

**MINUTES OF OCFEC BOARD OF DIRECTORS MEETING
HELD February 22, 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 Cervantes. Roll call was taken by Summer Angus.

4. DIRECTORS PRESENT:

Chair Bagneris, Director Berardino, Director Tkaczyk, Director La Belle and Director Cervantes.

DIRECTORS ABSENT/EXCUSED: Director Aitken, Director Mouet, Vice Chair Ruiz and Director Pham

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; Bianca Kulback, OCFEC Director of Human Resources; Jerry Eldridge, OCFEC Director of Facilities; Nick Buffa, OCFEC Director Security & Traffic; Joan Hamill, OCFEC Director of Exhibits & Education; Elaine Kumamoto, OCFEC Director of Finance; Jeff Wilson, OCFEC Entertainment Supervisor; Josh Caplan, Office of the Attorney General; Janet Taylor, Stenographer; Scott Bruno, Tandem; Theresa Sears; Reggie Mundekis; Beth Refakes; Mary Spadone; Anna Vrska

5. CEO'S OPERATIONAL UPDATE

Kathy Kramer, OCFEC CEO, announced that it is just 50 days until Imaginology and 151 days to 2018 OC Fair.

Kramer described possible staff recruitment challenges, for the 2018 OC Fair, due to the low unemployment rate in Orange County. She noted that OCFEC has developed a robust outreach and hiring campaign.

Kramer invited everyone to come and welcome the Hatch Culinary Lab students as they arrive on their first day to the Hatch Culinary Lab culinary program, at the Spectra kitchen on February 28th.

Kramer gave a recap of the Heroes Hall first anniversary celebration on February 15th.

Kramer reported the completion of the mid-year training for the Centennial Farm volunteer docents school tour program.

Kramer shared that OCFEC recently hosted staff from San Diego, San Bernardino and LA County Fairs for a day of fair collaboration and an exchange of ideas.

Adam Carleton, OCFEC VP Finance & Administration presented the December 2017 financials, 2017 year-end financials and January financials. Chair Bagneris commented that it was a good report.

Carleton clarified for Director La Belle that all OCFEC funds, other than the expense checking account, are in a LAIF account.

Ken Karns, OCFEC VP Operations, reported that OCFEC staff had presented curriculum for classes at Maintenance Mania. He also reported that thirty OCFEC staff were trained on forklifts and equipment. Karns thanked OCFEC Director of Facilities, Jerry Eldridge for his leadership. Karns also gave an update on the upcoming Hangar and Pacific Amphitheatre concerts during the 2018 OC Fair.

Kramer gave an update on the ticketing services RFP. She explained that staff had conducted a RFP for ticketing services which was scored and the awarded announced. She added there was a protest to this award. Kramer reported the during the protest period:

- Staff reevaluated the RFP and identified the need to build out a more robust scope of work.
- Staff made the decision to work with a consultant to help create a new RFP.
- The new RFP is anticipated to go to bid during the 2018 OC Fair.
- For continuity, the contract extension on the consent calendar for ticketing services with Ticketmaster is through November 30, 2018.

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

Director Berardino stated that he has received many calls from the public about the gun show events.

Chair Bagneris asked Josh Caplan, Office of the Attorney General if the Board can discuss the gun show events if the item is not agendized. Caplan clarified that it is permitted to discuss the event itself but a discussion on policy regarding the event is not permitted.

Director Berardino shared his wish to further inform the public, at the gun show events, of the California's strict gun regulations and standards. He discussed some of those regulations.

Nick Buffa, OCFEC Director of Security & Traffic, stated that at the gun show events at OCFEC, the sales and transfers of legal products is

regulated by the California State Department of Justice, Bureau of Firearms (DOJ) on site.

Chair Bagneris asked if there have been any problems at the gun show events.

Buffa added, there have been some arrests once in a while for illegal sales but the DOJ has a layer of protection at the shows with non-uniformed officers.

Berardino suggested that OCFEC add signage at the events to inform gun show attendees of California's strict rules and regulations

Richards added that the promoter has added language in their radio ads about the adherence to strict California gun laws.

Director Berardino asked for a summary of California gun laws and suggested large and more prominent signs with gun law information at the gun show events.

Kramer said she will work with staff and report back.

6. PUBLIC COMMENTS

Reggie Mundekis shared her observations from attending a recent gun show held at OCFEC. She shared she thought fair time employees made more than minimum wage. Mundekis asked the Board to consider bringing back event-booking jobs in-house.

Anna Vrska shared her concern with overcommercialization and overutilization of the property. She suggested that the Board of Directors meetings be at a more accessible time for the general public to attend.

Mary suggested to have some Board of Directors meetings during the year at a more accessible time or consider recording the meetings and post them to the website. She commented on gun show and shared her concern of certain parts being able to be sold to build guns. She asked if all events are required to have a business license.

7. MINUTES:

A. Board Meeting held January 25, 2018

ACTION: Director Cervantes motioned and Director La Belle seconded to review and approve the minutes from the Board meeting held January 25, 2018. **MOTION CARRIED. AYES:** Chair Bagneris, Director Berardino, Director Tkaczyk, Director La Belle and Director Cervantes. **NAYES:** None.

8. CONSENT CALENDAR

- A. Standard Agreements: SA-005-18SP; SA-006-18SP; SA-007-18SP; SA-008-18GE; SA-011-18HB; SA-012-18HB; SA-013-18HB; SA-014-18HB; SA-015-18HB; SA-016-18HB; SA-017-18HB; SA-018-18HB; SA-019-18HB; SA-026-18GE; SA-028-18HB; SA-029-18HB; SA-031-18AS; SA-032-18IO; SA-033-18IO; SA-034-18IO; SA-035-18IO; SA-036-18IO; SA-037-18IO; SA-038-18IO; SA-039-18IO; SA-040-18IO; SA-041-18IO; SA-042-18IO
- B. Amendments: SA-25-13CT (Amend. #4); SA-126-16FT (Amend. #1); SA-238-16WR (Amend. #3); SA-096-17YR (Amend. #1)
- C. Rental Agreements: R-028-18; R-034-18; R-041-18; R-046-18; R-071-18; R-072-18; R-074-18; R-077-18; R-078-18; R-086-18; 18 IO-FE 02; 18 IO-FE 03; 18 IO-FE 04; 18 IO-FE 05; 18 IO-FE 06; 18 IO-FE 07; 18 IO-FE 08; 18 IO-FE 09; 18 IO-FE 10; 18 IO-FE 11; 18 IO-FE 12; 18 IO-FE 13; 18 IO-FE 14; 18 IO-FE 15; 18 IO-FE 16; 18 IO-FE 17; 18 IO-FE 18; 18 IO-FE 19; 18 IO-FE 20; 18 IO-FE 21; 18 IO-FE 22; 18 IO-FE 23; 18 IO-FE 24; 18 IO-FE 25; 18 IO-FE 26; 18 IO-FE 27; 18 IO-FE 28; 18 IO-FE 29; 18 IO-FE 30; 18 IO-FE 31; 18 IO-FE 32; 18 IO-FE 33; 18 IO-FE 34; 18 IO-FE 35; 18 IO-FE 36; 18 IO-FE 37; 18 IO-FE 38; 18 IO-FE 39; 18 IO-FE 40; 18 IO-FE 41; 18 IO-FE 42; 18 IO-FE 43; 18 IO-FE 44; 18 IO-FE 45; 18 IO-FE 46; 18 IO-FE 47; 18 IO-FE 48; 18 IO-FE 49; 18 IO-FE 50; 18 IO-FE 51; 18 IO-FE 52
- 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. Letter from Joseph Angelo of Angelo & White Law Firm
- 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-

Ana Vrska commented on the Ticketmaster extension contract SA-25-13CT. She shared her concerns around the bid protest and the extension of the contract.

Reggie Mundekis agreed with the extension of the Ticketmaster contract. Mundekis also criticized staff's fulfillment of public records request with regard to the Ticketmaster contract.

Director La Belle asked to pull the Verizon sponsorship contract, SA-007-18SP and Johnson Gray Advertising, Inc. contract SA-031-18AS from the consent calendar for discussion.

Director Berardino commented on the Ticketmaster contract. He shared that he is not in favor of long term contracts in the public sector. He applauded staff for taking a second look at the ticketing services RFP.

Kramer stated that the ticketing services RFP will go to bid during the 2018 OC Fair.

Chair Bagneris agreed with the rebid of the ticketing services RFP.

ACTION: Director Cervantes motioned and Director La Belle seconded to review and approve the Consent Calendar with agreements SA-007-18SP and SA-031-18AS pulled for discussion. **MOTION CARRIED. AYES: Chair Bagneris, Director Berardino, Director Tkaczyk, Director La Belle and Director Cervantes. NAYES: None.**

Director La Belle disclosed 64 shares of Verizon stock. He also asked for a briefing on the Johnson Gray Advertising contract.

Richards explained that the Johnson Gray Advertising, Inc. contract SA-031-18AS, was a six month emergency contract. She explained further:

- The current advertising services contract expired on December 31, 2017.
- A RFP for advertising services went to bid and was awarded to Johnson Gray Advertising.
- The incumbent agency, Senses, filed a protest with the Department of General Services (DGS), who review all protests.
- Because of the timing of DGS's decision that the RFP would have to be reissued, DGS advised OCFEC to enter into a temporary emergency contract.

Director La Belle asked for a summary of the scope of work for the advertising services contract.

Richards outlined the scope of work for the advertising services contract to include media placement, television and radio ads, assistance with market promotions and collaborate with OCFEC's Creative Services to develop creative direction for the fair each year.

Board and staff discussion around the bid, scoring and protest process of the advertising services contract continued.

Kramer stated that per State contracting policies, the contract scoring panel must be members of the District.

ACTION: Director Cervantes motioned and Director Tkaczyk seconded to review and approve agreements SA-007-18SP and SA-031-18AS Consent Calendar. **MOTION CARRIED. AYES: Chair Bagneris, Director Berardino, Director Tkaczyk, Director La Belle and Director Cervantes. 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)

Reggie Mundekis spoke in opposition of Assembly Bill AB 2396 and asked the Board of Directors to take action to kill AB 2396.

Anna Vrska also spoke in opposition of AB 2396 and asked the Board of Directors to agendaize AB 2396 for a vote to oppose the bill and instruct the District to retain a lobbying firm to take action to kill the bill.

Michele Richards, on behalf of the Centennial Farm Foundation Board, reported that no action items were taken at the last Foundation meeting. She stated that she believed a discussion of the Memorandum of Understanding (MOU) is on the agenda for that afternoon's Foundation meeting.

Director Berardino shared his frustration with the amount of time the Centennial Farm Foundation (CFF) has had to sign the MOU. He also suggested the Board of Directors have a discussion if the Foundation does not sign the MOU.

Chair Bagneris agreed with Director Berardino and asked Director Cervantes to inform the Foundation of the Board's intention and frustration with regard to the status of the MOU.

Josh Caplan explained that it took the Attorney General's office a

significant amount of time to get in contact with the Foundation's attorney. He summarized the Foundation's remaining sticking points of the MOU.

Director Tkaczyk asked Caplan what would happen if the Centennial Farm Foundation does not sign the MOU.

Caplan discussed possible scenarios if the Foundation does not sign the MOU.

Chair Bagneris called for a Centennial Farm Foundation MOU discussion be agendaized for the next Board of Directors meeting. She suggested discussing the removal of OC FEC Board members from the CFF Board.

Director Berardino suggested and Chair Bagneris agreed to direct the CFF liaison to inform the CFF that the last draft of the MOU is the best and final offer.

Director Berardino, on behalf of the Heroes Hall Veterans Foundation Board, commented on the Heroes Hall first anniversary, birthday celebration. He complimented the Heroes Hall staff. Chair Bagneris also commented on the great event and encouraged everyone to see the latest exhibit at Heroes Hall.

Chair Bagneris decided to sunset the 2018 OC Fair City Liaison Committee.

Director Berardino, on behalf of the Legislative Monitoring Task Force, commented on Assembly Bill AB 2396 and suggested getting more information about it.

Director La Belle asked to get an analysis of AB 2396 from Gonsalves and Sons, legislative counsel.

Director Tkaczyk asked for an update on SB 741, the 50/50 charity raffle bill. Chair Berardino explained that there is some opposition to the bill and the bill may have to be amended. They discussed the language of the bill and how it applies to different charities.

Theresa Sears spoke in opposition of AB 2396 stating she is not a supporter of the bill's author.

Mary spoke in opposition of SB 741 and AB 2396.

Chair Bagneris reminded the public to turn in the public comment cards at the beginning of the meeting.

Director La Bell, on behalf of the Master Site Plan Task Force, gave a

recap of the Master Site Plan process. He stated that the task force had met earlier in the week, related to earlier direction, with regard to the development of a cost-benefit analysis on potential components of Master Site Plan concepts. He announced that at the April Board of Directors meeting there will be another Master Site Plan workshop. He shared that the Task Force had made the conscience decision to defer the CEQA process until the conceptual draft Master Site Plan is approved. He added that staff is in the process of finalizing the RFP for the environmental consultant, to facilitate the CEQU process. He elaborated on potential concepts to help dispel any misinformation of a convention center being part of the Master Site Plan draft concepts.

Chair Bagneris shared her appreciation to Director Labelle for his work on the Task Force.

Director Tkaczyk, on behalf of the Tenant Liaison Committee, stated that there was nothing to report. Chair Bagneris commented she might take a review of the Committee to decide to sunset it or not. Director Tkaczyk suggested they have further discussion on the matter. Chair Bagneris specified that the point of a task force or ad hoc committee is to be used to take care of an issue and reach an end goal.

B. Unbudgeted Out-of-State Travel Request

Action Item

Michele Richards presented staff report.

ACTION: Director Berardino motioned and Director La Belle seconded to review the out-of-state travel for an Exhibits & Education Department staff member to attend the ShoWorks conference. **MOTION CARRIED. AYES: Chair Bagneris, Director Berardino, Director Tkaczyk, Director La Belle and Director Cervantes. NAYES: None.**

C. OCFEC Cannabis Event Policy Recommendations

Action Item

Michele Richards presented the staff report. She stated the policy language developed by staff and reviewed by our representative from the Attorney General's office as: "The 32nd District Agricultural Association (OC Fair & Event Center) does not book cannabis-related events at the OC Fair & Event Center for several reasons, including without limitation, the City of Costa Mesa's Marijuana Ordinance and the OC Fair & Event Center's close proximity to schools, parks, day care centers and other areas where minors gather. This policy also extends to existing events which are prohibited from including cannabis products or activities, cannabis-related products or activities or drug paraphernalia during events held at the OC Fair & Event

Center. The OC Fair & Event Center does not permit any sponsor, vendor or exhibitor to include in any marketing, advertising or information for an event held at the OC Fair & Event Center, any promotion, information or advertisement from cannabis dispensaries or third-parties that sell or promote cannabis-related products or drug paraphernalia. Event sponsors, vendors and/or exhibitors may not distribute, sell or promote cannabis products, cannabis-related products or drug paraphernalia during any event at the OC Fair & Event Center.”

Director Berardino questioned the definition of paraphernalia in the policy language.

Caplan explained that it is a legal term under federal and state law.

Further discussion continued around the term paraphernalia and items that could be considered paraphernalia.

Chair Bagneris asked the policy would prohibit a vendor from distributing literature regarding medical cannabis.

Richards commented that it is prohibited under the City of Costa Mesa Ordinance, except in a defined area.

Caplan added it covers all types of marijuana use, including medical purpose.

ACTION: Director La Belle motioned and Director Cervantes seconded to review and approve the OCFEC Cannabis Events Policy language as: “The 32nd District Agricultural Association (OC Fair & Event Center) does not book cannabis-related events at the OC Fair & Event Center for several reasons, including without limitation, the City of Costa Mesa’s Marijuana Ordinance and the OC Fair & Event Center’s close proximity to schools, parks, day care centers and other areas where minors gather. This policy also extends to existing events which are prohibited from including cannabis products or activities, cannabis-related products or activities or drug paraphernalia during events held at the OC Fair & Event Center. The OC Fair & Event Center does not permit any sponsor, vendor or exhibitor to include in any marketing, advertising or information for an event held at the OC Fair & Event Center, any promotion, information or advertisement from cannabis dispensaries or third-parties that sell or promote cannabis-related products or drug paraphernalia. Event sponsors, vendors and/or exhibitors may not distribute, sell or promote cannabis products, cannabis-related products or drug paraphernalia during any event at the OC Fair & Event Center.” **MOTION CARRIED.**
AYES: Chair Bagneris, Director Berardino, Director Tkaczyk, Director La Belle and Director Cervantes. **NAYES:** None.

D. Emergency Property Usage Agreements
Information Item

Ken Karns presented staff report.

Director La Belle asked that final versions of the Emergency Property Usage Agreements come back to the Board for review.

E. Notification of Scheduled Board of Directors' Workshops for March, April and May Board of Directors Meetings
Information Item

Reggie Mundekis criticized the Master Site Plan process and the amount of information on the website. She spoke in opposition of the decision to defer the CEQA process. Mundekis also criticized staff's fulfillment of public records request with regard to the Master Site Plan documents and environmental notices. She also requested to move all Mater Site Plan workshop meetings to the evening.

Chair Bagneris presented the staff report.

Director La Belle stated the cost-benefit analysis, on all of the individual components of the Master Site Plan draft, will be distributed to the Board and public in advance of the April workshop. He also added that sometime between the April and May Board of Directors meetings, there will be an evening meeting for public input.

Chair Bagneris asserted that she does not deal in back-room deals and if there were any to occur, she would expose them.

F. OCFEC Public Records Request Fulfillment Process
Information Item

Reggie Mundekis quoted California Public Records Request Act (CPRA) case law. She criticized staff's response letters to her public records requests.

Ana Vrska stated that the laws regarding CPRA exist for checks and balances. She shared her experience with public records requests with the City of Costa Mesa.

Chair Bagneris explained that the purpose of this agenda item was to understand what the process is for public records requests.

Kramer provided a summary of OCFEC's process of fulfillment of public records requests.

Director Berardino shared some of his experience with public records request. He encourage discussion before submitting requests.

Chair Bagneris directed Director Berardino to not to refer members of the public by name; to refer to them as members of the public.

Chair Bagneris commented that she'd like to find a way to minimize the amount of requests.

10. CLOSED SESSION

No closed Session

11. BOARD OF DIRECTORS MATTERS OF INFORMATION

Director Berardino said he would like to see guidelines for staff who interact with contractors. He thanked Chair Bagneris for her organization of the meeting.

Director Tkaczyk ask that a review and discussion of the RFP process be agendized for the next meeting.

Director La Belle reiterated pervious comments.

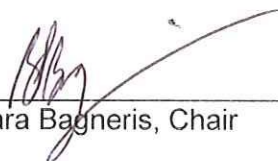
Director Berardino said he would also like to see a personnel manual or Human Recourses which should contain policy for staff interaction with contractors.

Chair Bagneris thanked everyone for the good discussion. She thanked staff for their innovation and creativity.

12. NEXT BOARD MEETING: MARCH 22, 2017

13. ADJOURNMENT

Meeting adjourned at 11:42 a.m.



Barbara Bagneris, Chair



Kathy Kramer, Chief Executive Officer