

**MINUTES OF OCFEC BOARD OF DIRECTORS MEETING
HELD December 14, 2017**

1. CALL TO ORDER:

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

2. MISSION STATEMENT

3. PLEDGE OF ALLEGIANCE:

The Pledge of Allegiance was recited by Director Mouet. Roll call was taken by Summer Angus.

4. DIRECTORS PRESENT:

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

DIRECTORS ABSENT/EXCUSED: None.

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 Executive Assistant; 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; Linda Keasberry, OCFEC Commercial & Concessions Supervisor; Josh Caplan, Office of the Attorney General; Luis Hernandez, Stenographer; Scott Bruno, Tandem; Jay Humphrey, Reggie Mundekis; Ana Vrska, Beth Refakes;

5. CEO'S OPERATIONAL UPDATE

Kathy Kramer, OCFEC CEO, reported that staff had attended the International Association of Fairs and Expositions (IAFE) conference earlier in the month, where OCFEC was awarded several industry awards.

Kramer stated that OCFEC will be working with Orange Coast College Ornamental Horticulture Department to beautify the sloped areas near the Plaza Pacifica, providing students with hands on training. Kramer added that OCFEC will pay for all material costs of the project.

Kramer announced that two more electric vehicle charging stations will be installed in front of Heroes Hall.

Kramer reported that she and Directors Mouet and Pham went to Cerritos to view the Art Astor collection. She was later informed by the City of Cerritos that several bids for the collection had been received. After discussions with the Board task force it was determined that OCFEC would not be placing a bid for the collection. She added that staff may

pursue opportunities with the new collection owner to showcase pieces of the collection at Imaginology.

Kramer congratulated the 39 members of staff that participated in the Superior Accomplishment Award program wherein staff provided 826 hours of volunteer service to the community.

Director Pham joined the meeting at 9:06 a.m.

Adam Carleton, OCFEC VP Finance & Administration presented the November 2017 financials.

Kramer clarified some misinformation about the Resolution NYE New Year's event. She explained that one of the event sponsors, Weedmaps, a legal online medical marijuana dispensary finder, will not be providing samples to event guests. She further stated that no cannabis products, sample or paraphernalia will be sold or distributed at the event.

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

Director Mouet responded to Kramer's CEO update remarks on the Art Astor collection. He thanked Director La Belle for bringing the opportunity to the Board and encouraged the rest of the Board to keep an eye out for opportunities that would add enrichment to the grounds.

6. PUBLIC COMMENTS

Jay Humphrey, Costa Mesa resident, commented on the City of Costa Mesa marijuana policy. He spoke in opposition of the New Year's Eve event.

Reggie Mundekis, spoke in opposition to the New Year's Eve event, Resolution NYE and criticized one of the event sponsors, Weedmaps.

A Costa Mesa resident criticized the numerous Resolution NYE signs posted on the eastside of Costa Mesa. She voiced her concerns of people smuggling cannabis products into the event. She also asked if the Board is giving political contributions to City of Costa Mesa officials or candidates.

Ana Vrska, Costa Mesa resident, commented on the Master Site Plan. She stated that the Master Site Plan does not necessarily have to have major building take place; merely an assessment of the property can be made. She shared her belief that the concept for an educational meeting center is merely another name for a convention center. She shared her opinion that there has not been enough public input and transparency with regard to the Master Site Plan process.

7. **MINUTES:**

A. Board Meeting held November 16, 2017

ACTION: Director Cervantes motioned and Director La Belle seconded to review and approve the minutes from the Board meeting held November 16, 2017. **MOTION CARRIED. AYES:** Chair Bagneris, Vice Chair Ruiz, Director Berardino, Director Mouet, Director Tkaczyk, Director La Belle, Director Cervantes and Director Pham. **NAYES:** None. **ABSTENTIONS:** Director Aitken.

8. **CONSENT CALENDAR**

A. Standard Agreements: SA-003-18GE

B. Amendments: SA-35-14FV (Amend. #4); SA-50-14BS (Amend. #4); SA-005-15ET (Amend. #3); SA-096-17YR (Amend. #1); SA-193-16FT (Amend. #1); SA-224-16FTYR (Amend. #1); SA-241-16MS (Amend. #1); SA-270-15SP (Amend. #1)

C. Rental Agreements: R-016-17; R-029-17; R-045-17; R-121-17; R-157-17; R-158-17; R-159-17; R-176-17; R-177-17; R-178-17; R-179-17; R-180-17; R-182-17; R-029-18; R-045-18

D. Active Joint Powers Authority Agreements: 032-17-027; 032-17-048

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.

-End of Consent Calendar-

ACTION: Director Cervantes motioned and Vice Chair Ruiz seconded to review and approve the Consent Calendar with agreement R-029-18 pulled for discussion. **MOTION CARRIED. AYES:** Chair Bagneris, Vice Chair Ruiz, Director Berardino, Director Mouet, Director Aitken, Director Tkaczyk, Director La Belle, Director Cervantes and Director Pham. **NAYES:** None.

Director La Belle stated that he has always supported the OC Marathon. He asked staff to explain the fee schedule and if it was a five year contract.

Richards explained that, built into the contract, the OC Marathon will pay the published rental rates for every year of the contract. She further explained that the contract is a five year contract, and like all OCFEC contracts, there is a notification clause that enables the District to amend or cancel a contract within the five year term.

Richards explained further that in addition to the guaranteed rental rate the OC Marathon also generates other revenues from parking facility rental and rental of equipment.

ACTION: Director La Belle motioned and Director Mouet seconded to review and approve agreement R-029-18 of the Consent Calendar. **MOTION CARRIED. AYES: Chair Bagneris, Vice Chair Ruiz, Director Berardino, Director Mouet, Director Aitken, Director Tkaczyk, Director La Belle, Director Cervantes and Director Pham. NAYES: None.**

9. GOVERNANCE PROCESS:

A. Committee/Task Force/Liaison Reports

- i. Centennial Farm Foundation Board (Director Cervantes)
- ii. Heroes Hall Veterans Foundation Board (Director Berardino, Director La Belle)
- iii. Financial Monitoring Committee (Director Pham, Director Mouet)
- iv. 2018 OC Fair City Liaison Committee (Director La Belle, Director Cervantes)
- v. Legislative Monitoring Task Force (Director Berardino, Director Aitken)
- vi. Master Site Plan Task Force (Director La Belle, Vice Chair Ruiz)
- vii. Tenant Liaison Committee (Director Tkaczyk, Director Berardino)
- viii. Equestrian Center Task Force (Director Aitken, Director Tkaczyk)
- ix. Pacific Amphitheatre Operation Evaluation & Review Task Force (Director Berardino, Director Tkaczyk)
- x. Community Outreach & Education Task Force (Chair Bagneris, Director Berardino)

Michele Richards, on behalf of the Centennial Farm Foundation Board, reported that the Foundation had not met in November or December but has a scheduled meeting in January. Chair Bagneris asked if there was anything else to report on the Foundation for the past year. Kramer asked the status of the Memorandum of Understanding (MOU).

Josh Caplan, Office of the Attorney General, commented on his efforts to contact the Foundation's legal counsel and the Foundation Chair and is now waiting to hear back on the status of MOU. He further shared that there are two outstanding issues regarding the MOU but in his opinion, these issues should not be roadblocks to finalize the MOU.

Chair Bagneris stated that she would like the Centennial Farm Foundation Chair to give an update on Foundation activities,

fundraising and grants at the January Board meeting. She asked that the item be agendaized for the January meeting.

Director Berardino, on behalf of the Heroes Hall Veterans Foundation Board, stated that the Foundation is hoping to exhibit *Brave Mind* – an exhibit about PTSD. Director Berardino reported that the Costa Mesa Holiday Home Tour raised approximately \$7,000 for the Foundation. Director La Belle shared that he attended a luncheon with retired city managers and distributed Heroes Hall brochures.

Director Mouet, on behalf of the Financial Monitoring Committee, reported that he had a great meeting with staff. He stated that, as the financials previously presented indicated, the organization has a healthy cash flow position.

Reggie Mundekis criticized staff's fulfillment of public records request with regard to the Master Site Plan process.

Ana Vrska, shared her opinion that the Master Site Plan concepts presented are misleading. She shared her concerns with the amount of public participation and criticized the fulfillment of public records requests. Vrska also shared her concerns with the possible conflict of interest with regard to the Board of Directors receiving complimentary tickets to events.

Vice Chair Ruiz, on behalf of the Master Site Plan Task Force, reported that the committee had met recently and reviewed the work completed by staff and the information gathered at the workshops. He added that the committee has given staff direction to continue with the next steps, of bringing further information back to the community for review and analysis. Vice Chair Ruiz announced that the committee anticipates having a public workshop in March as part of the Board of Directors meeting.

Director La Belle clarified that no decisions have been made relative to any modification to the Master Site Plan or concepts presented at the previous workshop. He further explained that the committee has asked staff and the consultants to present a cost-benefit analysis on all components relating to a potential draft Master Site Plan. Director La Belle then talked about the next steps for the Master Site Plan; taking the information gathered and coming up with a draft concept and once adopted by the Board, the draft concept can move forward in completing the EIR and CEQA environmental assessments. He added that another public workshop is anticipated to take place in March or April.

Director Tkaczyk asked Director La Belle to comment on some members of the public's belief, of plans for a convention center as part

of the Master Site Plan.

Director La Belle stated that none of the concepts presented had a convention center and there are no plans to include a convention center.

Director Berardino, on behalf of the Pacific Amphitheatre Operation Evaluation & Review Task Force, reported the committee has plans to give a full report at the January Board of Directors meeting.

Director Berardino, on behalf of the Community Outreach & Education Task Force, reported that the committee and staff had a meeting with City of Costa Mesa leadership. He added that he had to dispel misinformation about the plans for a convention center, as part of the Master Site Plan, to the City. He also reported that they started the conversation about cannabis events, city ordinance regarding cannabis and the guidelines set forth by the State regarding cannabis events.

Chair Bagneris also reported on the meeting. She added that she is excited about working with the City and the continued community outreach and community give back.

B. Future November Board Meeting Dates

Action Item

Chair Bagneris presented the staff report.

ACTION: Vice Chair Ruiz motioned and Director Aitken seconded to review and approve the amended version of Article II, Section 3 of the 32nd District Agricultural Association Bylaws to: Regular Meetings: Regular meetings of the Board will be held monthly on the fourth Thursday or at the discretion of the Board Chair, for no less than 8 months per year, with the exception of the November meeting which will be held on the third Thursday or at the discretion of the Board Chair. The December regular meeting date will remain at the Board Chair's discretion. The Board may provide by resolution the time and place, within the County of Orange, State of California, for an alternate location for the holding of its regular meetings. All meetings shall be noticed in accordance with all applicable statutes, codes, and regulations. **MOTION CARRIED. AYES: Chair Bagneris, Vice Chair Ruiz, Director Berardino, Director Mouet, Director Aitken, Director Tkaczyk, Director La Belle, Director Cervantes and Director Pham. NAYES: None.**

C. Discussion to Establish Board Policy for Defining Terms of Service Agreement Contracts

Action Item

Kathy Kramer presented background and staff report. Kramer

explained that staff met with the Tenant Liaison Committee and developed the following recommendations for the Board Policy:

- Contract manager will conduct a written evaluation of the contractor's performance for the prior contract year. Based on the evaluation, the contract manager will make a recommendation whether or not to exercise an option year.
- The evaluation, along with staff's recommendation, will be agendaized for the Board of Directors consideration as an action item. Once the Board of Directors discusses staff recommendations and votes on agenda item, staff will take appropriate action.

Director Berardino clarified that all multi-year service contracts with option years will come before the Board with an evaluation to give the Board opportunity to take action.

Kramer stated that staff is in the process of drafting an evaluation worksheet for service contracts.

Director La Belle suggested to add to the new policy that the Tenant Liaison Committee be presented with the option recommendation, to review and provide recommendation before the contract option goes before the full Board. This amendment to the original recommendation for the policy was agreed upon by the Board.

ACTION: Director La Belle motioned and Director Mouet seconded to review and approve the terms for service agreement contracts as: Contract manager will conduct a written evaluation of the contractor's performance for the prior contract year. Based on the evaluation, the contract manager will make a recommendation whether or not to exercise an option year. The evaluation, along with staff's recommendation, will be agendaized for the Board of Directors consideration as an action item. Once the Board of Directors discusses staff recommendations and votes on agenda item, staff will take appropriate action, and amending the policy to include: the Tenant Liaison Committee be presented with the option recommendation, to review and provide recommendation before the contract option goes before the full Board. **MOTION CARRIED. AYES: Chair Bagneris, Vice Chair Ruiz, Director Berardino, Director Mouet, Director Aitken, Director Tkaczyk, Director La Belle, Director Cervantes and Director Pham. NAYES: None.**

D. 2018 OC Fair Theme
Information Item

Michele Richards presented the 2018 OC Fair theme "Free Your Inner Farmer."

10. CLOSED SESSION

Chair Bagneris adjourned the meeting to closed session at 10:16 a.m. and resumed the meeting at 10:23 a.m.

11. BOARD OF DIRECTORS MATTERS OF INFORMATION

Chair Bagneris thanked staff and wished everyone a happy holiday.

Director Berardino thanked Chair Bagneris for a great transition as Board Chair.

Director Pham wished everyone a Merry Christmas and Happy Holidays. Chair Bagneris presented Director Pham with a present for his new born baby.

Director Cervantes wished everyone a Merry Christmas and Happy Holidays and thanked Chair Bagneris for an amazing job as Chair.

Vice Chair Ruiz echoed Director Cervantes' comments.

Director Aitken congratulated Director Pham on the new addition to his family. She also wished everyone a Merry Christmas and is looking forward to the New Year.

Director Tkaczyk wished everyone a Merry Christmas and a Happy New Year.

Director La Belle thanked Chair Bagneris for her leadership and wished everyone Happy Holidays.

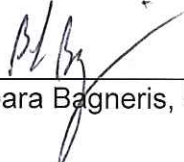
Chair Bagneris thanked Kathy, staff and the Board for their patience with her transition as Board Chair.

12. NEXT BOARD MEETING: JANUARY 25, 2017

13. ADJOURNMENT

Director Berardino motion and Vice Chair Ruiz seconded to adjourn. All Board members said Aye.

Meeting adjourned at 10:27 a.m.


Barbara Bagneris, Chair


Kathy Kramer, Chief Executive Officer