for those services.

11 So what happened was that West Coast
12 submitted a form that said no subcontract. The other
13 bidders failed to submit that form. It's a new
14 requirement for us. We failed to submit the form that
15 said no subcontracting. Our proposals were rejected,
16 leaving West Coast standing.

17 Now, why is that important? It's important
18 because West Coast's proposal was not tested through
19 competition, and it is remarkably unrealistic. Medical
20 and Safety bid \$21 an hour for the services. Joffe bid
21 \$22 an hour for the services for the first year. West
22 Coast bid \$14.50, almost \$7 below what was really a
23 recognized price.

24 Now, this rate, the hourly rate is
25 all-encompassing. They have to provide all the

1 services, all the equipment, all the vehicles, run their
2 business, everything for that price. It can't be done.

3 The pricing is so out of line with the
4 industry that it puts the entire contract and the
5 performance at risk. We're talking you think about
6 yourself. You go in for a procedure for a doctor, and
7 two, three, four doctors said a similar price, and
8 someone comes in way below that. You're going to say
9 "What's going on?" That's what happened in this case.

10 The price is so far out of line with the
11 competing prices that -- that there is no incentive for
12 them to really have the most experienced personnel, to
13 really have a cushion to apply for any emergency repairs
14 or anything that might be done and really have the
15 flexibility you're entitled to.

16 And let me give this example. The minimum
17 wage is now \$10 an hour. If they have to have any
18 overtime on this contract -- well, for the lowest person
19 to have -- on the totem pole, plus to pay \$15 an hour
20 for that person, that is more than they're going to
21 receive from the county for that service.

22 So there's the risk to you and to the public
23 for this very important contract. It's very real. For
24 that reason, because there was no competition
25 essentially, I urge you to reject this contract and

1 direct the staff to have a new competition to provide
2 for these services. It's really that important.

3 I'd be happy to answer any questions that you
4 have.

5 CHAIR GERARDO MOUET: Thank you, Mr. Arnold.

6 At this time, I'm now going to open it up for
7 the Board to discuss on this item, or if you have any
8 questions, and then staff or counsel might provide some
9 feedback, as well.

10 VICE CHAIR NICK BERARDINO: Yeah. I'd like to
11 ask counsel to kind of -- obviously, I'm sure you've
12 reviewed this. So can you give us a bit of a briefing
13 here?

14 MR. JOSHUA CAPLAN: Sure. So Medical and Safety,
15 Incorporated, submitted a formal bid protest following
16 the public bidding process for contract SA-046-16YR,
17 which is a contract for emergency medical tech services.
18 The protest was denied under the Public Contracts Code
19 by the Department of General Services.

20 After considering written submissions by
21 Medical and Safety, Incorporated, the 32nd DAA --
22 (indiscernible) -- and part of that came in as the
23 lowest bid for the contract, West Coast Emergency
24 Medical.

25 After considering the request for --

1 (indiscernible) -- written submissions by all the
2 interested parties, the Department of General Services
3 issued a comprehensive 25-page decision denying the
4 protest and concluding under the Public Contracts Code
5 that Medical and Safety, Inc., did not carry its burden
6 to show that there was any irregularities with the
7 bidding process.

8 So that -- again, that's just reporting to
9 the Board as to -- a summary as to what happened with
10 the bidding process and the formal protest procedures
11 that followed and resulted in the decision that was made
12 by the Department of General Services.

13 CHAIR GERARDO MOUET: Thank you.

14 Any questions?

15 DIRECTOR STAN TKACZYK: I think I'm under the
16 understanding that when we go out to a bid like this,
17 that we can accept the lowest qualified bidder. And
18 qualified, I'm going to emphasize it under the comments
19 that we've had. Have we reviewed their qualifications?

20 MS. KATHY KRAMER: Yes. Yes.

21 DIRECTOR STAN TKACZYK: Okay. And staff is
22 comfortable with what came back on that review?

23 MS. KATHY KRAMER: Yes.

24 MR. NICK BERARDINO: What's the term of this
25 contract? Is this a one-year contract?

1 MS. KATHY KRAMER: Sorry. I left my file in the
2 office. I'm going to go get my file.

3 CHAIR GERARDO MOUET: Yeah.

4 MS. KATHY KRAMER: I'll be right back. Excuse
5 me.

6 MS. MICHELE RICHARDS: Kathy, it's here.

7 The term of the contract is from March 7th of
8 2016, through December 31st of 2017. So it would take
9 us through the end of next year with option years to
10 renew. So it's a two-year contract with -- or slightly
11 less than two years with option years to renew.

12 CHAIR GERARDO MOUET: Yes.

13 MR. NICK BERARDINO: I -- I'm very comfortable
14 with certainly the review procedure and very comfortable
15 with counsel as they -- I just can't tell you members of
16 the public how great of a job our counsel here from the
17 AG's office is doing. Just I wish you could be involved
18 in all the closed sessions and all the things to see the
19 kind of quality we're getting. So I'm very comfortable
20 with that.

21 I'm not comfortable with 14 bucks an hour for
22 the EMT thing. The reason I'm not comfortable with that
23 is it just seems to me -- we're talking about people's
24 health here, and it seems if you're a company -- and, by
25 the way, I'm likely to support this because, you know, I

1 think it's -- we got some issues that are -- you know,
2 we have to address that are more -- maybe, perhaps, more
3 mundane, but more contractual, and don't want to do
4 anything that may not be appropriate given the
5 circumstances and what the law is.

6 But \$14 an hour, I just want us to -- we
7 give -- the Board approves this, you know, and we're
8 going to approve it for two years, I would have been
9 more comfortable with one year at that level so that we
10 can really watch and monitor what we're getting for 14
11 bucks an hour.

12 Because I mean you put in wages, you put in
13 other kinds, Social Security, maybe any other kind of
14 benefit and talking overhead, you know, I don't know
15 where you end up in terms of quality of service.

16 But the process has been executed. It's been
17 completed. I'm, you know, going to -- and our counsel
18 has said that this is -- follow the correct process;
19 right? And everything has been followed, so I -- and,
20 again, I can't express the kind of faith I have in this
21 counsel, and I hope all of you do.

22 So I'm going to go along with it. I'd be
23 supporting it. But I think it's important that we watch
24 this extremely carefully, very, very carefully. Because
25 at 14 bucks an hour on a medical kind of thing, I mean I

1 just don't know what you're going to get for 14 bucks an
2 hour. I don't know what our customers are going to get.
3 It's hard to tell. So -- it's hard to know.

4 So we're stuck with two years on this?
5 There's no way to do one year?

6 CHAIR GERARDO MOUET: I'm not sure if I would --
7 I would say a two-year contract as being stuck because
8 contracts sometimes don't finish in two years because
9 of -- because you're monitoring.

10 MR. NICK BERARDINO: I understand.

11 CHAIR GERARDO MOUET: So I don't know if I would
12 categorize being stuck because that's why you have
13 really good contracts with clauses and monitoring and
14 failure to perform and stuff like that.

15 Stan, you want to say something?

16 DIRECTOR STAN TKACZYK: Yes. In regards to the
17 contract, and I must, unfortunately, say I didn't go
18 into great deal in looking at it because it was on the
19 Consent Calendar.

20 The wording that we have in that contract as
21 far as performance, Kathy or Michele, are you
22 comfortable that you can watch them, and if they don't
23 perform, do we have a means of doing something if they
24 don't?

25 MS. MICHELE RICHARDS: Of course. And this will

1 actually be under Ken's oversight now. But I can speak
2 to what the requirements of the contract include, and
3 there are certain professional certifications that are
4 required of each individual that works during one of our
5 events, and those are, you know, qualifiable
6 certifications that we can and will request
7 documentation for, a certain number of years of training
8 that's required for those certifications.

9 So staff will definitely be on top of that to
10 check and make sure that everyone that is assigned to
11 work our events -- because this contract is not just for
12 the annual OC Fair, but it's for other larger events
13 where there are many attendees on site. So all of that
14 will be monitored, as well.

15 And as Chair Mouet said, there are clauses
16 within the contract that give us the option to step away
17 from that if those criteria are not being met.

18 DIRECTOR STAN TKACZYK: As our speaker spoke, as
19 far as the \$14 an hour, and being a businessman, I
20 certainly was exposed to situations where competitors
21 would come in and put in a lower bid. And in my eyes, I
22 felt that they couldn't perform.

23 And I'd just have to watch to see what
24 happened. And sometimes they did, sometimes they
25 didn't. But at the end of the day, being now on this

1 side of the table, I'm very much concerned about the
2 services and, of course, the dollar amount compared to
3 what the industry shows as came in on other bids and
4 certainly a red flag. And when that happens, I think we
5 have to pay attention to that contract a little bit
6 more.

7 When they start, what -- what is going to be
8 the first event that they actually would be online to
9 start? Do you know?

10 MS. MICHELE RICHARDS: Well, the contract
11 commences on the 16th of March, was it?

12 CHAIR GERARDO MOUET: March 7th, I think.

13 MS. MICHELE RICHARDS: Seventh.

14 Howard, do you know -- or Linda, do you know
15 which one?

16 MS. LINDA KEASBERRY: (Indiscernible.)

17 MS. MICHELE RICHARDS: Okay. We can look at
18 that.

19 DIRECTOR STAN TKACZYK: And who's going to be in
20 charge of monitoring the contract, Ken?

21 MR. KEN KARNS: Under my oversight, but I would
22 think Nick Buffa directly.

23 DIRECTOR STAN TKACZYK: Okay. Could I then
24 request of staff, because of the discussion we're
25 having, that we get a -- for the first year a quarterly

1 report back from staff on the performance of this
2 contractor?

3 CHAIR GERARDO MOUET: That's a good idea.

4 DIRECTOR STAN TKACZYK: And I ask quarterly
5 because if there are issues, I don't want to wait six
6 months or a year. I want to be able to know within a
7 relatively short period of time that they are -- that
8 they are performing.

9 MR. NICK BERARDINO: I'll move the item.

10 CHAIR GERARDO MOUET: Very good. There's been a
11 motion. Do we have --

12 DIRECTOR SANDRA CERVANTES: Second.

13 CHAIR GERARDO MOUET: Jessica, could you call for
14 the vote?

15 BOARD CLERK JESSICA ZIMMERMAN: Chair Mouet?

16 CHAIR GERARDO MOUET: Yes.

17 BOARD CLERK JESSICA ZIMMERMAN: Vice Chair
18 Berardino?

19 VICE CHAIR NICK BERARDINO: 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 Cervantes?

2 DIRECTOR SANDRA CERVANTES: Yes.

3 CHAIR GERARDO MOUET: Motion passes. Thank you.

4 All right. Moving on to -- I think we're now
5 at the Governance Process, 9A. And so this is the time
6 to do information item on committee, task force, and
7 liaison reports.

8 And I -- I'm glad we're going back to listing
9 all of them because it reminds the public of existing
10 committees. Sometimes there will be things to report,
11 and sometimes there won't be, but it's a good reminder.

12 The first item is mine, actually, Centennial
13 Farm Foundation. Actually, there's an agenda item that
14 we're going to have in a little while about the MOU, and
15 so that's probably going to be the discussion that's
16 going to be related to Centennial Farm Foundation.

17 The next committee is I'm calling on
18 Vice Chair Berardino and Director La Belle. Anything to
19 report on Heroes Hall Foundation?

20 MR. NICK BERARDINO: Well, you know, it's -- the
21 board has -- and please fill in here, Doug. The board
22 meets regularly. We are working very hard to raise
23 money, and it's just such a wonderful project.

24 That -- you know, again, we're continuing to
25 get support, and we all know that it's always a

1 challenge to raise money. But you'll see later on in
2 the agenda really what's going on with Heroes Hall. You
3 know, we're going to be reaching out to folks here in
4 the fair family who -- various people here who are on
5 the grounds that hopefully for this fair will also, you
6 know, join the community in ensuring that this project
7 gets completed and it's administered in a way that
8 really honors the men and women who are -- we're trying
9 to honor. So I think we're moving ahead very well.

10 The staff, of course, from the foundation's
11 point of view, when we review the great work and
12 commitment of our staff working on this project, so --
13 so appreciative of them. It's a great effort.

14 Doug, did I miss anything?

15 DIRECTOR DOUGLAS LA BELLE: No. I think other
16 than our next foundation meeting is next Wednesday, the
17 2nd, at 11:30.

18 CHAIR GERARDO MOUET: And you also have an -- I
19 think an item in a little bit adding members.

20 MR. NICK BERARDINO: We do.

21 CHAIR GERARDO MOUET: So that's very exciting.
22 Thank you so much for that. Such an important project
23 for the entire community. Thank you.

24 The next -- also, Vice Chair Berardino, do
25 you have anything that you want to say on the Workers

1 Memorial Task Force?

2 MR. NICK BERARDINO: No. We have nothing to add
3 right at this time.

4 CHAIR GERARDO MOUET: Okay. Then I'll call on
5 Director La Belle and Director Cervantes, if there's
6 anything to report on the 2016 OC Fair City Liaison
7 Committee.

8 DIRECTOR DOUGLAS LA BELLE: Michele, I think, has
9 a report that she's prepared to make.

10 MS. MICHELE RICHARDS: We're gearing up to, once
11 again, involve the cities of Orange County, and the
12 annual OC Fair will be hosting a breakfast with the
13 mayors and the city managers from each city in April,
14 date to be confirmed. And we'll be talking about how
15 those cities can be involved and offering discounts to
16 residents of Orange County to attend the OC Fair.

17 CHAIR GERARDO MOUET: That's great. You know,
18 I -- about three or four days ago, I was having lunch at
19 where I usually go to have lunch at Mother's Market in
20 Santa Ana. And I frequently bump into County Supervisor
21 Todd Spitzer, and we started chatting. And he said,
22 "Oh, man, I really love the fair," and he went on and
23 said a few things about Santa Ana and the city stuff,
24 but let's ignore that for right now.

25 And I -- and I said, "Absolutely," because it

1 is the county fair. It is the county fair.

2 So the -- the city liaison work is very
3 important, as well as we should invite the county
4 government because there are five elected supervisors
5 that represent the entire county, and they do very
6 important services.

7 And the more that we can get, you know,
8 alignment with their enthusiasm and their vision for the
9 supervisors, the better I think it is for the community.

10 So -- so I told Supervisor Spitzer to get his
11 face on ready for the fair.

12 So, anyway, I just wanted to mention that
13 because I know we always invite them, as well. But it's
14 important to see the county involved as much as
15 possible, I think that would be a good thing; right?

16 MR. NICK BERARDINO: Marvelous.

17 CHAIR GERARDO MOUET: All right. Very good.

18 So we're going to go to the next one, and I'm
19 going to call also on Vice Chair Berardino, if there's
20 anything to report on Legislative Monitoring Task Force.

21 MR. NICK BERARDINO: The -- I think Kathy covered
22 it. I've had the opportunity to meet with some of the
23 Orange County delegates or folks from the Senate side on
24 our bill, and, interestingly enough, Senator Moorlach,
25 as well as Senator Nguyen have said they'd love to --

1 CHAIR GERARDO MOUET: That's great.

2 VICE CHAIR NICK BERARDINO: -- coauthor our bill.

3 CHAIR GERARDO MOUET: That's great.

4 MR. NICK BERARDINO: So I think with Assemblyman

5 Daly on -- the assemblyman Daly on the assembly side and

6 some -- who's a Democratic, and we'll have some

7 Republican coauthors, which I think is very important.

8 And bipartisan legislations --

9 CHAIR GERARDO MOUET: Yeah.

10 MR. NICK BERARDINO: -- makes it so much easier.

11 I think we're going to be in very good shape.

12 CHAIR GERARDO MOUET: Fantastic.

13 MR. NICK BERARDINO: I'm anxious, actually. I

14 want to say on behalf of -- I had the opportunity to

15 talk to Senator Daly at length about this, and I've had

16 the opportunity to talk to both Senators Nguyen and

17 Moorlach. And so I think it's important that the Orange

18 County community knows that they are very anxious too.

19 It's not just, well, you know lots of times

20 you go ask people to coauthor stuff, and, oh, okay,

21 other times you have to put a water pistol to their head

22 to get them to do it. But they're very, very

23 enthusiastic about it.

24 CHAIR GERARDO MOUET: Fantastic.

25 MR. NICK BERARDINO: Fantastic.

1 CHAIR GERARDO MOUET: Thank you for that.

2 And I know, Stan, you mentioned I think it
3 was at the last Board Meeting when we were talking about
4 kind of in general legislation, and I know that in a
5 little while we're going to talk about our public
6 affairs contract, which is related to this.

7 But when -- when we -- when we follow up on
8 your suggestion, I think Kathy will be following up, a
9 little day trip for -- for going to Sacramento to -- to
10 help do some research on the project management thing,
11 that I think it would be great if we can also stop by
12 and thank the assemblyman and anybody else for the work
13 that they're doing on that day. Might as well just take
14 advantage of that one-day trip. It makes sense to me.
15 And so I'm looking forward to that.

16 And maybe there could be a coinciding with
17 the agricultural thing that you mentioned a little while
18 ago in Sacramento. I don't know. Whatever logistics
19 works out best.

20 DIRECTOR STAN TKACZYK: I would like to add to
21 what you mentioned as far as the city liaison, and you
22 mentioned reaching out to the county.

23 CHAIR GERARDO MOUET: Yeah.

24 DIRECTOR STAN TKACZYK: I think we need to add
25 the state representatives to that list to make sure that

1 they are in that --

2 CHAIR GERARDO MOUET: Yeah.

3 DIRECTOR STAN TKACZYK: -- circle too because

4 they have shown a lot of interest in the fair personally

5 to me, and we are appointed state representatives.

6 CHAIR GERARDO MOUET: Yeah.

7 DIRECTOR STAN TKACZYK: So I just want to

8 emphasize that we include them in whatever proceedings

9 would be appropriate.

10 CHAIR GERARDO MOUET: That's a good idea. Very

11 good.

12 Anything else on this item? Okay. Then we

13 are going to now -- I'm going to call on Director

14 La Belle, if he has anything on the Organizational Needs

15 Assessment.

16 DIRECTOR DOUGLAS LA BELLE: Yes. Kathy has

17 provided to both Robert and I a pretty significant

18 update on the various action steps in terms of the ONA,

19 and I've responded back to Kathy. I thought it was a

20 very good report, and I believe she's going to be

21 sharing that with the full board.

22 CHAIR GERARDO MOUET: Okay. Very good. Very

23 good.

24 Then moving on to calling on Director Tkaczyk

25 and Vice Chair Berardino in the Tenant Liaison

1 Committee.

2 DIRECTOR STAN TKACZYK: I don't have anything to
3 report on the committee other than I will say any
4 discussion we had will be discussed on item H, so I will
5 save --

6 CHAIR GERARDO MOUET: Yes. That's right. That
7 makes sense.

8 DIRECTOR STAN TKACZYK: -- the discussion for
9 that.

10 CHAIR GERARDO MOUET: That makes sense.

11 Then also Director Tkaczyk on Consumer
12 Initiative Task Force. I think there's a -- no. There
13 is an agenda item.

14 MS. KATHY KRAMER: Correct.

15 CHAIR GERARDO MOUET: And so we're going to get
16 to it.

17 DIRECTOR STAN TKACZYK: Same thing.

18 CHAIR GERARDO MOUET: Yeah.

19 DIRECTOR STAN TKACZYK: Ticketing policy.

20 CHAIR GERARDO MOUET: And the ticketing policy.

21 DIRECTOR STAN TKACZYK: We are still reviewing
22 that, and we hope to bring back a report to the full
23 Board in a timely manner.

24 CHAIR GERARDO MOUET: Okay. Very good. I think
25 that concludes 9A.

1 And now we go to 9B, and I will turn it over
2 to Kathy.

3 MS. KATHY KRAMER: Okay. Thank you, Chair Mouet.

4 We have a recommendation to authorize the
5 approval to award the legislative representation
6 contract to Joe A. Gonsalves & Son. On February 9th of
7 this year, the bids were reviewed and scored, and Joe A.
8 Gonsalves & Son was the winning bidder.

9 The contract term will be a three-year
10 contract with two -- two option years for a total of
11 \$180,000 for the initial term of the contract. A little
12 background on this firm.

13 Joe A. Gonsalves & Son was founded by a
14 former California state assemblymember Joe A. Gonsalves
15 in 1975. Now a third generation operation, the firm has
16 successfully represented a diverse client base,
17 including various state agencies, cities, and private
18 sector clients. The firm has a proven track record in
19 the area, such as monitoring bill tracking and
20 legislative communications.

21 VICE CHAIR NICK BERARDINO: Move it.

22 DIRECTOR SANDRA CERVANTES: Second.

23 CHAIR GERARDO MOUET: Jessica, would you call for
24 the vote?

25 BOARD CLERK JESSICA ZIMMERMAN: Yes.

1 Chair Mouet?
2 CHAIR GERARDO MOUET: Yes.
3 BOARD CLERK JESSICA ZIMMERMAN: Vice Chair
4 Berardino?
5 VICE CHAIR NICK BERARDINO: Yes.
6 BOARD CLERK JESSICA ZIMMERMAN: Director Tkaczyk?
7 DIRECTOR STAN TKACZYK: Yes.
8 BOARD CLERK JESSICA ZIMMERMAN: Director
9 La Belle?
10 DIRECTOR DOUGLAS LA BELLE: Yes.
11 BOARD CLERK JESSICA ZIMMERMAN: Director
12 Cervantes?
13 DIRECTOR SANDRA CERVANTES: Yes.
14 CHAIR GERARDO MOUET: Very good. Motion passes.
15 Thank you so much.
16 Now my favorite part of the agenda is the
17 next one. Barbara; right?
18 MR. NICK BERARDINO: He has to leave.
19 CHAIR GERARDO MOUET: I'm sorry?
20 MR. NICK BERARDINO: He's got to leave.
21 CHAIR GERARDO MOUET: Oh, yes. Yes.
22 (Director Stan Tkaczyk exited the meeting.)
23 MR. NICK BERARDINO: We have a quorum, so we can
24 still vote the majority; right?
25 MS. DEBORAH FLETCHER: You have less than a

1 quorum now is the problem. You might want to table this
2 till next --

3 MR. NICK BERARDINO: Can I ask a question about
4 this? Because I know I've gotten two opinions about
5 that. Whatever one you give will be the right one.

6 MS. DEBORAH FLETCHER: You have more faith in me
7 than I do, but --

8 MR. NICK BERARDINO: Okay. It's fine. I just
9 feel bad because we've put this over for three months.
10 I thought, and I could be wrong, that if you have the
11 quorum at the beginning of the meeting and -- are you
12 shaking your head no?

13 CHAIR GERARDO MOUET: Let me ask you this
14 question, though. Stan is married to Barbara. We're
15 voting on approving Barbara to be on the Heroes Hall
16 Foundation, not on this board. Okay. So is there a
17 conflict there?

18 MS. DEBORAH FLETCHER: I, honestly, don't know.
19 I have to really kind of think about it a bit, and I'm a
20 little uncomfortable about giving you an off-the-cuff
21 answer on that. You know, I know nobody wants to put
22 this over for yet one more month, but I guess the
23 advantage of putting it over would be there won't be any
24 real question on it.

25 MR. NICK BERARDINO: All right. I'll move to

1 table it with the understanding that -- the fact that we
2 will have a quorum next time, but when we do approve
3 Barbara, that we give her a free cup of coffee or
4 something.

5 DIRECTOR SANDRA CERVANTES: Second.

6 CHAIR GERARDO MOUET: All right. So --

7 MS. DEBORAH FLETCHER: We'll bring her Starbucks.

8 CHAIR GERARDO MOUET: I think we're tabling
9 for -- yeah. We can get Stan, and we'll explain.

10 DIRECTOR SANDRA CERVANTES: Is a vote required?

11 CHAIR GERARDO MOUET: No. There's no vote.
12 We're tabling it.

13 (Director Stan Tkaczyk entered the meeting.)

14 MR. NICK BERARDINO: We had to table it.

15 DIRECTOR STAN TKACZYK: That was what -- never
16 mind. I won't say any more. You don't have a quorum?
17 That's --

18 CHAIR GERARDO MOUET: Well, you know, everyone
19 loves Barbara, and we just --

20 DIRECTOR STAN TKACZYK: I'm not going to say
21 anything. You guys can tell her.

22 CHAIR GERARDO MOUET: Nick's the messenger.

23 DIRECTOR STAN TKACZYK: Never mind.

24 CHAIR GERARDO MOUET: All right. So we're
25 continuing that item.

1 MR. JOSHUA CAPLAN: Gerardo, Chair Mouet, one
2 thought that just came to us is that --
3 MS. DEBORAH FLETCHER: To Josh, not to me.
4 MR. JOSHUA CAPLAN: -- Director Tkaczyk could be
5 in the room to maintain quorum on the vote for
6 Ms. Venezia but could just abstain from voting.
7 DIRECTOR STAN TKACZYK: That's what I was going
8 to ask you.
9 MR. JOSHUA CAPLAN: So if the Board would like to
10 put this back on the agenda for today --
11 CHAIR GERARDO MOUET: That sounds logical to me.
12 MR. NICK BERARDINO: I -- you know, I think
13 it's -- I think you're right, Josh. But, here, let's
14 just take --
15 MR. JOSHUA CAPLAN: It's up to the Board.
16 MR. NICK BERARDINO: Yeah. Because there's one
17 thing I don't want with this foundation is any
18 controversy and -- because it's too important. And, you
19 know, we'll wait for another month, but -- because I
20 don't want any controversy about it.
21 DIRECTOR SANDRA CERVANTES: That's a great idea.
22 CHAIR GERARDO MOUET: Okay. So you owe her two
23 cups of coffee.
24 MR. NICK BERARDINO: And then I'll buy Barbara
25 the Starbucks. Unless I was going to make you guys buy,

1 but --

2 DIRECTOR DOUGLAS LA BELLE: We'll share the cost.

3 MR. NICK BERARDINO: Okay.

4 CHAIR GERARDO MOUET: Okay. Very good. So we do

5 that item, and then I believe staff's going to recommend

6 also continuing 9D; right?

7 MS. KATHY KRAMER: No.

8 CHAIR GERARDO MOUET: The -- you know, you're

9 right. You're right.

10 (Indiscernible discussion.)

11 CHAIR GERARDO MOUET: That's right. That's

12 right. I'm sorry. I'm confused. Staff's going to now

13 do a presentation on 9D, Consumer Initiatives Task

14 Force. Okay.

15 MS. KATHY KRAMER: Okay. A background on this.

16 Staff worked with the Consumer Initiatives Task Force to

17 review the OC Fair historical operating data, as well as

18 the concessionaire commission structure of like size

19 California fairs.

20 The OC Fair historical operating data

21 indicated that the last concessionaire commission

22 rate -- that the commission rate has been at 24 percent

23 since 2012. Prior to that, the last increase was in

24 2005 and 2009 in which a 1 percent point increase was

25 taken for each of these periods.

1 Currently, San Diego County Fair
2 commission -- concessionaire commission is 25 percent,
3 and the L.A. County Fair ranges from 26 to 30. This
4 commission increase would contribute in offsetting
5 increased operation costs and support increased
6 marketing efforts.

7 All 2016 concessionaire contracts would be a
8 template document reflecting this increase if the Board
9 elects to move. The recommendation is to increase the
10 2016 concessionaire commission from 24 percent to
11 25 percent.

12 CHAIR GERARDO MOUET: Thank you for the
13 presentation.

14 Let me open it up for questions or comments.

15 MR. NICK BERARDINO: Well, if we have
16 discussions, I'll move it.

17 DIRECTOR SANDRA CERVANTES: Second.

18 CHAIR GERARDO MOUET: Discussion, sure.

19 MR. NICK BERARDINO: First, I want to thank Stan
20 and Barbara, who's not here, the other Barbara,
21 Bagneris.

22 DIRECTOR STAN TKACZYK: I understand.

23 MR. NICK BERARDINO: Both of them aren't here,
24 but -- for doing this. I think it's a great -- it's a
25 great thing.

1 I'm very passionate about this. I'm very
2 passionate about it. I think if you read, again, Gavin
3 Newsom's book about this whole issue, I think it opens
4 our -- opens everyone's eyes. And I'm gonna keep
5 repeating it.

6 The use of state property is -- is a
7 privilege. This is not something that anybody owes
8 anybody. It's a privilege. To take the property of the
9 taxpayers of the state of California and use it to make
10 money, that's a privilege. It's not a right. It's not
11 like "Oh, you owe me this" or "Yeah, we got to have" --
12 no. That's a privilege.

13 And I think we're learning this is a very --
14 and I'm going to be very clear about this. The fair
15 business is a very complicated business in a lot of
16 ways. There's long-term relationships that exist
17 between a lot of people. There's all kinds of things
18 that play into this.

19 And I -- for us, I want to say, you know,
20 most of the concessionaires are fine. I have to say
21 that Spectra is outstanding. I mean if you want to look
22 at a model of people who give back to this community,
23 people that understand and appreciate the idea of this
24 being public property and that it's their obligation,
25 it's their obligation in some ways for the use of this

1 property not only to pay a fair amount for use of the
2 property, but also to be part of the community's
3 well-being.

4 I think we have other concessionaires that
5 take the money and run. And I mean you can only look at
6 their prices. And people in this fair community in the
7 fair business don't like it. They don't like the
8 appearance because it's kind of been a cultural thing.

9 I don't like it. I don't like it at all, and
10 I'm gonna keep pushing. I wish -- I wish that the board
11 members at L.A. County Fair would have been much more
12 diligent, much more aggressive about digging into this
13 business.

14 So I think we want to look to a model
15 concessionaire, we should look at Spectra. I think
16 from -- in terms of my opinion. It's not the Board's
17 opinion. I'm sure everybody has their own opinion about
18 it. But that's -- that is a true public/private
19 partnership, not a "Guess what? We get to use your
20 property, and we're gonna make -- we're gonna take
21 millions out of here each year, and we'll give you the
22 basic minimum that we can give you and we'll toss a few
23 other little extras around for some other things."

24 That's not what the use and the spirit of
25 public property is about. It really isn't. And if

1 there's a place to discuss -- discuss this whole issue
2 of public and private space and private partnerships to
3 find real improvement, something that -- from what I
4 read in the L.A. County thing and from what I've seen
5 here, this is a great place to start. And public space
6 is a very, very difficult issue.

7 Go to Portland, Oregon, and see. In the
8 middle of their financial district, they got a big park,
9 a big public park. Try to put that in the middle of the
10 financial district in Orange County and see what
11 happens. So it's a big issue. We got a lot of
12 improvement to do here, a lot of improvement. And --
13 and I'm gonna push it. I'm not getting up off of this.

14 So thank you to Stan, really. A marvelous
15 job. A great job. You know, very, very smart how Stan
16 and Barbara approached it. They were very diligent
17 about it. They were careful. They were -- they were
18 very -- I mean they did it in a very level-headed way,
19 not trying to take a big bite, not trying to, you know,
20 do that kind of thing. So great job.

21 Spectra -- you're here, Nick, and that's why
22 I'm bringing you up. Great job. I mean you're always
23 there for us. Always. No argument, no discussion. If
24 we can help advance the public space, he's there to do
25 it, and I think that's marvelous. So thank you very

1 much.

2 Stan, great job.

3 DIRECTOR STAN TKACZYK: Thank you, Nick.

4 VICE CHAIR NICK BERARDINO: Other

5 concessionaires, at least with this Board Member, you
6 never have to worry about me stabbing you in the back.
7 Maybe stabbing you in the chest, but you don't have to
8 worry about me stabbing you in the back.

9 And I'll tell all of you with this particular
10 Board Member, think about it, your increased
11 participation in making this place a better place for
12 the citizens that own it. Think about it and think
13 very, very hard about it.

14 And on that, I would with congratulatory to
15 Stanley and to Barbara, I move this item.

16 CHAIR GERARDO MOUET: Stan?

17 DIRECTOR STAN TKACZYK: Okay. Nick, thank you
18 very much. I just want to share with you some of the
19 process that we went through. It -- Barbara Bagneris
20 was a very big part of that. And, staff, you were a
21 huge part of that.

22 What we really tried to do was to try to
23 find -- as Nick mentioned, you know, we want to make
24 sure that we're getting a fair and a good return on our
25 investment here on this property. And the other thing

1 we need to look at is the business community. We don't
2 want to be -- I use this term -- this is my term. I
3 used it in business for many years. "Pigs play in the
4 mud. Hogs get slaughtered."

5 Okay. I don't mind being a pig. But when
6 you cross over the line to become a hog, then I'm going
7 to say then you can have some issues. And we don't want
8 to have issues with you. We want you to make a return
9 on your investment. We want to make a good return on
10 our investment.

11 And we feel that with the numbers that we've
12 come up with, we feel very confident that it falls in
13 that category, that it is fair, that you can get a
14 return on your investment, that we're getting a fair
15 return, as Nick has mentioned, for the state property
16 and for the people in California.

17 But I want to thank Kathy because -- and
18 Michele and staff because you guys brought the
19 information in. You did the work to go out -- the
20 legwork to bring everything back to us to make the
21 decisions that we did, and we thank you.

22 CHAIR GERARDO MOUET: Any other?

23 DIRECTOR DOUGLAS LA BELLE: I do have a question,
24 Chair Mouet.

25 CHAIR GERARDO MOUET: Yes.

1 DIRECTOR DOUGLAS LA BELLE: Will the
2 concessionaires' prices to the consumer remain the same?

3 MR. NICK BERARDINO: They better. I'll tell you
4 straight up they better. Not that I can do anything
5 about it. I'm sorry for answering. They Hong Kong
6 better.

7 CHAIR GERARDO MOUET: Yeah. I believe that's why
8 we have excellent staff is to be able to monitor and see
9 any kind of significant changes so that we can do
10 something on a case-by-case situation where there's some
11 case-by-case anomalies with regards to price. Because
12 that's how we keep ourselves being a public venue, as
13 Nick mentions, and competitive --

14 DIRECTOR DOUGLAS LA BELLE: Competitive
15 experience for our residents.

16 CHAIR GERARDO MOUET: Yeah. That's right.

17 But -- so I feel comfortable. I don't know
18 if anybody wants to add to the question of Doug's --
19 yeah.

20 MR. NICK BERARDINO: I mean, again, this is just
21 one, you know, and -- you know, I love working with Stan
22 because Stan has a business perspective, and he shares
23 it very, very well, and he helped me because perhaps
24 maybe I'm too much of a populist in some ways.

25 But we have young kids, young children that

1 come to this fair, that come with families, and I see
2 some of these prices. And you know what? I've
3 expressed my view on it. And Stan tethers me down. He
4 says, "Well, Nick, you got to look at" -- and I listen.

5 Go ahead and raise those prices. You raise
6 them -- you can. It's your option. Not our, but I will
7 be personally on a personal jihad on that issue. I'm
8 really strict.

9 If -- anybody ought to read the investigation
10 about L.A. County. Go read it. Go read the
11 information. Go talk to the people that are doing the
12 investigation. Talk to the L.A. legislators that are
13 doing that. Go talk to our own legislators who are
14 hearing about it.

15 This is a business that needs -- this is a
16 thing where we have some very good people. We have
17 other people that are smash-and-grab people. As much as
18 I can get, I'm gonna get, and I'm gonna jack them up and
19 jack up the prices to cover everything I can.

20 That's how this -- I mean -- and let's not
21 kid ourselves because I'm starting -- because I'm --
22 I'll get heated on this because it makes me sick when I
23 think of the L.A. County Fair, a venue, and our fair.
24 Kids -- this is for our community. These are children.
25 And some of these prices, I mean it's so, so expensive.

1 It's expensive. And I get hit with that all the time
2 every time I've been -- every year I've gotten on the
3 Board.

4 And I think there's a lot of lessons if you
5 read the entire investigation or talk to the people
6 involved in that investigation in L.A. County. Take a
7 real good look at that and, you know, look at some of
8 these -- some people say, "Oh, we're losing people
9 because of the weather." That is true. True. No
10 question.

11 This is a weather-sensitive business, and if
12 it gets too damn hot, who wants to go to the fair, you
13 know? I don't. And I'm -- half the time I'm thinking
14 "This is a hot day. Man, whoee." I got to be here.
15 I'm saying -- and I can see -- so I understand that.

16 That's not the big deterrent, though. Who's
17 kidding who? Come on. I'm so tired of this because
18 what it is is it's so expensive to come here. That's
19 what kills the attendance. And if you don't think so,
20 then you ain't thinking. You don't think so, then I'll
21 tell you what.

22 I will ask this -- anybody that disagrees
23 with that, let's do a poll and maybe -- I like to put
24 that on the next thing. I want to do a poll, a real
25 poll with real pollsters, and let's find out is it the

1 weather or is it that we're getting killed and the
2 public is getting killed with these prices these people
3 are charging? You want to poll it? Anybody? I'm
4 willing to do it.

5 In fact, you'll see on the next public
6 comments thing when I'm going to ask to do it because
7 I'm tired of arguing about it. That's a killer here.
8 That's a killer. And if you want to talk about reducing
9 attendance, that's what's killing it. And you -- I say
10 you want -- you know, pigs and hogs and everybody's
11 getting slaughtered there, I --

12 DIRECTOR STAN TKACZYK: No. You don't want to
13 become a hog.

14 MR. NICK BERARDINO: Yeah. Well, then let's ask
15 the public who's the hogs. Their property. So I think
16 that's an interesting thing. Who's the hogs here?

17 So that being said, pay attention because
18 everybody gets hurt with these high prices. And I know
19 staff is probably a little uncomfortable with this too
20 because this is an industry thing. You know, this is
21 something that people are used to.

22 But watch and read, please, the L.A. County
23 thing. Watch and read who was having lunches with who.
24 Find out. Thanks.

25 CHAIR GERARDO MOUET: Yeah. Stan and then Doug.

1 DIRECTOR STAN TKACZYK: I'm gonna say Nick's
2 comments are very well received. And I think the
3 vendors, I hope you understand the balance that we're
4 trying to achieve here at the fair.

5 And you're businesspeople. I think what he
6 said is very realistic to a businessman, and there is
7 that fine balance that keeps you in business and that
8 fine balance that can knock you out of business very
9 quickly. And it can turn on a dime.

10 And we have been able to enjoy a very
11 successful event for some time, but we need to be very
12 sensitive to the issues as Board Members. As I -- as
13 Nick has brought up over the last four years that I've
14 been on the Board, really the number one comment that
15 continually comes back to me is the pricing that we
16 have. And that's the number one comment.

17 Being on this committee as I was, staff went
18 out and reviewed the pricing in all the other venues
19 that are out there. And I can say to you by the
20 recommendation that we're making today that we are very
21 competitively priced in the market that we are in.

22 The other fairs, the other -- none are -- we
23 were the lowest. Now we're going to be there with the
24 lowest but not the lowest. We were 24. Others were 25,
25 26, 27. So we're just bringing ourselves up to that

1 number.

2 So my comment about pigs playing in the mud
3 and hogs get slaughtered, I never want to become a hog
4 because your days are numbered very quickly.

5 And I think what Nick has brought up, it
6 needs to be echoed to everyone here in this room, the
7 vendors and ourselves too. We cannot price ourselves
8 out of the market. It works on both sides.

9 So I think -- I know we have a Board that is
10 sensitive to all of the pricing, our pricing, your
11 pricing. And I think what we have on the table should
12 be approved.

13 CHAIR GERARDO MOUET: Doug?

14 DIRECTOR DOUGLAS LA BELLE: Well, I concur with
15 Nick. I might say it a little differently, but I
16 definitely concur with Nick that we want our
17 concessionaires to make a reasonable profit, but we need
18 to be very sensitive to those who attend the fair. We
19 want it to be a good family experience that's affordable
20 for everybody.

21 And I, as one, certainly do not want to see
22 this increase passed on in any way to -- to those who
23 attend the fair. I'll just leave it at that.

24 CHAIR GERARDO MOUET: Yeah. Let me make -- I
25 have a comment.

1 The -- you know, I'm reminded of a classic
2 Charles Dickens novel, "A Tale of Two Cities." This is
3 the tale of two county fairs, L.A. and Orange County.
4 We all know that many of our vendors also go to L.A.,
5 and they go to Del Mar, L.A. So, therefore, we should
6 study Del Mar and L.A. because there's that common
7 ground.

8 And the L.A. County Fair is actually helping
9 us look better because we're going to be -- we are the
10 leaders. Look at the way we're heading with regards to
11 the Assembly Bill that -- that's going to put the
12 final -- I believe the final nail in the coffin in the
13 sales controversy and the Board's emphasis on
14 transparency, on public dialogue. And it's great to see
15 the contrast, you know, the horror of what L.A. is going
16 through.

17 And so I also want to thank, though, because
18 I know how this -- I know how you truly improve things.
19 It's not just the Board. It's not just a passionate
20 Board Member. It's essential to have the passion. It's
21 essential to have the policymakers give the right vision
22 and the right direction so that we can be -- so we can
23 excel.

24 But staff have to be there, as well, because
25 they're the ones that get paid to get into the weeds.

1 They're the ones that are professional to get into the
2 weeds and provide us and respond to the direction that
3 we're doing. And there needs to be this mutual
4 understanding and working well together, and that's good
5 teamwork. That's good teamwork.

6 So I -- I think this is an excellent lesson
7 for us to continue doing the right thing for the public.
8 That's why we're here. And so I think -- make no
9 mistake about it that the people that come and do
10 business at our site also do business in L.A. and
11 Del Mar, and so they're very much understanding what
12 they can do. But we know that the Orange County Fair is
13 a very successful fair for a lot of people. And that's
14 why we get a great attendance. We have a great
15 location.

16 And so, anyway, I think this is a really good
17 thing and that I -- I'd like to thank staff again for
18 the awesome work that they've done, thank the committee,
19 Stan and Barbara, and Nick for his vision on making sure
20 that we focus on -- on this important issue.

21 So I think there's been a motion and a
22 second.

23 DIRECTOR SANDRA CERVANTES: Correct.

24 CHAIR GERARDO MOUET: And so, Jessica, could you
25 call for the vote?

1 BOARD CLERK JESSICA ZIMMERMAN: Chair Mouet?
2 CHAIR GERARDO MOUET: Yes.
3 BOARD CLERK JESSICA ZIMMERMAN: Vice Chair
4 Berardino?
5 VICE CHAIR NICK BERARDINO: Yes.
6 BOARD CLERK JESSICA ZIMMERMAN: Director Tkaczyk?
7 DIRECTOR STAN TKACZYK: Yes.
8 BOARD CLERK JESSICA ZIMMERMAN: Director
9 La Belle?
10 DIRECTOR DOUGLAS LA BELLE: Yes.
11 BOARD CLERK JESSICA ZIMMERMAN: Director
12 Cervantes?
13 DIRECTOR SANDRA CERVANTES: Yes.
14 CHAIR GERARDO MOUET: All right. We're on to 9E,
15 Centennial Farm Foundation. Let me -- I know that
16 staff's going to present, but let me kind of introduce
17 the item because I want to remind the Board that I was
18 very enthusiastic in suggesting to the Board that it's
19 an important thing, in my opinion, for the OC Fair &
20 Event Center to have a really good relationship with its
21 partner foundations, its partner nonprofits, is to have
22 a written agreement.
23 There is nothing like having a written
24 agreement in order to truly understand roles and
25 obligations, and there's no -- there's no need to try to

1 remember what was discussed during a handshake and a
2 year or two previously, and staff change and Board
3 Members change and one forgets.

4 So I feel very, very important that -- I
5 think it's very important for -- for having a good
6 Memorandum of Understanding between the OC Fair & Event
7 Center and Centennial Farm Foundation, and staff is
8 working on bringing to us when it's ready for Heroes
9 Hall, because I think that is really the -- the best
10 practice in these types of situations with regards to an
11 organization having a partnership with a foundation or a
12 nonprofit.

13 So with that, I know I've read the summary,
14 and now Michele's going to give us a little bit of a
15 summary because then she and I are going to go to the
16 Centennial Farm Foundation today at 3:30 and introduce
17 the draft to them so that their board can review it
18 because you can't vote on it unless both parties have
19 reviewed and understand it. So we're heading on the
20 right direction, I think.

21 That's my intro. I'll pass it to Michele.

22 MS. MICHELE RICHARDS: Okay. So this is an
23 information item only. It's really to just go over some
24 of the highlights of the draft MOU. You have a copy of
25 that draft MOU in your packet, but I'll just point out a

1 few things.

2 Staff has been working with legal counsel to
3 develop this MOU. They have reviewed it. It's now
4 ready for review by this Board. And as Chair Mouet
5 said, we will be taking it to the Centennial Farm
6 Foundation board later this afternoon for their review.
7 But just a couple of highlights.

8 Really, the purpose of the MOU is to provide
9 a framework for the OC Fair & Event Center and the
10 Centennial Farm Foundation to work together on mutually
11 agreed upon goals for fundraising and support of
12 Centennial Farm.

13 The term of the MOU is for a five-year
14 period. It will be automatically extended for an
15 additional five years unless terminated or amended by
16 either party.

17 Some of the key obligations for the district
18 will be to communicate our long-term plans for
19 Centennial Farm, to act as the sole operator of
20 Centennial Farm, including having the -- the exclusive
21 right to secure sponsorships for Centennial Farm.

22 We will also have the obligation to allow the
23 foundation the nonexclusive right to use the district's
24 name and the OC Fair & Event Center logo for their
25 fundraising purposes.

1 In accordance with state law and FPPC rules,
2 we will comply with ticket distribution policies that
3 allow the foundation, in return for their efforts in
4 fundraising for Centennial Farm, to receive tickets to
5 the fair and parking at the district's sole discretion,
6 and then to allow the foundation a presence during the
7 annual OC Fair to increase awareness of the foundation
8 and Centennial Farm, and as well as space here on a
9 monthly basis to conduct their -- their board meetings.

10 On the other side, the foundation's
11 obligations to us as outlined in the draft would be to
12 allow district staff to serve as liaison to their
13 foundation board of directors, to focus their efforts on
14 obtaining private support for Centennial Farm, including
15 making an annual contribution of \$45,000 for offsetting
16 the operational expenses at the farm, to provide a copy
17 of an annual audit by an independent accounting firm for
18 the foundation, and then to maintain an adequate and
19 required level of insurance coverage.

20 So the draft that's in your packet will go to
21 the Centennial Farm Foundation this afternoon. We'll
22 ask them to review it, get back to us with any
23 recommended changes, and our hope is to be able to bring
24 it back for full board approval at the March meeting.

25 MR. NICK BERARDINO: I have some questions.

1 CHAIR GERARDO MOUET: Uh-huh.

2 MR. NICK BERARDINO: So where it says "next
3 steps," I guess is to work with Heroes Hall.

4 MS. MICHELE RICHARDS: Right.

5 MR. NICK BERARDINO: So kind of a note for
6 counsel. Heroes Hall has counsel, so you would just
7 work with him directly, Roger Grable. He's representing
8 us.

9 MS. DEBORAH FLETCHER: Yeah.

10 MR. NICK BERARDINO: So what happens in the
11 circumstance where what if Centennial Farms doesn't have
12 \$45,000 to reimburse the -- I mean reimburse the --

13 CHAIR GERARDO MOUET: Yeah.

14 MR. NICK BERARDINO: -- the association? So is
15 it closed down, then?

16 CHAIR GERARDO MOUET: Not necessarily. Can I
17 speak to it? And then people can correct me if I'm
18 wrong.

19 MS. MICHELE RICHARDS: Sure.

20 CHAIR GERARDO MOUET: Because I -- I actually --
21 I actually have several of these agreements in my day
22 job. And that's why you can always have the option
23 to -- respective Board Members to amend the agreement
24 because sometimes things change, economy change and a
25 variety of different change.

1 It -- it's -- the Centennial Farm Foundation,
2 Incorporated, became a legal entity because it wanted to
3 help the farm. They exist. That's their identity.
4 They can't exist without -- the farm without us. It's
5 to their benefit to have a clear understanding.

6 I want you to know that I happen to know that
7 in theory, \$45,000 has not been a problem. It's just
8 the mechanics that has been a problem because there's
9 not been procedures and understanding is what I'm
10 trying -- with this particular current partnership that
11 we have.

12 And -- and I think that's part of the reason
13 you do an MOU is so you can clarify the mechanics and
14 how things will work and the flow of money and when the
15 money comes in and how do you report and that kind of
16 thing.

17 But to answer your question, if they have a
18 bad year and they're not able to -- to -- this -- this
19 isn't -- this is more of a partnership of a Memorandum
20 of Understanding. It isn't like an agreement for
21 services necessarily where you can say failure to
22 perform. This is a different kind of a thing. So it's
23 a -- it's a, you know -- (Spanish language spoken).
24 We're -- we're partners.

25 MR. NICK BERARDINO: So give us 45,000 a year to

1 help --

2 CHAIR GERARDO MOUET: Operations.

3 MR. NICK BERARDINO: -- operations. And if you

4 can't afford it, then --

5 CHAIR GERARDO MOUET: We talk.

6 MR. NICK BERARDINO: -- don't worry about it.

7 CHAIR GERARDO MOUET: Well, yeah. We talk, and

8 we figure out how it's going to be done. And there

9 could be amendments and all of that. I'm of the opinion

10 there needs to be a written -- written clarification.

11 If you can't meet your obligations because that --

12 because it's -- because -- okay. So this year was 35.

13 Sorry. Thank you very much. And before you know it,

14 that's the new standard. So you have to have a

15 written -- a written understanding.

16 That's just the mechanics of -- of monitoring

17 or operating a memorandum -- administering a Memorandum

18 of Understanding.

19 DIRECTOR STAN TKACZYK: Deborah, can we do that?

20 MS. DEBORAH FLETCHER: Yes. Yes, absolutely. It

21 just really clarifies the -- one of the big things is it

22 clarifies these are two separate entities, and they have

23 separate responsibilities, separate obligations, and it

24 sort of clarifies how things work.

25 But, you know, while there's certain --

1 you've got a \$45,000 bench mark in here. The parties
2 can work through that if at some point in the future
3 that becomes unworkable.

4 CHAIR GERARDO MOUET: Yeah.

5 DIRECTOR STAN TKACZYK: I just wanted everyone to
6 hear it from you also.

7 MS. DEBORAH FLETCHER: Yes.

8 DIRECTOR STAN TKACZYK: I certainly know what he
9 said is great, but I wanted a blessing by you. Thank
10 you.

11 CHAIR GERARDO MOUET: Yes, Doug.

12 DIRECTOR DOUGLAS LA BELLE: Gerardo, I support
13 the document here. I do have a question. Obviously,
14 Centennial Farms, we have, what, 80,000 students go
15 through it each year. It's a tremendous educational
16 opportunity. That's part of the reason why we're here.

17 I like to say that the fair becomes the
18 revenue generator that enables us to do other things
19 that benefit the community, i.e., Heroes Hall,
20 Centennial Farm.

21 CHAIR GERARDO MOUET: Yes.

22 DIRECTOR DOUGLAS LA BELLE: I'd like to see -- I
23 would hope the 45,000 -- because our contribution to
24 Centennial Farms is significantly above 45,000. I'd
25 kind of like to see language that just says that's a

1 minimum or that's a --

2 CHAIR GERARDO MOUET: Sure.

3 DIRECTOR DOUGLAS LA BELLE: So there's the
4 opportunity to -- I'd hate to have them give the 45,000
5 and say, "Well, we don't have to do any more because
6 we've done what we need to do."

7 CHAIR GERARDO MOUET: Oh, yeah.

8 DIRECTOR DOUGLAS LA BELLE: That's my thought on
9 that.

10 CHAIR GERARDO MOUET: I think that's a good point
11 is to realize it's not, like, forever. There's
12 always -- if you can do more, I mean that's why you
13 exist is to help, you know. So -- but I think your
14 point is very well taken.

15 I know, if memory serves me, we spent on an
16 annual basis on the operation around \$800,000. So
17 45,000, thank you very much. But we do spend the larger
18 money, you know.

19 So the whole idea is to root for Centennial
20 Farm Foundation to be able to have capacity to do better
21 than 45. And I think a Memorandum of Understanding will
22 help because it always clarifies expectations.

23 DIRECTOR DOUGLAS LA BELLE: Right.

24 CHAIR GERARDO MOUET: Clarifies expectation.

25 MR. NICK BERARDINO: How many staff members are

1 dedicated to the Centennial Farm?

2 MS. MICHELE RICHARDS: There are five full-time
3 Civil Service employees that are involved in the farm
4 operations piece of it, and then -- and then three
5 full-time Civil Service employees on the administrative,
6 educational, exhibit side of it, so eight.

7 MR. NICK BERARDINO: Solely dedicated to that?

8 MS. MICHELE RICHARDS: Correct. So there are
9 eight full-time Civil Service employees that operate the
10 farm.

11 MR. NICK BERARDINO: I'm just trying to figure
12 how much money you're going to charge us. So if there's
13 eight there. You know, I'm being -- you know, I'm being
14 up front because this is a thing where you have to
15 share, but it's got to be fair in how you're calculating
16 these costs.

17 Because one of the things you never want to
18 do is say "Hey, we're going to form a foundation,"
19 whatever it be, like I say, and -- and the people that
20 work on that foundation to fundraise, to do all the
21 things, "and, by the way, for your foundation to come
22 and help our -- you know, your foundation there to help
23 our costs, we are going to reward you with the fact you
24 got to pay us also. To help us, you got to pay us."

25 And that's all -- I mean -- but I get the --

1 you know, the whole idea of it because I mean I
2 understand what -- how this makes sense. But that's
3 kind of chilling, you know, in a sense that, yeah, "Form
4 a foundation to help -- to help us. And, by the way,
5 thanks for your help, and here's what it's gonna cost
6 you to -- to -- to be in the foundation to help us."

7 So I think I get -- I'm going to be
8 supportive. I mean we're not voting on this, but I'm
9 just bringing up the ideas.

10 CHAIR GERARDO MOUET: Yeah. No. I think I
11 understand what -- what you're saying. I do believe
12 that -- I mean, yeah, we're talking about moneys, but
13 really what we're talking about is how many children are
14 we serving and how are we expending our resources from
15 us, from them, to serve the children. And that is the
16 cause we all agree is great.

17 Now we have a new cause, Heroes Hall. How
18 many people are going to go through and learn and
19 appreciate what they learn from the things that are
20 being curated in the museum? A lot. It's a great
21 cause. And that becomes the -- that needs to be the
22 focus. But everything has an expense, you know, so
23 there has to be a way to figure out how is the best way.

24 MR. NICK BERARDINO: Right.

25 CHAIR GERARDO MOUET: But I agree, and I just

1 don't want to lose focus on -- on -- see, it's Heroes
2 Hall and Centennial Farm Foundation that if the L.A.
3 County Fair had, they wouldn't in so much trouble.
4 They're in trouble because they lost focus on the focus
5 of community and agricultural and a variety of different
6 things. So I mean to me this is a -- this is a good
7 discussion because we're doing our job.

8 Yes, Sandra.

9 DIRECTOR SANDRA CERVANTES: I was going to say
10 it's an amazing discussion and, most important, a
11 relationship. It's a base, it's a foundation, which is
12 one of the reasons that we generously gave the million
13 dollars because it's a relationship that we want to
14 build from there, from that foundation.

15 MR. NICK BERARDINO: Absolutely. Yeah.

16 CHAIR GERARDO MOUET: Anyway, so there's no vote.
17 Any other questions? Really good discussion. Thank you
18 so much, and we'll hopefully hear back from the
19 Centennial Farm Foundation for the March -- uh-huh?

20 MR. NICK BERARDINO: What's the square footage of
21 property that the Centennial Farms takes on the
22 footprint?

23 MS. MICHELE RICHARDS: I don't know that offhand.

24 CHAIR GERARDO MOUET: Staff can get that. It's
25 large. It's large.

1 MS. KATHY KRAMER: Three acres.

2 CHAIR GERARDO MOUET: I think Kathy says she
3 thinks it's three --

4 MS. MICHELE RICHARDS: I think it's three acres,
5 as well, but -- three acres.

6 MR. NICK BERARDINO: All right. Thank you.

7 CHAIR GERARDO MOUET: All right. Kathy, 9G. Oh,
8 no. I'm sorry. 9F. And, in fact, before that, we have
9 a public comment on 9F, Heroes Hall Construction
10 Project, and I'm going to call on Beth Refakes, please.
11 You have three minutes.

12 MS. BETH REFAKES: Hello again. I have -- I'm
13 happy we're getting going on this project and
14 everything, but I do have some concerns about feedback
15 from CFFA being provided to the Board and to the public
16 about major milestones and what the project status is on
17 each of those, whether they're behind -- the contractors
18 are behind schedule, ahead of schedule, also whether
19 there are any cost overruns or not.

20 So I'd like to make sure that we have some
21 way of getting a, like, monthly project report on how
22 the project is progressing because we are on a very
23 tight construction schedule. So hopefully we will be
24 able to have the project completed on time so that it
25 will be available on Veterans Day. Thank you.

1 CHAIR GERARDO MOUET: Thank you, Beth.

2 And I'll call on staff to do the
3 presentation.

4 MS. KATHY KRAMER: Okay. I'm going to turn it
5 over to Ken, Director of Operations.

6 MR. KEN KARNS: Thank you, and to you, Mr. Chair.

7 First, I'd like to thank Director Tkaczyk for
8 his sage advice at the January Board Meeting.
9 Management has definitely taken that to heart. And
10 although the schedule is important to us, we will not
11 compromise this project in spite of it. So I'll assure
12 you of that.

13 So we have before you a motion to approve the
14 LOU with CFFA. I'd like to tell you that there was
15 healthy interest in this project on the mandatory
16 meeting and site walk-through. We had a total of 26
17 subcontractors, which translated into ten GCs, general
18 contractors, bidding this job.

19 The due diligence has been completed as of --
20 as of now by CFFA on the low bidder, which is JRN
21 Construction. So the total amount of the LOU is
22 \$3,850,738.72. That's the total of this LOU.

23 So if there are any questions, I'm happy to
24 field them before I turn it back for you to table the
25 motion.

1 MR. NICK BERARDINO: Did you say you want to
2 table --

3 MR. KEN KARNS: Sorry. To approve the motion.

4 MR. NICK BERARDINO: Oh.

5 MR. KEN KARNS: Different term. Sorry.

6 MR. NICK BERARDINO: No. That's okay. I just
7 thought -- oh, gosh. I got to look over at Stan.
8 Something's happening. Get on it, Stan.

9 DIRECTOR STAN TKACZYK: No. I just want to make
10 sure, again, we've done our due diligence with this
11 contractor. You've looked into his performances in the
12 past?

13 MR. KEN KARNS: Based on the information provided
14 to staff by CFFA, I have to answer yes.

15 DIRECTOR STAN TKACZYK: Okay. So CFFA did their
16 due diligence and reported back --

17 MR. KEN KARNS: Yes, sir.

18 DIRECTOR STAN TKACZYK: -- to us that they are
19 qualified?

20 MR. KEN KARNS: Yes, sir.

21 DIRECTOR STAN TKACZYK: Okay. All right.

22 DIRECTOR DOUGLAS LA BELLE: What is the fee that
23 CFFA is going to be receiving?

24 CHAIR GERARDO MOUET: It has been 6 percent. I
25 don't know.

1 MR. KEN KARNS: On the base construction, it is
2 6 percent, which translates into \$196,000 and change. I
3 can get --

4 DIRECTOR DOUGLAS LA BELLE: And internally from
5 staff's standpoint, who is going to be the contact
6 person relative to the staff here at OC Fair & Event
7 Center?

8 MR. KEN KARNS: It will be Jerry.

9 DIRECTOR DOUGLAS LA BELLE: Okay.

10 (Indiscernible discussion.)

11 MR. KEN KARNS: JNR Construction.

12 MR. NICK BERARDINO: JNR?

13 MR. KEN KARNS: Oh, sorry. JRN.

14 MR. NICK BERARDINO: JRN.

15 MR. KEN KARNS: Oh, you know, that might be a --
16 it sure looks like an N, but it could be an H. But
17 based on this writing --

18 CHAIR GERARDO MOUET: Any other questions?

19 DIRECTOR STAN TKACZYK: Well, the dollar amount
20 certainly is more than we originally started in on this
21 project. And I just want to say I don't have any
22 problem with it because I stand behind this project, and
23 I think it's one of the greatest things that we're going
24 to pursue.

25 But I just want to bring up to the Board that

1 do we need an additional approval for this, or can we
2 just accept it as it is?

3 CHAIR GERARDO MOUET: You mean money?

4 DIRECTOR STAN TKACZYK: Yes.

5 CHAIR GERARDO MOUET: Staff?

6 MS. KATHY KRAMER: There was money earmarked in
7 our -- yes -- from our --

8 CHAIR GERARDO MOUET: I want to say we already
9 voted on the budget.

10 MS. KATHY KRAMER: Correct. On the budget, on
11 the 2016 budget.

12 DIRECTOR STAN TKACZYK: I just didn't want to
13 move forward and not have that approval.

14 CHAIR GERARDO MOUET: I don't remember when it
15 was, but I believe I remember that question being
16 answered by staff, and it's in the budget.

17 DIRECTOR STAN TKACZYK: Okay.

18 MR. KEN KARNS: For clarification -- excuse me,
19 Mr. Chair, it is JRH Construction. JRH.

20 CHAIR GERARDO MOUET: JRH.

21 DIRECTOR STAN TKACZYK: Where are they out of?

22 MR. KEN KARNS: They are out of Tustin.

23 CHAIR GERARDO MOUET: Very good. So it looks
24 like the money has been appropriately identified, and
25 it's in the budget.

1 And any other questions?

2 DIRECTOR STAN TKACZYK: Yeah. Just Heroes Hall

3 building is physically over in the corner. Are we going

4 to have the same people that took it over there bring it

5 back, or is this included in this bid?

6 MR. KEN KARNS: I believe the transportation is

7 included inside this bid.

8 DIRECTOR STAN TKACZYK: So the JR- --

9 MR. KEN KARNS: H.

10 DIRECTOR STAN TKACZYK: Excuse me. JRH

11 Construction will bring it back?

12 MR. KEN KARNS: Yes, sir.

13 DIRECTOR STAN TKACZYK: Okay. So there aren't

14 any other additional moneys out there. So they should

15 bring it back, set it up, get it done, give us the key,

16 and away we go?

17 MR. KEN KARNS: Full scope. Yes, sir.

18 DIRECTOR STAN TKACZYK: Okay.

19 CHAIR GERARDO MOUET: Any other questions?

20 DIRECTOR STAN TKACZYK: No.

21 CHAIR GERARDO MOUET: I think Nick made a motion

22 to move it.

23 VICE CHAIR NICK BERARDINO: Move it.

24 DIRECTOR SANDRA CERVANTES: Second.

25 CHAIR GERARDO MOUET: Okay. It's been moved and

1 second.

2 Jessica, could you call for the vote?

3 BOARD CLERK JESSICA ZIMMERMAN: Chair Mouet?

4 CHAIR GERARDO MOUET: Yes.

5 BOARD CLERK JESSICA ZIMMERMAN: Vice Chair

6 Berardino?

7 VICE CHAIR NICK BERARDINO: 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 Cervantes?

15 DIRECTOR SANDRA CERVANTES: Yes.

16 CHAIR GERARDO MOUET: Motion approved. Very

17 exciting. I'm very excited about this, and so thank you

18 all for that.

19 And now 9G. Staff?

20 MS. KATHY KRAMER: That's the one we moved --

21 requested to move that for March as the Board Member who

22 requested that item is not here today.

23 CHAIR GERARDO MOUET: Oh, yeah. We're gonna --

24 as a courtesy, going to move it to when Barbara's here

25 because she wants to speak to that, 9G.

1 DIRECTOR STAN TKACZYK: Oh, okay.

2 DIRECTOR DOUGLAS LA BELLE: So moved.

3 (Indiscernible discussion.)

4 CHAIR GERARDO MOUET: Okay.

5 DIRECTOR DOUGLAS LA BELLE: Is there action

6 needed? I --

7 CHAIR GERARDO MOUET: No. I don't think there's

8 any action. It's just being continued. Very good.

9 I believe we're going to recess to the closed

10 session. And I'm going to read a statement, and then

11 we'll continue with the meeting in -- in a bit with the

12 rest of the agenda.

13 So I've been asked to read this because we're

14 very careful in making sure that we do things with the

15 right procedure.

16 Closed session. This statement is made in

17 accordance with section 11126.3(d) of the Government

18 Code. As required by section 1125(a) of the Government

19 Code, the 32nd DAA provided at least ten calendar days'

20 written notice of the February 25th, 2016, Board

21 Meeting, including items to be discussed in closed

22 session, identified under section 10 of the agenda.

23 After the agenda for the February 25th, 2016,

24 was properly published, the 32nd DAA was made aware of

25 the potential litigation involving the 32nd DAA and will

1 need to decide whether to initiate litigation based on
2 those newly learned facts.

3 The 32nd DAA will discuss this potential
4 litigation during closed session today because the
5 postponement of any discussion would prevent the 32nd
6 DAA from complying with certain statutory, regulatory,
7 court-ordered, or other legally imposed deadlines.

8 And with that, we'll recess for closed
9 session. We'll be back.

10 (Closed session from 10:40 a.m.
11 until 11:44 a.m.)

12 CHAIR GERARDO MOUET: All right. The -- we're
13 now back in session. And the -- we are going to be
14 going on the -- I believe the last agenda item.

15 But remind me, Deborah, is there anything to
16 report on on the closed session segment that we were in?

17 MS. DEBORAH FLETCHER: Not other than as part of
18 any motion.

19 CHAIR GERARDO MOUET: Okay. Very good.

20 So we're on to 9H, and I see that I've gotten
21 a request for public comment on this item. And I've
22 just gotten one request, so I'm going to call on the
23 person right now before the Board addresses the item.

24 Mike Robbins. You have three minutes.

25 MR. MIKE ROBBINS: Only one person?

1 AUDIENCE MEMBERS: No. (Indiscernible
2 discussion.)
3 CHAIR GERARDO MOUET: I only have one card. Were
4 there more cards?
5 FEMALE AUDIENCE MEMBER: There were more cards.
6 CHAIR GERARDO MOUET: I only have one card that's
7 been here. These are all previous ones.
8 BOARD CLERK JESSICA ZIMMERMAN: Well, I put --
9 MS. DEBORAH FLETCHER: Then perhaps when
10 Mr. Robbins is done, we can --
11 BOARD CLERK JESSICA ZIMMERMAN: There should be
12 two.
13 MS. KATHY KRAMER: Is there two more?
14 CHAIR GERARDO MOUET: Are they all blue?
15 BOARD CLERK JESSICA ZIMMERMAN: There was one --
16 yes.
17 MS. CAROL RUSSO: Mine is white, I think.
18 CHAIR GERARDO MOUET: These are -- like, I
19 checked all these.
20 BOARD CLERK JESSICA ZIMMERMAN: What is your
21 name?
22 MS. CAROL RUSSO: Carol.
23 CHAIR GERARDO MOUET: Oh, wait a minute. Yes.
24 Carol. Yes. Carol Russo and Mike Robbins.
25 Carol, you will follow Mike. And -- and

1 then -- and then I'll call if there's anybody else
2 afterwards.

3 So, Mike, you have three minutes.

4 MR. MIKE ROBBINS: I am truly amazed. Spectra.
5 This brings a unity of events. And to me this is like
6 Harry Potter, waving his wand. I believe in magic.
7 Thanks you, guys.

8 CHAIR GERARDO MOUET: All right. Thank you.

9 (Applause.)

10 CHAIR GERARDO MOUET: Carol Russo.

11 MS. CAROL RUSSO: Hi. Thank you for letting us
12 speak. We're thrilled. We don't know the details, and
13 we would like to know. But what we really wanted to say
14 was thank you for really taking us seriously at the last
15 meeting, and we would like to form some type of a
16 committee and work with Spectra and see if we can help.

17 I think with the last regime, we really --
18 the vendors weren't taken seriously as a group. But we
19 have a lot to offer, and we would like to help in any
20 way that we can. And that's really just it. We're
21 just -- thank you again. Thank you so much for
22 listening to us.

23 CHAIR GERARDO MOUET: You're quite welcome.

24 (Applause.)

25 CHAIR GERARDO MOUET: Let me make sure that --

1 those are all the cards that I have. Is there -- is
2 there anybody else that wishes to do a public comment at
3 this point before the Board addresses the item?

4 MR. STEVE FURLAN: Which item are we on?

5 CHAIR GERARDO MOUET: The -- it's the
6 OC Marketplace Rental Agreement Assignment and Spectra
7 Contract Extension.

8 MR. STEVE FURLAN: I might have filled out the
9 wrong color card. Steve Furlan.

10 CHAIR GERARDO MOUET: I'm sorry.

11 MR. NICK BERARDINO: You're up now.

12 CHAIR GERARDO MOUET: Steve, you're up.

13 MR. STEVE FURLAN: Good morning. I also want to
14 thank you for taking us seriously and for your hard work
15 and the staff and the thoughtfulness that has gone into
16 what's becoming now a reality.

17 I had a couple things, but I didn't know that
18 we were this far along in the process. Oh. And, by the
19 way, I did want to address the female Board Members and
20 staff. I didn't believe it was possible, but you look
21 younger this month than you did last month.

22 And for the male members, I think the Rogaine
23 is working.

24 I take -- I really -- my comments are going
25 to be short because I think what we're going to be

1 having is more information coming to us, at least I hope
2 so. So I'm not going to go into anything too much
3 there.

4 I also did want to go ahead and two other
5 comments. I want to know if we're invited to the
6 bon voyage party for Tel-Phil, and I'd like to be
7 invited back there because I think you've got a Jacuzzi
8 back there. That's all. Thank you.

9 (Applause.)

10 CHAIR GERARDO MOUET: Thank you, Mr. Furlan.
11 Very good.

12 Okay. I think those are all the public
13 comments. And the staff report has -- I'm going to turn
14 it over to Kathy. She's going to -- there's two parts
15 to it.

16 MS. KATHY KRAMER: Right.

17 CHAIR GERARDO MOUET: And then after the first
18 part, there's going to be some additional language by
19 me.

20 Go ahead, Kathy.

21 MS. KATHY KRAMER: Okay. Requesting Board
22 approval of negotiations between Spectra and Tel-Phil
23 for the purchase of the OC Marketplace by Spectra from
24 Tel-Phil. The requested approval is limited to
25 negotiations.

1 CHAIR GERARDO MOUET: In addition, the Board
2 would like to make sure that the rent shortfall --
3 shortage --

4 MS. DEBORAH FLETCHER: Shortfall.

5 CHAIR GERARDO MOUET: -- an estimated amount of
6 \$250,000 is paid in full as we go through this process
7 and that, in addition, the -- all of the equipment that
8 is in -- that needs to be taken care of and removed be
9 taken care of and removed before this process concludes
10 with regards to the sale.

11 And -- and then also important to the Board
12 is that all of the rent that is accrued to the point of
13 sale is paid in full, and it's important that that be
14 done -- before the Board moves on approving the final
15 approval of the sale, that that be taken care of, or
16 else time will be an issue.

17 I believe those are the items. I'm more than
18 happy to correct anything that I might have said
19 incorrectly.

20 MR. NICK BERARDINO: I think -- just so I
21 understand it, so what the \$250,000 -- that's -- what
22 did we call that again?

23 MS. KATHY KRAMER: Rental shortfall.

24 MR. NICK BERARDINO: Rental shortfall be paid in
25 full prior to --

1 CHAIR GERARDO MOUET: Yes.

2 MR. NICK BERARDINO: And then when we said the
3 equipment, it was also --

4 DIRECTOR SANDRA CERVANTES: Including vehicles.

5 MR. NICK BERARDINO: Including -- apparently,
6 there are some vehicles that are stored here?

7 CHAIR GERARDO MOUET: Yeah.

8 MR. NICK BERARDINO: Those all have to be off the
9 property and all the equipment and everything cleared.

10 So, you know, it's a very positive kind of
11 conclusion to a long-term -- a long-term relationship.
12 In a very positive way, clear the decks and move on.

13 CHAIR GERARDO MOUET: So that's -- that's part
14 one of the motion.

15 Is there --

16 DIRECTOR SANDRA CERVANTES: So move.

17 DIRECTOR DOUGLAS LA BELLE: Second.

18 CHAIR GERARDO MOUET: I guess what -- that's not
19 a bad idea is to take -- to call on each motion and vote
20 on it, I think. That would be okay; right?

21 MS. DEBORAH FLETCHER: I beg your pardon?

22 CHAIR GERARDO MOUET: That would be okay to vote
23 on each of the motions?

24 MS. DEBORAH FLETCHER: You can vote on them
25 together or one at a time.

1 CHAIR GERARDO MOUET: Since I heard a motion and
2 a second, let's finish up.

3 So, Jessica, call for the vote on number one.

4 BOARD CLERK JESSICA ZIMMERMAN: Chair Mouet?

5 CHAIR GERARDO MOUET: Yes.

6 BOARD CLERK JESSICA ZIMMERMAN: Vice Chair
7 Berardino?

8 VICE CHAIR NICK BERARDINO: 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 Cervantes?

16 DIRECTOR SANDRA CERVANTES: Yes.

17 CHAIR GERARDO MOUET: Okay. So I'm now going to
18 turn to -- yeah. Motion passes.

19 (Applause.)

20 MS. KATHY KRAMER: Okay.

21 CHAIR GERARDO MOUET: The next part is I'm going
22 to turn it over to Kathy.

23 MS. KATHY KRAMER: Perfect.

24 The second request is for the Board to -- the
25 approval for contract extension for Spectra, the

1 association's master concessionaire. This is going to
2 be subject to Spectra's purchase of the OC Marketplace
3 from Tel-Phil.

4 Spectra's contract currently expires on
5 December 31st of 2017. The extension would be for six
6 years through December 31st of 2023.

7 DIRECTOR SANDRA CERVANTES: I so move.

8 DIRECTOR DOUGLAS LA BELLE: Second.

9 CHAIR GERARDO MOUET: Any discussion?

10 DIRECTOR STAN TKACZYK: I would just like to say
11 that we look forward to our new relationship with you,
12 but I want to emphasize that what you heard previously
13 from our Board Chairman as far as the numbers being
14 paid, the equipment being removed, that it is all
15 subject to that being completed before the Board
16 Meeting.

17 That way, if it's not done before the Board
18 Meeting, you will put us, I will say Tel-Phil, in a
19 situation that we will not be able to grant approval
20 because you will not have performed and had the moneys
21 paid, the equipment moved, in a timely manner.

22 It rests on your shoulders to deliver what
23 we've requested in the time frame that we have
24 requested, and we will move forward with the contract
25 extensions that you've heard discussed today.

1 But I can't emphasize it must be done, and
2 everything must be paid in full.

3 DIRECTOR DOUGLAS LA BELLE: By the next Board
4 Meeting.

5 DIRECTOR STAN TKACZYK: By the next Board
6 Meeting. And we will not hold up the deal.

7 Tel-Phil, it rests on you.

8 CHAIR GERARDO MOUET: Okay. Any other comment or
9 question from the Board?

10 So it's been motioned and second. I think,
11 then, it's time to do a roll call vote.

12 BOARD CLERK JESSICA ZIMMERMAN: Chair Mouet?

13 CHAIR GERARDO MOUET: Yes.

14 BOARD CLERK JESSICA ZIMMERMAN: Vice Chair
15 Berardino?

16 VICE CHAIR NICK BERARDINO: 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 Cervantes?

24 DIRECTOR SANDRA CERVANTES: Yes.

25 CHAIR GERARDO MOUET: Motion passes. Good job.

1 (Applause.)

2 DIRECTOR DOUGLAS LA BELLE: Mr. Chair, if I might
3 add something?

4 CHAIR GERARDO MOUET: Yes, Doug -- Director
5 La Belle.

6 DIRECTOR DOUGLAS LA BELLE: Just an added
7 comment. Many years ago I lived in Cerritos. Our three
8 children were very young. My wife and I and family, we
9 would drive from Cerritos. And if I was lucky, I could
10 park in the Orange Coast College parking lot. It was
11 absolutely packed, and we'd be here twice a month for a
12 number of years.

13 And I am looking forward to -- obviously,
14 we -- as a Board of Directors, we have a responsibility
15 to make sure whatever is done is a good business deal
16 for the Board. But beyond that, I would like to -- to
17 indicate my clear support for all of the vendors that
18 are here today. Many of you have been here probably
19 when I drove here 25 years ago. And I would like to see
20 the Orange County Marketplace return to its past glory,
21 if you will.

22 And I think there's a number of opportunities
23 out there, and I would encourage Spectra to work very
24 hard with our current vendors and with other
25 opportunities to bring the Orange County Marketplace

1 back to its -- back to where it was many years ago.

2 And on a go-forward basis I know there's
3 probably new ideas and new things that need to be
4 considered, and I encourage Spectra to work very hard to
5 bring those ideas to the table in terms of where you go
6 on a go-forward basis.

7 (Applause.)

8 CHAIR GERARDO MOUET: Very good.

9 Okay. Well, that pretty much concludes the
10 meeting. And we're -- we're now on to Board of
11 Directors Matters of Information. Board comments.

12 Yes. Anybody wants to go first?

13 DIRECTOR DOUGLAS LA BELLE: You started with me
14 last time. You can start with Sandra.

15 CHAIR GERARDO MOUET: Okay. Sandra?

16 DIRECTOR SANDRA CERVANTES: I'm really excited
17 about the OC Fair and the dates and Spectra coming on
18 board and just crossing all our T's and dotting all our
19 I's and embracing the community back again with a lot of
20 the smiles and the vendors, and I'm really excited. I
21 think we are on our way to a lot of great things.

22 (Applause.)

23 CHAIR GERARDO MOUET: Nick?

24 MR. NICK BERARDINO: Yes. First, echo the
25 comments of Director Cervantes. I think that's going to

1 be -- it's gonna be great.

2 I also want to acknowledge and thank
3 Tel-Phil. I mean they've been around for a lot of
4 years, and I don't think we can ignore or underestimate
5 their contribution during those years. It was a great
6 part of the community. And now time to move on, and
7 that's the way, you know, life goes. And -- but I want
8 them to be -- understand that their contribution's been
9 appreciated.

10 Secondly, in looking at some of the stuff,
11 one of the things I wanted to look at, I saw we're gonna
12 be -- in the proposed MOU charging \$45,000 to be part of
13 the MOU. I would like staff to give me the spec sheet
14 as to, you know -- and I'm sure I can pick it up
15 immediately because I know you wouldn't have just pulled
16 a number out of the air.

17 So after the meeting, if I could get the spec
18 sheet on how we determined \$45,000. I'm, obviously,
19 looking to see how we're gonna turn the money for the
20 Heroes Hall Foundation. Because this is tough.

21 And going on to that, also, I see that, you
22 know, in the document maybe another \$45,000 that the --
23 the Fair Board may be charging the foundation for legal
24 services.

25 I did -- maybe our attorneys can talk with

1 yours because I think that those legal services were not
2 ordered by the -- or directed by or incurred by the
3 foundation. I think it was the Fair Board that directed
4 that. And if that's the case, at least the attorney
5 I've talked to, our -- our general counsel, as they
6 said, if we -- the foundation didn't incur the fees,
7 we're not -- you know, so I'm interested in getting a
8 legal opinion too and see if you concur with some of the
9 other legal opinions because that was directed and
10 ordered by the board.

11 And I know that may with some folks that say,
12 "Well, we gave you \$3 million" and kind of cheesing
13 around the edges -- it's really not that. It's --
14 because I don't think we could celebrate and --
15 celebrate this Board more than -- everybody on this
16 Board who's just been so, so marvelous and generous and
17 true heroes. You know, we talked about the heroes.
18 That's this board, heroes on this project. And it's
19 much appreciated.

20 But I want to, with that said, keep in mind
21 that what we do for veterans as a Board, when we say
22 we're generous, we are. And this Board's generous.
23 Nothing's more generous than men and women that sign up
24 for their lives, their entire lives so they can -- we
25 can have a fairgrounds, so we can put on the fair.

1 It's easily forgotten because we feel like,
2 well, we're doing all this for the vets, and it's
3 wonderful. Because if it wasn't for this Board and this
4 county, nothing would be done for the vets in this area.

5 And those of you out in the audience and
6 those of you that are on this Board that have lived in
7 this county a long time know how tough it is to get
8 money out of this county for vets.

9 You -- and for veterans, just go back and
10 read. Just read all the newspaper articles. It's
11 tough. A place so rich and so wealthy with so many
12 wealthy people, it's tough.

13 And I mean I just got asked to serve on the
14 cemetery, the veterans cemetery, a thing they're trying
15 to build at the Great Park, and I sat through my first
16 meeting. Every possible obstacle that could be put in
17 the way by the developers and by politicians have been
18 thrown at these people.

19 And after sitting through that meeting -- now
20 the biggest thing is they can't get a cemetery where
21 they want it because a developer, 5 Points Realty, is
22 saying they sold -- most of their homes of the 4,000
23 homes were sold to Chinese nationals, some of them
24 actually sold in Beijing.

25 The people coming here from China are saying

1 the feng shui is such, and that's the fight. And you
2 can follow it. It's a public thing. The fight is the
3 people that bought those homes are saying feng shui is
4 preventing -- they don't want -- their culture doesn't
5 want vets buried there. And not only that, that if
6 there's a burial ceremony, it has to be conducted in a
7 certain way.

8 So everybody's fighting. And there's a
9 person that's running for office, and I won't say which
10 office, but running for office in Irvine for the sole
11 purpose of kicking -- making sure that there's no vets
12 buried in El Toro where we all flew out of to go to war.
13 We can't be buried there because it offends their
14 feng shui.

15 So when we do things here and you see -- I
16 just want to say when I'm saying all the time about the
17 greatness of this, I would hope that things that are
18 necessary we need to do. If it's necessary that we pay
19 this amount of money, well, I want to see the spec sheet
20 on how we came to 45,000 and how much are we gonna have
21 to pay. And the same goes for everything else.

22 Unless you are a vet, unless you've spent
23 that time in those jungles, unless -- unless you've had
24 that pain, a lot of vets, unless you've seen it, you
25 know, you don't get it. You don't get it.

1 So when you hear us being very passionate
2 about it, understand anything that any one of us can do
3 isn't enough. We can never do enough. Because there
4 isn't enough to do for a young person, man or woman, at
5 19 years old that says "I'm gonna go die for you" dies,
6 never comes back, never has a family, never has
7 children, never has a chance to have a car or a house.

8 So with that said, I mean I always got to
9 fight for these guys because it's a fight for vets in
10 Orange County. It's tough here, really tough. We've
11 raised \$120,000. We have before us 80,000 of it going
12 out, 45,000 paying for legal fees, maybe another amount
13 of money to pay, and we have to go out and reraise that
14 money. And let me tell you raising money here, it ain't
15 easy.

16 So thank you to all of you for your
17 generosity. Thank you for being heroes and for
18 everything you've done. And please don't mistake the
19 idea of trying to limit the amount that we have to pay
20 in for this opportunity and for this monument and this
21 museum to honor the men and women that served as being
22 chintzy. Just trying to be sure that we're doing
23 everything we can do, and I just want us to do
24 everything we can do. So thank you very much.

25 (Applause.)

1 CHAIR GERARDO MOUET: Stan?

2 DIRECTOR STAN TKACZYK: I want to thank all the
3 vendors that have come here to speak to us. I really
4 appreciate your comments and being here last month and
5 having the opportunity to talk with you after the
6 meeting.

7 I hope you learned as much -- I learned as
8 much from you as I hope you learned from me. So we've
9 set a -- let's just say a bridge to go forward. I think
10 we have a great opportunity in front of us now with a
11 new face.

12 But I want to thank the people from Tel-Phil
13 that have been here all these years that you guys have
14 just done a remarkable job. It certainly hasn't been an
15 easy journey, as we know. But it's been a good journey.
16 And there's been a lot of good times, and people have
17 been successful here. And I'll never forget that.

18 And I -- I came here and sold when it was a
19 swap meet, so I have a history of when it started. And
20 now it's kind of ironic that I'm going to be here
21 through the transition of the new people taking over.
22 And I'm just honored to be part of that transition, and
23 I want to thank you, Tel-Phil, for your past years of
24 performance here.

25 And Spectra, boy, you better knock it out of

1 the park because these folks are waiting for you. Thank
2 you.

3 (Applause.)

4 DIRECTOR DOUGLAS LA BELLE: Well, the
5 disadvantage of going last is that everything has been
6 said. So I ditto everything that Sandra and Nick and
7 Stan said and look forward to a new day and going
8 forward.

9 CHAIR GERARDO MOUET: Yeah. This is -- this was
10 a great meeting, and I echo what was just said about the
11 enthusiasm and the hope with regards to the Marketplace.
12 This is a great thing. This is a good part of this
13 organization's history today.

14 The other thing that was great was we
15 approved staff proceed with a contract for Heroes Hall
16 construction for \$3,850,738. That's pretty cool.
17 That's really, really cool. And we had a lot of
18 progress, really a lot of progress, and a lot of other
19 things and -- as was mentioned.

20 So I'm -- I'm so thrilled that staff and the
21 Board work really well together and staff have such a
22 great team spirit, all the additional revenues that we
23 have been getting because there's more year-round
24 events, for example.

25 So on February the 16th, for example, I went

1 to the Tet Festival. I decided to go check it out here
2 on our site. It's a fantastic event. Fantastic event.
3 It's the year of the monkey. It's the year of the
4 monkey, and -- and it's -- it's a very important
5 cultural celebration for the Vietnamese community in
6 Orange County.

7 And we -- we provide services to everyone in
8 the county. And you know what? 184,000 people that
9 live in the county are from Vietnamese origins. That's
10 6.1 percent of the population of Orange County.

11 There is no other county in the entire
12 country that has more Vietnamese people than we do. We
13 do a good thing. We do a really good thing.

14 So it's the year -- it's the year of the
15 monkey. If you ever visit Santa Ana, go to the
16 Santa Ana Zoo. We have lots of monkeys.

17 The other thing that I want to mention, as it
18 was just mentioned, so excited and looking forward to
19 the fair this coming summer. Is it July 15 through
20 August 17, something like that?

21 MS. MICHELE RICHARDS: Fourteenth.

22 CHAIR GERARDO MOUET: Fourteenth?

23 And some of you, I think the entire public,
24 if you've been paying attention have been getting the
25 news that trickles in on the concert series. What an

1 exciting -- what an exciting series. I can't wait.

2 So I know there's still some more
3 announcements that we'll be seeing, but I'm getting my
4 face ready for -- for the fair. So --

5 DIRECTOR SANDRA CERVANTES: Show us.

6 CHAIR GERARDO MOUET: So with -- with that, I
7 think I'll call for the motion to adjourn.

8 DIRECTOR STAN TKACZYK: I make the motion we
9 adjourn.

10 DIRECTOR SANDRA CERVANTES: Second.

11 DIRECTOR DOUGLAS LA BELLE: Second.

12 VICE CHAIR NICK BERARDINO: I don't think we have
13 to do roll call vote to adjourn.

14 CHAIR GERARDO MOUET: Yeah. I don't think we do.
15 We can adjourn. Meeting's adjourned.

16 * * *

17 (Whereupon, the OCFEC Board of Directors
18 meeting was hereby adjourned at 12:11 p.m.)

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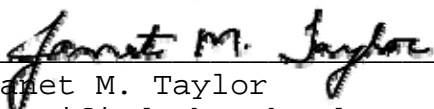
Certificate
of
Certified Shorthand Reporter

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, March 6, 2016.


Janet M. Taylor
Certified Shorthand Reporter
Certificate Number 9463

