

**MINUTES OF OCFEC BOARD OF DIRECTORS MEETING
HELD MARCH 24, 2016**

1. CALL TO ORDER:

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

2. MISSION STATEMENT

3. PLEDGE OF ALLEGIANCE:

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

4. DIRECTORS PRESENT:

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

DIRECTORS ABSENT/EXCUSED:

OTHERS PRESENT:

Kathy Kramer, OCFEC CEO; Michele Richards, OCFEC VP of Business Development, Ken Karns, OCFEC VP Operations; Jessica Zimmerman, OCFEC; Jerry Eldridge, OCFEC; Deborah Fletcher, Office of the Attorney General; Josh Caplan, Office of the Attorney General; Janet Taylor, Stenographer; Evy Young, OCFEC; Joan Hamill, OCFEC; Reggie Mundekis; Beth Refakes; Kyle Woosley, President & CEO of Costa Mesa Chamber; Leslie Daigle; Jay Humphrey

5. CEO'S OPERATIONAL UPDATE

Kathy Kramer, OCFEC CEO, discussed the budget and the cash on hand; revenues are being driven primarily by the year-round events. Cash on hand continues to remain strong; checking account is over a million and investments over three million.

Kramer shared her experience at Ag Day in Sacramento. Evy Young, Ag Program Supervisor, and Kramer attended the celebration on the lawn of the State Capitol. This annual event brings together thousands of people from all areas of agriculture, state agencies, and legislators to celebrate California agriculture. They also met the Executive Director of the California Foundation for Ag in the Classroom. They also had a brief meeting with Karen Ross, Secretary of Food and Agriculture, and shared some educational programs and ideas for future educational initiatives.

Kramer thanked the staff for a fantastic groundbreaking ceremony for Heroes Hall which took place on March 16. Construction on the Heroes Hall project is in full swing with April 22 being tentatively scheduled for moving the building to its new location.

Kramer discussed Gonsalves & Sons efforts to repeal the fair sale language. AB1907 is scheduled to be heard in the Assembly Agriculture Committee on March 30. Gonsalves will be attending the committee hearing on March 30 to testify on the district's behalf. Also on April 19 Kramer and board leadership will be meeting with Department of General services to discuss construction management options.

Michele Richards, OCFEC VP of Business Development, discussed highlights of the ground breaking of Heroes Hall and future events for March and April.

Richards shared information about the upcoming Imaginology event. This will be the 3rd annual event, and also discussed the attendance of Imaginology. This year is expected to be another banner year for student participation in Imaginology.

Kramer thanked Richards for the upcoming events information. Kramer then announced and highlighted some great events to the public and board. She also announced that Musink was reported in full sound compliance. Sound consulting firm, Sound Media Fusion was on site during all performance times and they monitored the event for mandated compliance with sound ordinances.

Ken Karns, OCFEC VP of Operations also confirmed, as recorded by Sound Media Fusion, the event was in compliance with sound ordinances, noting that members of senior management were also on site throughout the weekend.

Kramer stated that OCFEC did not receive any complaints from neighbors, and in conversation with the Costa Mesa City Hall staff, they also did not receive any neighbor-related noise complaints regarding Musink.

Kramer discussed Night Nation Run that took place on April 2. She stated a member of the public and neighbor recently provided communications to her and the Board of Directors regarding the concern that the upcoming Night Nation Run wasn't an appropriate event for the OCFEC. Approximately 50% of participants typically attended the after party and the event ended promptly at 10:00 p.m. to comply with sound ordinances.

Kramer shared with the board that they will be hiring temporary staff to provide additional administrative support to assist with managing the volume and complexity of the public records requests; we are exceeding our budget for legal services and do not see this trend reversing.

Director Tkaczyk requested to have a monthly report on how much staff time is used for public records request.

Josh Caplan, Office of the Attorney General, stated that 32nd DAA is a state agency and needs to comply with all the provisions in the Public Records Act; it does not include staff time. DAA can charge for the photocopying, but cannot charge for staff time.

Vice Chair Berardino did not discourage the audience from requesting public records; however he instructed them to keep in mind that it needs to be made in the most economically way possible in everyone's interest. He indicated he believes OCFEC needs to hire as many people as needed to ensure these requests are being met. He suggested to the audience and the board to please keep economics in mind because all that money and time could be spent on programming and other things for the public.

Director Bagneris also agreed with Director Tkaczyk to have some type of tracking system for these public records request.

Director La Belle also agreed with both Director Tkaczyk and Director Bagneris on a tracking system for all public records request from the public.

6. PUBLIC COMMENT

Kyle Woosley, President and CEO of Costa Mesa Chamber, thanked Kramer and her staff of all the hard work and the great job that has been done to the community and for the Costa Mesa Chamber; and also presented an award to Kramer.

Reggie Mundekis thanked the board and Kramer regarding the statements about the concerns over rave parties at OCFEC. She asked the Board to make sure these types of events are not being conducted at OCFEC. She stated that OCFEC has not adopted guidelines that LA County and San Bernardino adopted.

Leslie Daigle, representing of Verizon Wireless, stated that Verizon can justify a permanent site and it can be a revenue-generating opportunity for the fair. She also suggested Verizon can further discuss with OCFEC staff on designs and evaluate locations on OCFEC property.
Chair Mouet encouraged Daigle to submit a proposal to the OCFEC staff.

Beth Rafakes complimented the Heroes Hall groundbreaking ceremony, and thanked Kramer for the update on the legislation. She also commented on the Musink event and stated that around 7:00 p.m. she heard loud base across the street where she volunteers for the car show that Costa Mesa has first Friday of every month.

Jay Humphrey thanked the board and the staff for honoring our veterans and stated he is a long term supporter of the Fair. He also thanked Kramer for the ongoing events.

7. MINUTES:

A. Board Meeting held February 25, 2016

ACTION: Director Cervantes and Director Berardino seconded to review and approve the minutes from the Board meeting held February 25, 2016. **MOTION CARRIED. AYES: Chair Mouet, Vice Chair Berardino, Director La Belle, and Director Tkaczyk. NAYES: Director Ruiz, Director Bagneris, and Director Aitken**

8. CONSENT CALENDAR

- A. Standard Agreements: SA-017-16HB; SA-023-16HB; SA-026-16HB; SA-032-16HB; SA-033-16BB; SA-034-16BB; SA-035-16IO; SA-036-16HB; SA-037-16GE; SA-038-16HB; SA-044-16GE; SA-045-16AS; SA-049-16BB; SA-050-16BB; SA-054-16HB; SA-055-16AS; SA-056-16HB; SA-057-16HB; SA-058-16GE; SA-059-16GE; SA-051-16FT; SA-052-16IO; SA-053-16IO; SA-060-16IO; SA-061-16IO; SA-062-16IO; SA-063-16IO; SA-064-16IO; SA-065-16IO; SA-066-16IO; SA-067-16IO
- B. Amendments: SA-25-13CT AM # 2
- C. Interagency Agreements: none
- D. Letters of Understanding: none
- E. Rental Agreements: R-161-15; R-002-16; R-005-16; R-040-16; R-053-16; R-058-16; R-063-16; R-065-16; R-067-16; R-071-16; R-072-16; R-079-16; R-086-16; R-087-16; R-088-16; R-089-16; R-095-16; R-100-16; 16 IO-01; 16 IO-FE 02; 16 IO-FE 03; 16 IO-FE 04; 16 IO-FE 05; 16 IO-FE 06; 16 IO-FE 07; 16 IO-FE 08; 16 IO-FE 09; 16 IO-FE 10; 16 IO-FE 11; 16 IO-FE 12; 16 IO-FE 13; 16 IO-FE 14; 16 IO-FE 15; 16 IO-FE 16; 16 IO-FE 17; 16 IO-FE 18; 16 IO-FE 19; 16 IO-FE 20; 16 IO-FE 21; 16 IO-FE 22; 16 IO-FE 23; 16 IO-FE 24; 16 IO-FE 25; 16 IO-FE 26; 16 IO-FE 27; 16 IO-FE 28; 16 IO-FE 29; 16 IO-FE 30; 16 IO-FE 31; 16 IO-FE 32; 16 IO-FE 33; 16 IO-FE 34; 16 IO-FE 35; 16 IO-FE 36; 16 IO-FE 37; 16 IO-FE 38; 16 IO-FE 39; 16 IO-FE 40; 16 IO-FE 41; 16 IO-FE 42; 16 IO-FE 43; 16 IO-FE 44; 16 IO-FE 45; 16 IO-FE 46; 16 IO-FE 47; 16 IO-FE 48; 16 IO-FE 49; 16 IO-FE 50; 16 IO-FE 51; 16 IO-FE 52; 16 IO-FE 53; 16 IO-FE 54; 16 IO-FE 55; 16 IO-FE 56; 16 IO-57; 16 IO-58; 16 IO-59; 16 IO-60; 16 IO-61; 16 IO-62; 16 IO-63; 16 IO-64; 16 IO-65; 16 IO-66; 16 IO-67; 16 IO-68; 16 IO-69; 16 IO-70; 16 IO-71; 16 IO-72; 16 IO-73; 16 IO-74; 16 IO-75; 16 IO-76; 16 IO-77; 16 IO-78; 16IO-79; 16 IO-80
- F. Active Joint Powers Authority Agreements: none

G. Correspondence

- i. none.

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

9. GOVERNANCE PROCESS:

A. Committee/Task Force/Liaison Reports

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

Chair Mouet had no updates for Centennial Farm Foundation.

Vice Chair Berardino thanked Richards and staff regarding the excellent teamwork that took place for the groundbreaking of Heroes Hall.

Director La Belle thanked Richards and staff for the groundbreaking of Heroes Hall and also thanked Vice Chair Berardino for all he has done to make this happen.

Director Bagneris stated she is very pleased with how things are turning around and how excited she is to get a VP Finance and Administration into office soon.

Vice Chair Berardino provided a short update on Workers Memorial to the staff and board.

Director La Belle and Director Cervantes provided a short update on the OC Fair City Liaison Task Force and handed the floor to Richards to give more detail.

Richards announced the invitation of the annual breakfast for OC mayors and city managers that will be taking place at OCFEC. She also invited the OC Board of Supervisor to attend on April 21. This will be taking place inside the Pacific Amphitheater Lobby.

Director Aitken reported that they are following the bill.

Director La Belle and Director Ruiz had no updates for the Organizational Needs Assessment Task Force.

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

The action is administrative and would update the delegation signing authority to include the new VP of Operations, Ken Karns.

ACTION: Vice Chair Berardino motioned and Director Cervantes seconded to approve the 32nd District Agricultural Association Board of Directors delegates authority to execute all forms of agreements, contracts, and purchase orders without further authorization from the Board of Directors (Policy 2.3.5). All such agreements, contracts and purchase orders are to be submitted to the Board of Directors for review at subsequent meetings. This delegation is subject to board review at each annual meeting. **MOTION CARRIED. AYES: Chair Mouet, Vice Chair Berardino, Director La Belle, Director Tkaczyk, and Director Cervantes. NAYES: none.**

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

Vice Chair Berardino recommended Barbara Venezia to be appointed to the Heroes Hall Foundation. Venezia is a long-time community activist with a sterling record of performance in the entire community. She is also a columnist for the Daily Pilot and OC Register.

ACTION: Director Cervantes motioned and Director Aitken seconded to approve Approval of Barbara Venezia for Heroes Hall Veterans Foundation Board Member. **MOTION CARRIED. AYES: Chair Mouet, Vice Chair Berardino, Director La Belle, Director Tkaczyk, and Director Cervantes. NAYES: Director Bagneris.**

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

Kramer announced this agenda item was tabled from February board meeting. Staff has confirmed with legal counsel that the Board action to create a foundation and pay for the forming of the foundation does not require the foundation to reimburse the association for these costs.

Vice Chair Berardino moved to table too indefinitely.

ACTION: Director Bagneris motioned and Director Ruiz seconded to approve Legal Fees Paid to Date by Association for the Formation of Heroes Hall Veterans Foundation. **MOTION CARRIED. AYES: Chair**

Mouet, Vice Chair Berardino, Director La Belle, Director Tkaczyk, and Director Cervantes. NAYES none.

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

Kramer thanked everyone behind the scenes, and discussed about the Amendments.

Vice Chair Berardino thanked Kramer and Director Tkaczyk whom had undertaken these projects for all of his efforts and commitment.

Kramer stated as of March 31, 2016, the total outstanding balance due by Tel Phil to the district under the agreement will be \$220,985.80. This includes the outstanding rent shortfalls in the amount of \$215,985.80, and estimate security expenses in the amount of \$5,000 for ongoing. She also reported that Tel Phil is current on all of their rental payments and an amount has been agreed upon by all parties and validated thorough accounting.

Kramer also stated that Tel Phil is in the process of removing personal property stored on the premises. Inspection is scheduled on March 30 at 12:00 p.m.

Director Tkaczyk requested that Ken Karns be the final decision maker as far as removal of property and belongings to be in compliance.

Kramer stated Ovations and Tel Phil acknowledge and agree that the district will not approve the assignment until Ovations and Tel Phil remove property in a timely matter; if all personal property has not been removed by 12:00p.m. on March 30, Tel Phil would pay the district \$4,905.26 within 30 days. She then asked Caplan if anything needs to be added.

Caplan stated to Kramer she had explained it perfectly. The important thing is that if the board approves of this Consent to Assignment, that doesn't mean the deal is happening, it means that the deal will happen if all of those conditions are met.

Kramer moved into the next Amendment to Food Service Management Agreement that has been extended to August 1, 2024. The current agreement expires in 2017. They are also providing \$1.5M over the course of 79 months for additional capital investments for the improvement around the Marketplace.

Director La Belle suggested changing the wordage on the Amendment document to say a specific number rather than "up to."

Director La Belle asked Nick Nicora to briefly speak about how all this will be taking place.

Nick Nicora discussed briefly about the changes and what will be taking place.

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

10. CLOSED SESSION AT 10:47 A.M. TO 12:42 P.M.

None to report

11. BOARD OF DIRECTORS MATTERS OF INFORMATION

Director Bagneris expressed how excited she is regarding the Heroes Hall opening. She thanked the staff and indicated she is also excited for the Fair.

Director Tkaczyk thanked the staff and expressed how very excited he is regarding all of the events that are coming up and how he cannot wait for the Fair to start.

Vice Chair Berardino thanked the staff for everything. He also stated that he would like staff to work with counsel regarding a report or petition that's being circulated for City of Costa Mesa and would like to have counsel do an analysis of that and provide him a copy of the petition.

Chair Mouet congratulated the staff and Spectra. He encouraged his colleagues to stop by and check out Imaginology.


12. NEXT BOARD MEETING: THURSDAY, APRIL 28, 2016

13. ADJOURNMENT

Meeting adjourned at 12:48 p.m.



Gerardo Mouet, Chair



Kathy Kramer, Chief Executive Officer