

**MINUTES OF OCFEC BOARD OF DIRECTORS MEETING
HELD January 25, 2018**

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 La Belle. Roll call was taken by Summer Angus.

4. DIRECTORS PRESENT:

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

DIRECTORS ABSENT/EXCUSED: Vice Chair 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 Executive Assistant; Joan Hamill, OCFEC Director of Exhibits & Education; Nick Buffa, OCFEC Director Security & Traffic; Evy Young, OCFEC Agriculture Education Supervisor; Jeff Wilson, OCFEC Entertainment Supervisor; Josh Caplan, Office of the Attorney General; Luis Hernandez, Stenographer; Scott Bruno, Tandem; Molly Morley, Tandem, Marc Van Eden, Centennial Farm Foundation President; Tarquin Preziosi, Costa Mesa Deputy City Attorney; Barry Curtis, City of Costa Mesa Director of Economic Development Services; Stephen Clayton; Jay Humphrey; Reggie Mundekis; Mary Spandone; Roy Englebretch; Gibron Stout

5. CEO'S OPERATIONAL UPDATE

Kathy Kramer, OCFEC CEO, declared that December 2017 was a recorded breaking year-round event revenue month, generating over \$1 million.

Kramer reported that over twenty-five members of staff trained for more than 275 hours on a new version of Ungerboeck event management software to improve efficiencies aligned with OCFEC technology initiatives. She also added that staff is finalizing the scope of work for an RFP to secure software for robust labor management solutions.

Kramer announced that OCFEC has partnered with Culinary Lab to provide a culinary training program to underserved high school students in Orange County. She detailed that Culinary Lab is providing the training curriculum utilizing the Spectra industrial kitchen as a hand-on classroom.

Kramer also announced the new internship program with Hope Builders. She added that a student started working in the IT department.

Ken Karns, OCFEC VP Operations, gave an update on the Joint Health and Safety committee, that the committee met January 18th to establish goals and objectives for 2018. Karns reported the completed installation of electric car charging stations in front of Heroes Hall.

Karns detailed that 23 OCFEC Security Department staff completed three modules of Guard Card training required by California Bureau of Security & Investigated Services.

Kramer remarked that February will mark the one year anniversary of Heroes Hall and a celebration with cake will be held February 15th. She added that over the last year Heroes Hall has had over 52,000 visitors not including the school tours visits. She also announced that on March 22nd at 5:30 p.m. Heroes Hall will celebrate Women's History month celebrating women veterans and leaders in the community.

Director Tkaczyk asked if there is a charge to use the electric car charging station. Karns confirmed that there is a charge for using the stations.

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

Richards announced that starting February 5th, Heroes Hall will be open for private tours and events on Mondays and Tuesdays and open to the public Wednesday-Sunday.

Director La Belle inquired about the few Pacific Amphitheatre shows that have been announced. Kramer said she will bring back an update at the February Board of Directors meeting.

6. PUBLIC COMMENTS

Chair Bagneris expressed her excitement for fair time. She proceeded to move to the public comment section of the agenda.

Reggie questioned why the RFP for the computerized ticketing services was cancelled.

Jay Humphrey criticized the amount of information released on the staff reports prior to the Board of Directors meetings.

Mary Spadone criticized comments made at the previous meeting by members of the Board of Directors regarding Reggie Mundekis.

Roy Englebretch announced the 50th anniversary of Fight Club OC will be in three weeks at the OCFEC Hangar. He mentioned the possibility of his partnering with Oscar De La Hoya's Golden Boy Promotions to bring an ESPN show to Orange County.

7. MINUTES:

A. Board Meeting held December 14, 2017

ACTION: Director Cervantes motioned and Director La Belle seconded to review and approve the minutes from the Board meeting held December 14, 2017. **MOTION CARRIED. AYES: Chair Bagneris, Director Berardino, Director Mouet, Director Aitken, Director Tkaczyk, Director La Belle, Director Cervantes and Director Pham. NAYES: None.**

8. CONSENT CALENDAR

A. Standard Agreements: SA-242-17WF; SA-001-18HB; SA-003-18GE; SA-004-18GE; SA-009-18FT; SA-010-18CF

B. Amendments: SA-241-16MS (Amend. #2); SA-239-17BP (Amend. #1)

C. Rental Agreements: R-175-17; R-181-17; R-184-17; R-185-17; R-186-17; R-187-17; R-006-18; R-013-18; R-016-18; R-017-18; R-018-18; R-027-18; R-044-18; R-047-18; R-050-18; R-054-18; R-055-18; R-057-18; R-063-18

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.

F. CDFA Correspondence:

Communications to the Board from the California Department of Food & Agriculture Division of Fairs & Expositions regarding relevant topics at Fairs and Expositions.

i. California Department of Food & Agriculture Fall/Winter Newsletter

-End of Consent Calendar-

Reggie Mundekis asked for amendments SA-241-16MS (Amend. #2) and SA-239-17BP (Amend. #1) to be pulled and asked questions regarding each contract.

ACTION: Director Berardino motioned and Director La Belle seconded to review and approve the Consent Calendar with agreements SA-241-16MS (Amend. #2); SA-239-17BP (Amend. #1) pulled for discussion. **MOTION CARRIED. AYES: Chair Bagneris, Director Berardino, Director Mouet, Director Aitken, Director Tkaczyk, Director La Belle, Director Cervantes and Director Pham. NAYES: None.**

Kramer explained the Kelly Associates contract SA-239-17BP (Amend. #1) was an extension of time only, no change in scope of work or funding.

ACTION: Director Mouet motioned and Director La Belle seconded to review and approve agreement SA-239-17BP (Amend. #1) of the Consent Calendar. **MOTION CARRIED. AYES: Chair Bagneris, Director Berardino, Director Mouet, Director Aitken, Director Tkaczyk, Director La Belle, Director Cervantes and Director Pham. NAYES: None.**

Karns explained the Johnson Consulting contract SA-241-16MS (Amend. #2), for the Master Site plan, was amended for an extension of time to finish the project. Karns added that the Board previously approved additional funding for the same contract at the October 2017 Board of Directors meeting.

ACTION: Director Mouet motioned and Director La Belle seconded to review and approve agreement SA-241-16MS (Amend. #2) of the Consent Calendar. **MOTION CARRIED. AYES: Chair Bagneris, 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)

Reggie Mundekis made comments and asked questions regarding the Master Site Plan process.

Gibron Stout, Equestrian Center tenant, spoke about her non-profit equestrian program. She also criticized the recent rental increase by the Equestrian Center Management. She suggested the Board consider offering subsidies to support non-profit programs for at-risk youth at the Equestrian Center.

Director Berardino, on behalf of the Heroes Hall Veterans Foundation Board, commented on the continued fundraising efforts to raise funds for the *Brave Minds* PTSD exhibit. Berardino praised the work done by Richards and team to acquire this exhibit for Heroes Hall. He commented on plans for an event at Heroes Hall to celebrate Women's History month with special guest speakers including Appellate Court Justice Eileen Moore and General Robin. Director Berardino and Director Tkaczyk discussed fees the Foundation and the Army paid for the Army Birthday celebration held at Heroes Hall. Richards clarified that OCFEC waived the facility rental fee for the Army event. Kramer added that through the 2018 budget process the Board approved a rental relief program for \$200K. Director La Belle stated that the next Heroes Hall Veterans Foundation meeting will be held February 7th.

Director Pham, on behalf of the Financial Monitoring Committee, stated that the committee did not meet in January, giving staff more time to close the 2017 year-end financials.

Director La Belle, on behalf of the 2018 OC Fair City Liaison Committee, asked Richards if the date for the City Managers Breakfast to kick off the fair had been set yet. Richard said that the date had not yet been set. Chair Bagneris asked for clarification on the role of the committee. Director La Belle explained that the committee works with various cities to develop specific programs for each of the cities to take place during the fair.

Director Berardino, on behalf of the Legislative Monitoring Task Force, stated that the Senate Bill SB741, 50-50 raffle legislation has a new author. Director Tkaczyk asked if the Bill will in place for the 2018 OC Fair. Director Berardino answered that it would most likely not be in place by the 2018 OC Fair.

Director La Belle, on behalf of the Master Site Plan Task Force, stated that the committee has asked the consultants through staff to develop some cost-benefit analysis on potential components for the Master Site Plan (MSP) workshop. He added that the committee is looking to recommend a MSP workshop for full Board to take place in March or April. Director La Belle stated that the committee decided not to do the CEQU until they have a draft MSP and have directed staff to prepare a

RFP for a CEQU consulting firm. Karns reported that staff is continuing the work the committee has asked for regarding cost-benefit analysis to move forward toward to develop a draft MSP.

Karns, on behalf of the Equestrian Center Task Force, reported that staff along with consultants from HPI architecture did a walkthrough of the Equestrian Center. He added that HPI will be preparing an overview and budget report. Karns stated that the staff is planning to schedule a walkthrough with the Equestrian Center Task Force in February.

Director Berardino, on behalf of the Pacific Amphitheatre Operation Evaluation & Review Task Force, reported that they will have a report next month.

Chair Bagneris, on behalf of the Community Outreach & Education Task Force, announced her decision to sunset the Community Outreach & Education Task Force. She shared that she is planning on looking at each committee and task force to determine whether or not to keep them active or to sunset them.

B. Centennial Farm Foundation Report from New Foundation President, Marc Van Eden
Information Item

Marc Van Eden introduced himself and shared that he is a biochemist and works at a biotechnology company. He praised Evy Young for her work at Centennial Farm. He thanked the Board of Directors for the opportunity to speak today. He shared that he is very happy to have been elected as the Centennial Farm Foundation President and is looking forward to supporting Centennial farm, as it is an important investment in the future. Van Eden stated that one of his goals is to reset and form a new relationship between the Centennial Farm Foundation and the OCFEC Board of Directors. He reported on pending grants and the total amount of grant money awarded to the Foundation being \$579K to date. Van Eden shared that the Foundation currently has vacancies on their Board of Directors that they are looking to fill.

Chair Bagneris asked for an update on the status of the Memorandum of Understanding (MOU) between OCFEC and the Centennial Farm Foundation.

Josh Caplan, Office of the Attorney General (Counsel), explained he was asked by the OCFEC Board and staff to inquire about the status of the MOU and was told that the Foundation was represented by counsel. Caplan explained that he has been unable to confirm if the Foundation is represented by counsel and asked the committee to

follow up and find out who the Foundation is represented by.

Director Aitken welcomed Van Eden and is excited about the new leadership, new ideas and a fresh perspective.

Director La Belle shared that his grandchildren have toured Centennial Farm through the Centennial Farm school tour program.

Chair Bagneris thanked Van Eden for the update.

C. Cannabis Event Guidelines Report and Policy Discussion

Action Item

Stephen Clayton, hospitality and events producer, spoke about the cannabis events industry. He spoke in favor of allowing cannabis events and offered his knowledge and experience as a resource to the Board of Directors.

Jay Humphrey reminded the Board of Directors that, as voted on by the people of Costa Mesa, cannabis could only be manufactured north of the 405 freeway and west of Harbor Blvd. He spoke opposition of cannabis events at OCFEC.

Director Berardino moved to table this agenda item for further review by counsel.

Chair Bagneris stated she would like to hear the staff report and presentation.

Richards presented staff report. She outlined the California Department of Food & Agriculture (CDFA) guidelines which recommends that the Board discussion and consideration:

- Community values and standards in regards to cannabis as reflected by local city and county cannabis ordinances
- Proximity to schools, youth recreation centers, parks and other areas where minors congregate
- Potential federal enforcement on cannabis law
- Relationship with local law enforcement

Barry Curtis, City of Costa Mesa Director of Economic Development Services, offered to answer questions regarding the City of Costa Mesa's marijuana ordinance.

Tarquin Preziosi, Costa Mesa Deputy City Attorney, explained that the City of Costa Mesa ordinance prohibits all marijuana activities in the City with the exception of a small area north of the 405 freeway and west of Harbor Blvd, strictly reserved to the manufacturing of cannabis products.

Director Berardino commented that the State guidelines for distributors are unclear.

Tarquin explained that cities have the right to ban or allow cannabis activities within their city limits.

Board discussion with Counsel continued around State and City regulations.

Richard explained that CDFA guidelines states that medical cannabis use areas cannot be located within 1,000 feet of a school, day care center, youth center or recreational area where minors congregate; cannabis smoking or use within this distance is illegal. She then showed OCFEC's proximity to schools and parks in the area to be within the 1000 feet prohibited area.

Director Berardino stated that Congress has established a cannabis committee that is working out new guidelines.

Richards continued to outline the remaining guidelines.

Board discussion continued.

Richards explained the recommendation for Board is to provide direction to staff to draft a policy to either allow or prohibit cannabis-related events at OC Fair & Event Center per the outcome of the public Board discussion.

Director Pham shared his support for prohibiting cannabis events because it does not support the OCFEC mission statement and the lack of community support.

Director La Belle stated he does not support allowing cannabis events.

Aitken agreed with Director Pham and Director La Bell.

Director Berardino stated he would like more information

Chair Bagneris stated that OCFEC needs a policy regarding these type of events.

Board and Counsel discussion continued about the pros and cons of having a policy in place.

Chair Bagneris motioned to direct staff to draft a policy to prohibit cannabis-related events at OC Fair & Event Center to bring back to the Board for approval.

ACTION: Chair Bagneris motioned and Director La Belle seconded to direct staff to draft a policy to prohibit cannabis-related events at OC Fair & Event Center to bring back to the Board for approval. **MOTION CARRIED. AYES: Chair Bagneris, Director Berardino, Director Mouet, Director Aitken, Director Tkaczyk, Director La Belle, Director Cervantes and Director Pham. NAYES: None.**

D. Board of Directors Governance Training Workshop at March Board of Directors Meeting
Information Item

Chair Bagneris presented staff report. She announce that a Board of Directors training workshop will take place at the March Board of Directors meeting, facilitated by Bill Kelly of Kelly Associates.

10. CLOSED SESSION

Chair Bagneris adjourned the meeting to closed session at 11:09 a.m. and resumed the meeting at 11:21 a.m.

11. BOARD OF DIRECTORS MATTERS OF INFORMATION

Director Berardino and Director Cervantes applauded the cannabis events discussion.

Director La Bell concurred with his fellow directors calling the discussion beneficial and productive.

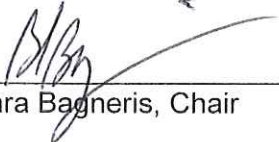
Director Aitken suggested to agendize the formation of a property wide project labor agreement task force at a future Board meeting.

Chair Bagneris remarked how she enjoyed the WFA convention. She shared her appreciation to her fellow Board of Directors and staff for how much work they put in.

12. NEXT BOARD MEETING: JANUARY 25, 2017

13. ADJOURNMENT

Meeting adjourned at 11:29 a.m.



Barbara Bagneris, Chair



Kathy Kramer, Chief Executive Officer