

**MINUTES OF OCFEC BOARD OF DIRECTORS MEETING
HELD May 26, 2016**

1. CALL TO ORDER:

Chair Mouet called the meeting to order at 9:03 a.m.

2. MISSION STATEMENT

3. PLEDGE OF ALLEGIANCE:

The Pledge of Allegiance was recited by Vice Chair Berardino Roll call taken by Jessica Zimmerman.

4. DIRECTORS PRESENT:

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

DIRECTORS ABSENT/EXCUSED: Director Ruiz

OTHERS PRESENT:

Kathy Kramer, OCFEC CEO; Michele Richards, OCFEC VP of Business Development, Ken Karns, OCFEC VP Operations; Jessica Zimmerman, OCFEC; Jerry Eldridge, OCFEC Director of Facilities; Josh Caplan, Office of the Attorney General; Janet Taylor, Stenographer; Reggie Mundekis; Beth Refakes; Jay Humphrey; Resident Number One; Flo Martin, Mrs. Darin, Susan Meyer

5. CEO'S OPERATIONAL UPDATE

Kathy Kramer, OCFEC CEO, introduced Ron Wallace, OCFEC Vice President of Finance and Administration Department to further discuss the April financials.

Wallace provided an update of the April Financials to the board and to the public audience.

Kramer provided an update on the AB1907 bill, per our legislative representative firm Gonsalves & Son, they advised the bill is set for hearing on Friday, May 27th in the Assembly Appropriations Committee.

Kramer discussed the OCFEC first Red Barn farm to fork dinner at Centennial Farm on Saturday, May 14th, with 80 people participating. Thanked Chair Mouet and Director Cervantes for their participation and support of this event; also thanked the staff for creating a new OCFEC event between Imaginology and OC Fair.

Michele Richards, OCFEC Vice President of Business Development provided an update on all June events.

Director Aitken asked if the fairgrounds has a summer camp or some type of after school program to get the community involved or get communication involvement.

Chair Mouet stated he will bring the idea up to his Agricultural Committee and ask staff on the feasibility and how they would go about it.

Richards answered Aitken's question, stating that OCFEC has never done any type of summer camp or overnight event for groups.

Ken Karns, OCFEC Vice President Operations, provided an update on the current status of the annual emergency preparedness training and provided an update on the new magnetometer program.

Karns further discussed the emergency training will be happening through the end of the day on May 18th for staff. 95 staff members have been given training; both Civil Service and Seasonal have attended.

Karns stated this year the training is focusing on four major modules: Emergency preparedness, AED (Automated External Defibrillators, Active Shooting and Magnetometers.

Director Tkaczyk asked if there will be police standing on each gate entrance of the fair.

Karns provided a quick update on the West Coast EMS and the Verizon visiting OCFEC.

Jerry Eldridge, OCFEC Director of Facilities, shared pictures of the progress of Heroes Hall project to the board and audience; stated project is on time and on budget.

Kramer announced that OCFEC has released the RFP for our new website redevelopment.

Kramer provided an update on the significant increases in our year-to-date entertainment ticket sales and revenue over 2015; also briefly discussed about the cross-promoting bounce back admission ticket for this year.

Kramer discussed the tour to Valley High School campus where they have a program called High School, Inc.

Kramer provided an update on public records request, 59 minutes of total work at a cost of \$2,773.

Vice Chair Berardino asked about extra help on public records request.

Kramer explained that the position is still open and still recruiting; this is a high skill level for detail and confidentiality, we are looking for the ideal person with the right experience on public records.

Director Pham gave a suggestion to Karns about cellular provider that he works with as one of his clients, Mobilitie; stated that his client is involve with Honda Center, Churchill Downs, the Kentucky Derby, etc., in which it set the record last year of 15.4 million social media posts within an hour.

Kramer stated the amount of vendors out there to keep the equitability and fairness aspect that we will be entering into an RFP process once OCFEC understands footprints, demand, and etc.

Chair Mouet shared his experience the Red Barn Dinner Event; he walked around and talked to people in the event asking why or how they found out about this event.

6. PUBLIC COMMENT

Jay Humphrey discussed about the Trump political campaign and how serious it can get in the community.

Beth Refakes also agreed with Jay Humphrey and stated about what happen to this political campaign event. She was also concerned that the taxpayers in Costa Mesa are going to wind up footing the bill for the damage to the police car.

Resident 1 (no name given) she was on the protester side with a Bernie sign during the Trump Campaign; she discussed her concerns regarding the protection of the protestors.

Flo Martin discussed her concerns about the night run raves and the Trump rally campaign known for dangerous violence.

Mrs. Drain addressed about the right to the citizens to access public records when they are requested. Also discussed about the Trump Rally and how there was not enough notification for the surrounding neighbors to know, this prevented open communication.

Reggie Mundskis discussed the Ag Memorial and asked about the additional \$75,000 capital expenditure; also asked about the hiring practices in regards of the current VP of Operations, has been a hired using NAFTA immigration document and will be converted to an H-1B Visa in September 2016. Asked why the state agency is spending nearly \$10,000 on mascot costumes made by a foreign company and not being made by a local company or at least in the United States.

7. MINUTES:

A. Board Meeting held April 28, 2016

ACTION: Director Aitken and Director Cervantes seconded to review and approve the minutes from the Board meeting held March 24, 2016.

MOTION CARRIED. AYES: Chair Mouet, Vice Chair Berardino,

Director La Belle, Director Bagneris, Director Pham , Director Cervantes and Director Tkaczyk. NAYES: none.

8. CONSENT CALENDAR

- A. Standard Agreements: SA-070-16AS; SA-089-16GE; SA-092-16GE; SA-093-16GE; SA-094-16GE; SA-095-16GE; SA-102-16GE; These have been pull out ~~SA-128-16FT; SA-129-16YR; SA-130-16FT; SP-06-16FT~~
- B. Amendments: none
- C. Interagency Agreements: none
- D. Letters of Understanding: none
- E. Rental Agreements: 16 IO-FE 66; R-025-16; R-033-16; R-035-16; R-049-16; R-060-16; R-084-16; R-093-16; R-107-16; R-109-16; R-110-16; R-112-16; R-115-16; R-119-16; R-124-16; R-128-16; R-129-16; This has been pull out ~~R-130-16~~
- F. Active Joint Powers Authority Agreements: none
- G. Judging Agreements: LS-001-16; LS-002-16; LS-003-16; LS-004-16; LS-005-16; LS-006-16; LS-007-16; LS-008-16; LS-010-16; LS-011-16; LS-012-16; LS-013-16; LS-014-16; LS-015-16; LS-016-16; LS-017-16; LS-018-16; LS-019-16; LS-020-16; LS-022-16; LS-023-16; LS-026-16; LS-026-16; LS-027-16; LS-028-16; LS-029-16; LS-030-16; LS-031-16; LS-032-16
- H. Supplier Rental Agreements: 16662; 16663; 16664; 16665; 16666
- I. Commercial Rental Agreements: 16601; 16602; 16603; 16604; 16605; 16606; 16607; 16608; 16609; 16610; 16611; 16612; 16613
- J. Correspondence
 - i. none.

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

Vice Chair Berardino asked staff if the item R-130-16 that he pulled has to do with the payment of the Trump Campaign Rally that they owe us for that event.

Kramer explained the outstanding invoice is for additional services that were ordered during the event that we have billed them.

Richards explained the additional amounts for services that were ordered while on site, such as equipment, stanchions, usage of forklifts, additional personnel for restrooms, maintenance and a significant charge from the fire marshal. Also stated the initial cost of the event was paid in full prior to the event, and they've been invoiced for these additional charges of about \$24,000.

Vice Chair Berardino requested to table this and not approve it, can help staff to litigate it.

Josh Caplan, Office of the Attorney General, stated he cannot advise the board on any business decisions. He cannot speak to the issue of leverage and how this Board wants to approach this particular contract.

Chair Mouet asked if this can be further discussed on item 9E due to having more discussion on this.

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)
- x. Agricultural Committee (Chair Mouet, Director Cervantes)

Chair Mouet discussed about the Centennial Farm Foundation committee; stated will be attending today's meeting at 3:30pm. Believes it's important that our partnership with Centennial Farm Foundation has a Memorandum of Understanding.

Vice Chair provided an update on Heroes Hall Foundation and the fund raising.

Director La Belle also provided an update on the Heroes Hall.

Director Bagneris stated there's nothing to report in the Financial Monitoring

Director Aitken stated there's nothing to report in the Workers Memorial Task Force Committee.

Director La Belle provided an update on the OC Fair City Liaison Committee.

Director Aitken stated Kramer already provided an update of the Legislative in her CEO's report.

Director La Belle discussed the meeting he and Director Ruiz had with Kramer and Karns regarding the Organization Needs Assessment and the Master Plan Process; also stated that they would like to change the name to Master Plan Task Force Committee. Director La Belle will provide some comments on Item 9D.

Director Tkaczyk provided an update and discussed about the Tenant Liaison committee. Stated they approved the new contract with Spectra.

Kramer stated they been having conversations with Spectra and Nick Nicora has indicated he would like to come back in June.

Director Tkaczyk stated there's nothing to report on Consumer Initiatives Task Force Committee.

Director Mouet shared that today will be Director Cervantez' and his first meeting regarding of Agricultural Committee.

Director Mouet has moved to Item 9E.

B. Update on the City of Costa Mesa "Initiative to Require Voter Approval on Certain Development Projects"

Humphrey discussed how it should not have any effects on the fair grounds.

Resident 1 requested if they can have comments towards the end.

Chair Mouet has turned it over to staff.

Kramer explained to Mr. Humphrey how this is being still updated and waiting for changes, but there is not enough growth. Also stated that the city has advised the City of Costa Mesa is in the process of creating a competing growth measure that will be added to the November ballot.

Chair Mouet stated there should be no negative impact on what we do.

C. Board of Directors All Access Policy

Kramer discussed about the all access policy for all year round events; and further discussed on the key points.

ACTION: Director Cervantes motioned and Director Aitken seconded to approve Board of Directors All Access Policy. **MOTION CARRIED.**
AYES: Chair Mouet, Vice Chair Berardino, Director La Belle, Director Tkaczyk, Director Bagneris, Director Pham and Director Cervantes. **NAYES:** none.

D. Approval to Release Master Plan RFP

Karns provided background information with regards to the approval of a Master Site Plan request for proposal; the anticipated time line for the new Master Site Plan request for proposal is to have an RFP in the market on around July 7, 2016 with an anticipated award date of October 17, 2016. Recommendation from staff to have the Board approve a release of the Master Site Plan for 2015.

Director Tkaczyk concern is there is not enough time and would like to push it out.

Director Aitken is concerned that it will be too much for staff to prepare now until the fair, only having 50 days left to the fair. She suggested pushing it over to September 2016 and presenting on October 2016.

Director La Belle feels comfortable to push it out and have an update in September.

Chair Mouet stated staff will prepare to release on July 7 and board members would like an update where the Master Plan stands. Staff will provide an update on the Mater Plan on next month's Board Meeting June 23.

ACTION: Director Bagneris motioned and Director La Belle seconded to approve the Release Master Plan RFP **MOTION CARRIED. AYES: Chair Mouet, Vice Chair Berardino, Director Aitken, Director La Belle, Director Tkaczyk, Director Pham and Director Cervantes. NAYES.**

E. Discussion on Third Party Events

Chair Mouet has called for open public comments to discuss public concerns.

Mundekis further discussed the Trump Campaign and the weekly sales by Tandem.

Susan Meyer provided her experience during Trump Event from across the street where she lives in College Park and provided a description of the noise from the helicopters roaming and the traffic coming and going on Fairview.

Resident 1 also agreed with Meyer's statement. Resident 1 further discussed the Trump contract and wanted to know if any damages were included to be covered by the contract.

Chair Mouet concluded public comments on this item.

Kramer stated staff has been working with Board Leadership to understand the lessons that happen around Trump Rally. Further discussed the meeting that will be happening on early June with the City of Costa Mesa officials and law enforcement agencies; establish new operational procedures to incorporate into our booking policies and procedures that will help OCFEC better assess and manage large high-risk events that may impact the community.

Chair Mouet stated that the Board was aware of this rally after it was signed by the contract; further discussed about the Policies and Procedures.

Director Tkaczyk asked Josh Caplan, Attorney Counsel, if we can reject or refuse any event held here at OCFEC.

Caplan stated he would not provide advice on specific events; the reason for saying no can't be because of the nature of the event, it has to have a justifiable reason, a justifiable reason to say no to the event, capacity, security concerns, etc.

Chair Mouet stated that staff needs to listen to Board Policy with regards to protocol for communication because OCFEC needs to make sure that the public is well communicated; also stated to the board and audience that it's not an uncommon request in this line of business for someone to say 'Allow us to do this.'

Director Aitken further discussed about the campaign and apologized to the audience. Suggested for the community OCFEC should have sent out text announcements to the community of this major event happening around their area as she got it for her home city of Anaheim.

Director La Belle agreed of what Director Aitken stated and truly apologize what happen in the campaign rally; he also agreed OCFEC should have a deposit in top of the payment for any large events.

Director Bagneris stated that we do not know what we do not know, to predict what's really going to happen, as a board they don't know. She believes there will be more incidences like this in the future; policies and procedures, coming up with some directions staff so staff can have the right thing to do. This can be prevented or making sure these things do not happen again is by writing policy.

Vice Chair Berardino asked to look into Tandem on what their responsibility to proceed on events they book.

Director Pham stated it shouldn't table it because it's bad business, contract has been executed and everything's been put into place, tabling it for leverage sake is bad faith in terms of business decision making. He suggested approving it and moving on.

Director Cervantes agreed with Director Pham.

Director La Belle asked to move to table it until the June meeting, believes at that point in time, they will have a report relative to whether we have the money or not.

Vice Chair Berardino has second Director La Belle's motion

Chair Mouet stated this has been tabled to June 23rd next board meeting.

ACTION: Director La Belle motioned and Director Berardino seconded to table the Discussion on Third Party Events **MOTION CARRIED.**
AYES: Chair Mouet, Vice Chair Berardino, Director La Belle, Director Tkaczyk, and Director Cervantes. **NAYES** Director Tkaczyk, Director Cervantes and Director Pham.

(Recess taken from 11:25 a.m. to 11:37 a.m.)

F. Discussion on Providing Concert Tickets and Business Development Dinners to Foundations and Volunteers during Fair Time

Kramer discussed the staff report regarding distribution of concert tickets and invitations to business development events for the Centennial Farm Foundation and Heroes Hall Foundation. Kramer noted that specifics have been integrated into the draft MOU with both foundations.

Vice Chair Berardino requested staff to reach out to volunteers and thanked them. Suggested if a volunteer does an amount of time of volunteer time to help, they can get one ticket or get two tickets, have some standard that they can be recognized and providing value not just take from public property.

Director Bagneris did not feel comfortable with this concept.

Director Tkaczyk understands wanting to do things for the people that are on the boards, but his concern is what has happen in the past history regarding ticket issues.

Director Cervantes shared that she helps underprivileged kids that cannot attend the fair.

Director Pham stated he wanted more clarification as to what a 'taker' means; also stated that there is always supply and demand in any kind of business relation.

Director Berardino explained to Director Pham about the 'taker' definition.

Chair Mouet stated how successful OCFEC has been.

G. Discussion on Political Campaigning during Fair Time

Kramer stated the political campaigning during fair time is under reviewed.

Director Aitken suggested staff to have any cut outs of any presidential campaigns to be kept inside and not put anything outside the booth.

Richards further discussed and explained how this set up is going to take place in the vendor's booth during fair time.

Chair Mouet will volunteer 24 hours during fair time to help register to vote in the register voter's booth.

Director Aitken requested for a 'super booth,' having register voters, and both political parties in the same booth together.

Richards stated staff can approach them about the idea but cannot compel the Registrar if they do not want to do that or they do not have the resources.

H. Proposal to Establish an OCFEC Scholarship Program Honoring Employees that have Passed Away While in Service

Director Aitken made a motion to proceed making a motion to establish on OCFEC scholarship program honoring our employees that have passed away while in service.

This has been motioned and moved for approval to proceed.

ACTION: Director Aitken motioned and Director Bagneris seconded to approve the Proposal to Establish an OCFEC Scholarship Program Honoring Employees that have Passed Away While in Service
MOTION CARRIED. AYES: Chair Mouet, Vice Chair Berardino, Director La Belle, Director Tkaczyk, and Director Cervantes.
NAYES none.

10. CLOSED SESSION – NO CLOSE SESSION

11. BOARD OF DIRECTORS MATTERS OF INFORMATION

Director Pham had no comment

Director Cervantes had no comment

Vice Chair Berardino stated he wants to see their sheet of prices from vendors to see if prices are the same as last year.

Director Aitken would like to explore the board member code of conduct.

Director Tkaczyk had no comment.

Director Bagneris had no comment.

Director La Belle had no comment.

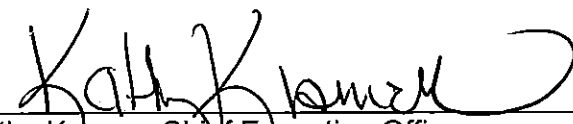
12. NEXT BOARD MEETING: THURSDAY, JUNE 23, 2016

13. ADJOURNMENT

Meeting adjourned at 1:09 p.m.



Gerardo Mouet, Chair



Kathy Kramer, Chief Executive Officer