

**MINUTES OF OCFEC BOARD OF DIRECTORS MEETING  
HELD DECEMBER 15, 2016**

**1. CALL TO ORDER:**

Chair Berardino called the meeting to order at 9:01 a.m.

**2. MISSION STATEMENT**

**3. PLEDGE OF ALLEGIANCE:**

The Pledge of Allegiance was recited by Mark Entner. Roll call was taken by Summer Angus.

Chair Berardino acknowledged Heroes Hall volunteers and thanked them for their hard work.

**4. DIRECTORS PRESENT:**

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

**DIRECTORS ABSENT/EXCUSED:** Director Cervantes, Director Ruiz

**OTHERS PRESENT:**

Kathy Kramer, OCFEC CEO; Michele Richards, OCFEC Vice President, Business Development, Ken Karns, OCFEC Vice President, Operations; Adam Carleton, OCFEC Vice President, Finance & Administration; Summer Angus, OCFEC; Jerry Eldridge, OCFEC Director of Facilities; Jason Jacobsen, OCFEC Director of Planning & Presentation; Joan Hamill, OCFEC Director of Exhibits & Education; Elaine Kumamoto, OCFEC Director of Finance; Ruby Lau, OCFEC Director of Marketing; Bolton Colburn, OCFEC Heroes Hall Supervisor; Thane Hollman, OCFEC Guest Experience Supervisor; Nick Buffa, OCFEC Safety & Security Supervisor; Shannon Kubitz, OCFEC Exhibits & Education Supervisor; Evy Young, OCFEC Agriculture Education Supervisor; Kelly Vu, OCFEC; Mariana Sanchez, OCFEC; Josh Caplan, Office of the Attorney General; Debbie Sylvester, Stenographer; Charlie Johnson, Beth Refakes; Reggie Mundekis; Tim Stokes, Anita Perkins, Mark Entner, Monica Mazer, Katrina Carlson, Jeanine Robbins, Anna Vrska, and Bobby McDonald.

**5. CEO'S OPERATIONAL UPDATE**

Kathy Kramer, OCFEC CEO, announced OCFEC was recognized for four industry awards at the International Association of Fairs and Expositions conference. She also announced that OCFEC has been nominated for Merrill Award by Western Fairs Association for OCFEC's "Friends of the Fair" program.

Kramer reported on a conference call that she and Chair Berardino had with legislative representative, Jason Gonsalves, discussing options for

amending Senate Bill 549 to allow District Agricultural Associations the ability to hold 50-50 raffles during fair time.

Chair Berardino reported that they had a productive call with Jason Gonsalves.

Kramer announced that OCFEC is in negotiations with the Pacific Symphony to host the Symphony's annual 4<sup>th</sup> of July performance and the possibility of working together on their Summer Series. She also stated that a proposal will be presented to the Board for discussion in January.

Adam Carleton, OCFEC VP of Finance & Administration, presented the November 2016 financials.

Kramer discussed variance questions relating to the September financials, per public request.

Ken Karns, OCFEC VP of Business Operations, introduced Charlie Johnson, of Johnson Consulting, the firm that was awarded the bid for the Master Site Plan (MSP). He also gave an update on the MSP. Karns announced that a MSP Stakeholder Meeting is planned for afternoon of Jan 26<sup>th</sup> following the Board meeting.

Chair Berardino stated that this year will be a planning year for the Board.

Karns stated that with the approved budget and upcoming planned committee meetings that the Ag Workers Memorial project can move forward.

Karns reported the successful completion of construction on Heroes Hall Museum and that his team is working on completing some deficiencies.

Michele Richards, OCFEC VP of Business Development, provided an overview of upcoming events.

Kramer reported that since the November Board meeting, staff had spent 84.8 hours, at a cost of \$3,992, fulfilling public records requests.

## **6. PUBLIC COMMENT**

Reggie Mundekis restated her request for documentation regarding Kramer's reported estimation of staff hours and costs associated with fulfilling public records requests for the months of May, June and September. She then criticized the methodology of calculating these estimated numbers.

Chair Berardino spoke on compliance with public records requests, the



costs incurred by them, and the importance of the CEO and Vice President taking ample time to review them for accuracy.

Jerry Eldridge, OCFEC Director of Facilities, announced that OCFEC was awarded Project of the Year for Heroes Hall by the International Facility Managers Association.

Chair Berardino spoke regarding the above mentioned award and thanked Eldridge for his work and leadership on the Heroes Hall project.

Beth Refakes, Costa Mesa resident, asked for an update regarding payment of the OC Sheriff's invoice incurred from the Trump Rally. She also voiced her concerns regarding a fireworks test by the Pacific Symphony that disrupted a Costa Mesa City meeting. She also stated that she is happy that the Pacific Symphony is considering performing at the Pacific Amphitheatre (Pac Amp), her concerns are about the use of fireworks and/or cannons during their performances.

A woman named Mary also spoke her concerns regarding the fireworks test and possible cannon noise. She also spoke in opposition of the proposed ticket price increase for the OC Fair.

Jeanine Robbins, Anaheim resident, spoke about the importance of public records requests. She also stated her opposition in the reporting of the cost of public records requests, calling it public shaming.

Anna Vrska spoke her concerns about the fireworks test. She also spoke on the importance of public records requests and transparency. Vrska stated that she would like the general direction of the Fair to be more family oriented with an emphasis on sustainability and health.

Chair Berardino spoke of his familiarity with public records requests and the importance of reporting their costs of production to the public. He stated that reporting the costs are demonstrative of the efforts staff is making to fulfill the public records requests.

## 7. MINUTES:

### A. Board Meeting held November 17, 2016

**ACTION:** Director La Belle and Director Tkaczyk seconded to review and approve the minutes from the Board meeting held November 17, 2016. **MOTION CARRIED. AYES:** Chair Berardino, Vice Chair Bagneris, Director Mouet, Director Tkaczyk, Director La Belle and Director Pham. **NAYES:** None. **ABSTENTION:** Director Aitken.

## 8. CONSENT CALENDAR

- A. Standard Agreements: SA-243-16HH
- B. Amendments : SA-22-13PA (Amend. #4); SA-117-15GL (Amend. #1); SA-056-15GS (Amend. #1); SA-055-15HS (Amend. #1); SA-058-15HL (Amend. #1)
- C. Rental Agreements: R-039-16; R-157-16; R-168-16; R-178-16; R-179-16R-016-17; R-022-17; R-023-17
- D. Active Joint Powers Authority Agreements: None
- E. Correspondence:  
Communications to the Board from the public in response to Board discussion or to comments made before the Board are to be listed on the meeting agenda and included in the Board materials as an item of public disclosure.
  - i. none.

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

*-End of Consent Calendar-*

## 9. GOVERNANCE PROCESS:

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

- i. Centennial Farm Foundation Board (Director Mouet)
- ii. Heroes Hall Veterans Foundation Board (Chair Berardino, Director La Belle)
- iii. Financial Monitoring Committee (Vice Chair Bagneris, Director Pham)
- iv. Workers Memorial Task Force (Chair Berardino, Director Aitken)
- v. 2017 OC Fair City Liaison Committee (Director La Belle, Director Cervantes)
- vi. Legislative Monitoring Task Force (Chair Berardino, Director Aitken)
- vii. Master Site Plan Task Force (Director La Belle, Director Ruiz)
- viii. Tenant Liaison Committee (Director Tkaczyk, Chair Berardino)
- ix. Consumer Initiatives Task Force (Director Tkaczyk, Vice Chair Bagneris)
- x. Agricultural Committee (Director Mouet, Director Cervantes)

Director La Belle, on behalf of the Heroes Hall Veterans Foundation Board, had nothing to report but noted the passing of Santa Ana Army Base veteran, Art Aster the previous week. Chair Berardino stated that it will be Board's responsibility to set content criteria for future plaques at Heroes Hall.



Bobby McDonald, Chair of the Orange County Veterans Advisory Council and the Black Chamber of Commerce of Orange County thanked Board Members and staff for their efforts at Heroes Hall.

Vice Chair Bagneris, on behalf of the Financial Monitoring Committee (FMC), reported that the committee met last Monday and meets regularly. She mentioned reviewing public records requests and looking at their trends. Director Pham spoke regarding the tracking of the budget and variances and that the FMC will continue to monitor each month.

Director Mouet suggested to the 2017 OC Fair City Liaison Committee, that the 2017 OC Fair be very family and community oriented. He mentioned an idea of a 19<sup>th</sup> century OC theme.

Director Mouet, on behalf of the Agricultural Committee, reported that the committee hadn't met yet. He suggested discussions take place with local farmers markets and community garden groups for Ag ideas, as these communities would be a natural basis of support for OCFEC mission. He asked staff to establish lists for these organizations.

**B. Centennial Farm Foundation Memorandum of Understanding and CEO Cover Letter**  
Action Item

Chair Berardino suggested tabling the Centennial Farm Foundation Memorandum of Understanding (MOU) for one more month to allow the Centennial Farm Foundation's MOU and the Heroes Hall Veterans Foundation's MOU to be completed together.

Director Mouet spoke in opposition of tabling the MOU for the above reason. He discussed that the MOUs would be very different as the two foundations are very different organizations. He stated that the MOU is essential for clarity of roles between the foundation and OCFEC.

Chair Berardino explained that his reason for the delay is to have further legal clarification.

Director Mouet confirmed with Counsel that the research includes roles and responsibility for fundraising. He suggested amending the motion to delay the letter and MOU for Centennial Farm Foundation until the clarification from Counsel is received and then to expedite the MOU for Heroes Hall Veterans Foundation.

Vice Chair Bagneris voiced her support on tabling for one month for

legal clarification.

Board of Directors, Counsel and staff discussed and agreed that the letter and MOU for Centennial Farm Foundation and a draft of the Heroes Hall Veterans Foundation MOU be ready and presented at the next board meeting.

Reggie Mundekis commented upon the rental agreement for the Heroes Hall Veterans Foundation Halloween fundraiser and suggested the Board discuss dissolving both Foundations in light of comments made at the November Board meeting.

**ACTION:** Director Tkaczyk motioned and Vice Chair Bagneris seconded to table the Centennial Farm Foundation Memorandum of Understanding and CEO Cover Letter until the January 26, 2017 Board meeting. **MOTION CARRIED. AYES: Chair Berardino, Vice Chair Bagneris, Director Mouet, Director Aitken, Director Tkaczyk, Director La Belle, and Director Pham. NAYES: None.**

### **C. Clarification of Tandem Contract Information Item**

Richards presented information of the sales function workflow and sales agency's interaction with OCFEC staff.

Chair Berardino applauded the visual aid presented by Richards and stated that it clearly demonstrates appropriate interaction between staff and members of Tandem.

Director La Belle asked for the amount that Tandem has been compensated since the inception of their contract and asked about OCFEC's rental rates.

Richards reported that rental rates are part of budget process and posted on the OCFEC website.

Richards explained the OCFEC staff estimates the security, staff, equipment needs, etc., then communicates that cost estimate to the sales agency to present to potential client.

Director Mouet noted the importance of adhering to OCFEC's mission statement, even in the sales function.

Chair Berardino requested that the Board be given copies of the current rental rates. He congratulated staff on a good report and the extra effort of transparency.



#### **D. Review and Approve 2017 OCFEC Operating Budget & Capital Action Item**

Kramer thanked the Financial Monitoring Committee (FMC) for their participation and insight in the budget process. She then presented the 2017 Operating Budget. She reported new budget items for 2017 that include a \$25,000 contingency for recruiting difficulties, \$25,000 for consultants for auditing of operating systems and a \$10,000 "community gives back" program for at risk kids to have a full Fair experience. She also reported the budgeting of six pre-Fair concerts at the Pacific Amphitheatre.

Karns presented the Capital & Major Project Budget. He highlighted a roof and HVAC replacement. Karns suggested the Board set policy for the Contingency Budget fund, requiring Board approval for projects greater than \$50,000.

Vice Chair Bagneris agreed with setting policy for the Contingency Budget funds.

Carleton presented a five year "as-is" cash flow scenario.

Kramer highlighted new Fair gate admission promotions from 2016 that will continue into the 2017 budget. She then presented a yield management strategy of the proposed 2017 gate changes: the increase of the Adult weekend ticket price by \$2 and the change of weekend operation hours from 10:00 a.m. to 11:00 a.m. Kramer stated that the change in operation time on the weekends would provide a three percent savings of total labor. She also presented two other opening day promotions; "Free 'Til 3 p.m." and "\$3 'Til 3 p.m." both with \$5 parking.

Carleton presented cash flow scenarios that included the above promotions.

Vice Chair Bagneris stated her preference of the Free 'Til 3p.m. promotion.

Director Pham also voiced his preference of the Free 'Til 3p.m. promotion with free parking as a community give back.

Richards clarified that the promotion presented was Free 'Til 3p.m. with \$5 parking.

Vice Chair Bagneris agreed the extend hours would benefit the public but also suggested Free 'Til 3p.m. promotion be amended to include

free parking as well as free admission.

The Board discussed and agreed to accept the "Free 'Til 3" promotion with amending the promotion to include free parking until 3 p.m.

Reggie Mundekis spoke regarding her dissatisfaction with the status of her public records requests. She suggested that the Financial Monitoring Committee meetings be public meetings with publicly posted agendas. She spoke in opposition of the proposed ticket rate increase. She also requested a meeting with CEO Kramer and Board members to review Budget documents.

Chair Berardino commented that there has been three opportunities to discuss the budget; the Financial Monitoring Committee meeting, the November 17th Board meeting and today's Board meeting, all of which have been overseen by the Financial Monitoring Committee. He stated he would gladly schedule a meeting with members of the public.

Chair Berardino requested the Contingency Budget spending over \$50,000 to require Board approval be agendaized for the January meeting.

Chair Berardino clarified further to the Board that the budget approval motion includes the amended "free 'Til 3 promotion with free parking and the \$2 increase of adult weekend ticket price.

**ACTION:** Director Tkaczyk motioned and Director Aitken seconded to review and approve the 2017 OC FEC Operating Budget & Capital with the \$2 increase of weekend adult admission and the modification of the "Free 'Til 3" promotion to include free parking **MOTION CARRIED.**  
**AYES:** Chair Berardino, Vice Chair Bagneris, Director Mouet, Director Aitken, Director Tkaczyk, Director La Belle and Director Pham. **NAYES:** None.

## 10. CLOSED SESSION

No closed session.

## 11. BOARD OF DIRECTORS MATTERS OF INFORMATION

Director Pham said that it is nice to see that the TET Festival will be at OC FEC.

Vice Chair Bagneris praised the cash flow report and is happy to have the budget approved for the new-year. She wished everyone a Merry Christmas and Happy New Year.



Director Mouet suggested to the Board and staff to continually think about sustainability and the environment when planning for the 2017 OC Fair and the Master Site Plan. He wished all a happy holiday.

Director Aitken wished everyone happy holidays and Merry Christmas.

Director Tkaczyk thanked the Board and staff for a great year.

Director La Belle spoke about The Boys Republic and the wreath made by them that was displayed at Heroes Hall and in the administration building lobby. He wished everyone a Merry Christmas and Happy New Year.

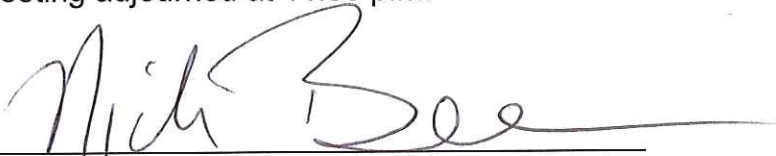
Chair Berardino requested that the Contingency Budget item and Perfect Fair attendance award be agendized on next month's Board meeting. He wished everyone a happy holiday season and congratulated everyone on the great work done this year .

**12. NEXT BOARD MEETING: JANUARY 26, 2017**

**13. ADJOURNMENT**

Director La Belle motioned and Vice Chair Bagneris seconded to adjourn. All Board members said Aye.

Meeting adjourned at 11:56 p.m.

  
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Nick Berardino, Chair

  
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Kathy Kramer, Chief Executive Officer