



**Board of Directors Meeting  
February 22, 2018**

**Please silence your cell phones**

The Mission of OCFEC is...

Celebration of Orange County's  
Communities, Interests,  
Agriculture and Heritage

*(with results justifying resources expended)*



# 5. CEO's Operational Announcements & Updates



**HEROES HALL**  
THROUGH THE EYES OF VETERANS



# 2017 Year-end Results

Actual	2017	2016	YoY Change
Revenue	\$46,218,579	\$44,085,055	\$2,133,524
Expenses	\$39,552,697	\$36,450,973	\$3,101,724
Net Proceeds	\$6,665,883	\$7,634,082	\$ (968,199)



# 2017 Actuals vs 2017 Budget

	Actual	Budget	Budget
Revenue	\$46,218,579	\$45,957,473	\$261,106
Expenses	\$39,552,697	\$41,157,631	\$1,604,934
Net Proceeds	\$6,665,883	\$4,799,842	\$1,866,041



# 2017 Total Revenue

Total 2017 Revenue increased by \$2.1M to \$46.2M vs. \$44.1M in 2016. This was a 4.5% increase over 2016.

- \$ 891k -- Facility and Other Event Rentals
- \$ 587k -- Admissions
- \$ 448k -- Concessions
- \$ 393k -- Attractions (Pac-Amp)
- \$ 183k -- Interest Income
- \$ 150k -- Grants



## 2017 Operating Expenses

Total 2017 Operating Expenses increased by \$3.4M to \$36.3M vs. \$32.9M in 2016. This was a 10% increase from 2016.

2017 Increases included:

- \$ 1.4M -- Professional Services
- \$ 1.2M -- Payroll and Related Expenses
- \$ 443k -- Facility Expense
- \$ 169k -- Major Acts (Talent)
- \$ 133k -- Supplies & Equipment
- \$ 125k -- Publicity





# 2017 Labor Ratio

Labor and Related Expense as a Percent of Total Revenue.

	2017	2016
Total Revenue	\$46,218,579	\$44,085,055
Labor and Related	\$14,898,921	\$13,701,737
Percent	32%	31%



# Estimated Future Labor Costs

Direct Temp Labor due to the Minimum Wage Increase

<b>Year</b>	<b>Minimum Wage for Employers with 26 Employees or More</b>	<b>% Increase</b>	<b>Increase</b>
<b>2018</b>	\$11.00/hour	1.30%	\$ 70,179
<b>2019</b>	\$12.00/hour	4.25%	\$ 301,961
<b>2020</b>	\$13.00/hour	4.99%	\$ 585,755
<b>2021</b>	\$14.00/hour	5.46%	\$ 912,030
<b>2022</b>	\$15.00/hour	5.48%	\$ 1,257,104
<b>Cumulative 5 year cost</b>			<b>\$ 2,886,488</b>



# Cash and Equivalent

At year-end, December 31			
		2017	2016
Cash on hand		\$1,393,825	\$2,330,871
Investments		\$42,183,671	\$35,876,117
Total Cash		\$43,577,495	\$38,206,988



# January 2018

	Actual	Budget	Variance
YTD Revenue	\$641,503	\$491,714	\$149,789
YTD Expenses	\$1,451,966	\$2,295,293	\$843,327
YTD Net Proceeds	-\$810,463	-\$1,803,579	\$993,115



# CASH & EQUIVALENT

Cash January 31, 2018

Cash January 31, 2017

\$ 42,054,757

\$ 37,066,545



# 5. CEO's Operational Announcements & Updates





**Cirque du Soleil - LUZIA**  
**February 21 – March 18**



**Flying Miz Daisy Vintage Market**  
**Saturday-Sunday, March 2-3**



**Garden Class: Citrus Care & Pruning**  
**Saturday, March 3**



**AAOC Trade Show & Conference**  
**Thursday, March 8**

**Food Preservation Workshop: Escabeche**  
**Saturday, March 10**



**Musink**  
**Friday-Sunday, March 16-18**





**Floral Design Workshop  
Saturday, March 17**



**Crossroads of the West Gun Show  
Saturday-Sunday, March 24-25**



**OC's Largest Mixer  
Thursday, March 29**



**Zedtown  
Saturday, March 31**



**Monday-Friday: 1p.m.-4p.m.**  
**Saturday-Sunday: 9a.m.-4p.m.**



**Wed.-Sun., 11a.m.-5p.m.**



**Saturdays/Sundays, 7a.m.-4p.m.**



**Thursday, 9a.m.-1p.m.**

# 5. CEO's Operational Announcements & Updates



## 6. Matters of Public Comment

Speakers are requested to sign in prior to the start of the meeting and are limited to three minutes. Public comment is allowed on issues NOT on the current Agenda. However, no debate by the Board shall be permitted on such public comments, and no action will be taken on such public comment items at this time, as law requires formal public notice prior to any action on a docket item.

Comments will be accepted on Agenda items during the meeting. Speakers wishing to address the Board on items on the agenda are requested to sign in prior to the start of the meeting and identify the agenda item[s] on which you desire to address the Board. Speakers are limited to three minutes.



# 7. Minutes

A. Board Meeting held January 25, 2018  
Action Item



## 8. Consent Calendar: (Policy Reference: 4.3.4)

All matters listed under Consent Calendar are operational matters about which the Board has governing policies, implementation of which is delegated to the CEO. They will be enacted in one motion by category in the order listed below. There will be no discussion of these items prior to the time the Board of Directors votes on the motion, unless members of the board, staff or public request specific items to be discussed separately and/or removed from this section.

Any member of the public who wishes to discuss Consent Calendar items should notify the Chair of the Board, at the time requested and be recognized by invitation of the Chair to address the Board.





# 9A. Committee/Task Force/Liaison Reports

## **INFORMATION ITEM:**

To assure compliance with the Bagley-Keene Act, Committee reports are only for the purpose of the Committee chair, Task Force members or Liaison to provide a verbal update. Should the Board want to discuss any Committee work item not already on the agenda; those would need to be agendized for a future Board meeting.

- 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, Director 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)



## 9B. Unbudgeted Out-of-State Travel Request

Board policy states that all out-of-state travel by District employees requires prior approval by the Board of Directors.

The District would like to send an Exhibits & Education Department staff member to attend the ShoWorks software conference. ShoWorks is the exhibitor and entries management software used by the OC Fair to process registrations, judging, premium payouts and auction payouts for the Visual Arts, Home Arts, Garden & Floral, Culinary and Livestock competitions at the annual OC Fair.

The estimated travel expenses total \$1,170 and include conference registration, meals, hotel and airfare.





## 9B. Unbudgeted Out-of-State Travel Request

### **RECOMMENDATION:**

Approve out-of-state Travel for an Exhibits & Education Department staff member to attend the 2018 ShoWorks Conference in Cody, Wyoming from April 4-6, 2017.



## 9C. OCFEC Cannabis Event Policy Recommendations

At the January 25, 2017 meeting, the Board of Directors voted unanimously to prohibit cannabis-related events at OC Fair & Event Center and directed staff to work with counsel to develop a policy for Board approval.



# 9C. OCFEC Cannabis Event Policy Recommendations

***Below is the policy language developed by staff and reviewed by our representative from the Attorney General's office:***

*“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.”*



## 9C. OCFEC Cannabis Event Policy Recommendations

### **RECOMMENDATION:**

Approve the Cannabis Event Policy language as presented by staff.



## 9D. Emergency Property Usage Agreements

### **INFORMATION ITEM:**

The OC Fair & Event Center currently has four emergency property use agreements with the following agencies:

- Strategic National Stockpile (SNS) Program
- Orange County Major Emergency Mass Reception, Care and Shelter Site
- Orange County Bio-terrorism Decontamination Center
- OC Animal Care (County of Orange) Large Animal Evacuation Center

OCFEC is currently in discussions with these two agencies:

- Fairview Developmental Center Temporary Displacement/Evacuation Center
- Costa Mesa Temporary Displacement Center/Emergency Equipment Staging Area



## 9D. Emergency Property Usage Agreements

### **INFORMATION ITEM:**

We are in the process of working with each agency and reviewing their agreements to ensure we have current contracts in place and appropriate communication notification system for activation.

We are also in conversation with California Department of Food & Agriculture to understand if there are any State requirements as it relates to a priority system for activation from these different agencies.

Staff will continue work to ensure we have valid contracts with all appropriate agencies and ongoing communications so all parties are prepared in case of any emergency situation.



# 9E. Notification of Scheduled Board of Directors' Workshops for March, April and May Board of Directors Meetings

## **INFORMATION ITEM:**

The next three Board of Directors meetings will require additional time due the following:

- ❖ March 22<sup>nd</sup> - Board of Directors Training
- ❖ April 26<sup>th</sup> - Master Site Plan Workshop
- ❖ May 24<sup>th</sup> - Strategic Business Plan Workshop



# 9E. Notification of Scheduled Board of Directors' Workshops for March, April and May Board of Directors Meetings

## **INFORMATION ITEM:**

We are proposing the following timeline for the March, April and May Board of Directors meetings:

<b>9:00 a.m. – 10:30 a.m.</b>	Agenda items 1-9 (including Call to Order through Governance Process, workshop/training to be last governance item)
<b>10:30 a.m. – 10:45 a.m.</b>	Short recess for room re-set (if necessary)
<b>10:45 a.m. – 12:30 p.m.</b>	Workshop/Training to commence
<b>12:30 p.m. – 12:40 p.m.</b>	Short recess as boxed lunches are delivered for Board of Directors and members of the public
<b>12:40 p.m. – 2:00 p.m.</b>	Workshop/Training to continue through working lunch
<b>2:00 p.m. – 2:15 p.m.</b>	Wrap up of final Agenda items (Board of Directors Matters of Information and Adjournment)





# 9F. OCFEC Public Records Request Fulfillment Process

## **INFORMATION ITEM:**

To provide the Board of Directors and members of the public with the California Public Records Act (CPRA) requirements and fulfillment process.

**In the Board of Director packets and copies available to the public, at the back of the room, are:**

- Summary of the California Public Records Act 2004, California Office of the Attorney General
- Sample of OCFEC receipt and response email with standard letter and responsive records, fulfilling the requests within ten days. (Sample A & A1)
- Sample of OCFEC receipt and response standard letter with approximate release date of responsive records, if the request cannot be fulfilled within ten days. (Sample B)





Summary  
of the  
California Public Records Act 2004

*California Attorney General's Office*

You can access the 84 page document at:

[http://ag.ca.gov/publications/summary\\_public\\_records\\_act.pdf](http://ag.ca.gov/publications/summary_public_records_act.pdf)

## Sample A:

Sample of receipt/response email  
and attachments

**From:** Staff

**Sent:** Date of email

**To:** Name of Requester

**Subject:** RE: MM, DD, 2018 Public Records Act request | Name of Requestor

**Attachment:** Response/Receipt letter (See Sample A1); Responsive Document #1; Responsive Document #2

Mr. Requester,

Attached is the District's response to your MM, DD, 2018 Public Records Act request. Also attached are the responsive documents.

Regards,

Staff Member



32nd District Agricultural Association, State of California  
88 Fair Drive, Costa Mesa, Calif. 92626  
<http://www.ocfair.com>



**Sample A1:**  
Sample of receipt/response letter with release of responsive records (attached to Sample A email)

Date

Via Email

Name of Requester

Email address of Requester

**Re: MM, DD, 2018 Public Records Act Request**

Dear Name of Requester:

The 32nd District Agricultural Association (District) is in receipt of your MM, DD, 2018 request made under the California Public Records Act (Govt. Code, § 6250, *et seq.*). This letter constitutes the District's response under Government Code section 6253.

The District is authorized by law to dispose of documents after specified time periods, and under certain circumstances. Therefore, some of the records you seek may no longer be available as they have been disposed of consistent with law and the District's document retention policy. Additionally, in many instances, the description of the documents sought in the request is vague and imprecise and it is therefore unclear to the District as to the nature of the records requested. To the extent the request seeks documents that are in the custody or control of another state or local agency, and not in the custody or control of the District, you will need to direct its request to that agency.

Subject to the foregoing, the District will permit access to all records in the District's custody or control and in the public domain, subject to the following objections.

The District will not produce documents statutorily exempt from disclosure. The District will not produce preliminary drafts, notes, intra-agency or interagency memoranda not retained in the ordinary course of business. (Govt. Code, § 6254, subd. (a).) The District will not produce personnel, medical, or similar files and/or information, the disclosure of which would constitute an unwarranted invasion of personal privacy. The District will not produce records whose disclosure is exempted or prohibited pursuant to state or federal law (Govt. Code, § 6254, subd. (k)), including, but not limited to, documents protected by Government Code sections 6275 through 6276.48, the attorney-client privilege (Evid. Code, § 952), the attorney work product doctrine (Code Civ. Proc., § 2018.030, Govt. Code, § 6254, subd. (k)), minutes of closed sessions held by bodies subject to the Bagley-Keene Open Meeting Act (Gov. Code, § 11126.1),

the right to privacy guaranteed by the United States and California Constitutions (California Constitution Article 1, Section 1), the deliberative process privilege (Govt. Code, § 6255), the official information privilege (Evid. Code, § 1040), and other provisions of Federal and state law relating to privilege. The District will not produce correspondence of and to the Governor or employees of the Governor's Office or in the custody of or maintained by the Governor's legal affairs secretary.

The District will not produce records pertaining to pending litigation to which the Board is a party, or to claims made until such litigation or claim has been finally adjudicated or otherwise settled.

Moreover, the District will redact from the records it provides certain private identifying information, if any, such as non-commercial addresses, email addresses, and telephone numbers, along with other sensitive personal information such as social security numbers and credit card numbers, on the basis of the right to personal privacy. (Cal. Const., art. I, §1, as incorporated into the Public Records Act by Gov. Code, § 6254, subd. (k); Gov. Code, § 6255.)

Finally, Government Code section 6253(b) entitles the District to charge for the direct cost of duplication, for both hard copies and electronic copies. If you require hard copies of the electronic documents, please let us know. When the documents are available, we will advise you they are ready and will also advise you of the cost, which must be paid before your receipt of the documents.

Sincerely yours,

32nd District Agricultural Association  
Kathy Kramer, CFE, CMP  
Chief Executive Officer





## Sample B:

### Sample of receipt/response letter with approximate responsive records fulfillment date.

Date

Via Email

Name of Requester

Email address of Requester

**Re: MM, DD, 2018 Public Records Act Request**

Dear Name of Requester:

The 32nd District Agricultural Association (District) is in receipt of your MM, DD, 2018 request made under the California Public Records Act (Govt. Code, § 6250, *et seq.*). This letter constitutes the District's response under Government Code section 6253.

The District is authorized by law to dispose of documents after specified time periods, and under certain circumstances. Therefore, some of the records you seek may no longer be available as they have been disposed of consistent with law and the District's document retention policy. Additionally, in many instances, the description of the documents sought in the request is vague and imprecise and it is therefore unclear to the District as to the nature of the records requested. To the extent the request seeks documents that are in the custody or control of another state or local agency, and not in the custody or control of the District, you will need to direct its request to that agency.

Subject to the foregoing, the District will permit access to all records in the District's custody or control and in the public domain, subject to the following objections.

The District will not produce documents statutorily exempt from disclosure. The District will not produce preliminary drafts, notes, intra-agency or interagency memoranda not retained in the ordinary course of business. (Govt. Code, § 6254, subd. (a).) The District will not produce personnel, medical, or similar files and/or information, the disclosure of which would constitute an unwarranted invasion of personal privacy. The District will not produce records whose disclosure is exempted or prohibited pursuant to state or federal law (Govt. Code, § 6254, subd. (k)), including, but not limited to, documents protected by Government Code sections 6275 through 6276.48, the attorney-client privilege (Evid. Code, § 952), the attorney work product doctrine (Code Civ. Proc., § 2018.030, Govt. Code, § 6254, subd. (k)), minutes of closed sessions held by bodies subject to the Bagley-Keene Open Meeting Act (Gov. Code, § 11126.1),

the right to privacy guaranteed by the United States and California Constitutions (California Constitution Article 1, Section 1), the deliberative process privilege (Govt. Code, § 6255), the official information privilege (Evid. Code, § 1040), and other provisions of Federal and state law relating to privilege. The District will not produce correspondence of and to the Governor or employees of the Governor's Office or in the custody of or maintained by the Governor's legal affairs secretary.

The District will not produce records pertaining to pending litigation to which the Board is a party, or to claims made until such litigation or claim has been finally adjudicated or otherwise settled.

Moreover, the District will redact from the records it provides certain private identifying information, if any, such as non-commercial addresses, email addresses, and telephone numbers, along with other sensitive personal information such as social security numbers and credit card numbers, on the basis of the right to personal privacy. (Cal. Const., art. 1, §1, as incorporated into the Public Records Act by Gov. Code, § 6254, subd. (k); Gov. Code, § 6255.)

The District anticipates that it will take approximately XX days from the receipt of this letter to compile, review, and redact (where necessary) the public records not exempt from disclosure that are responsive to your MM, DD, 2018 Public Records Act request. The District will make every effort, however, to provide these records at an earlier date, if at all possible.

Finally, Government Code section 6253(b) entitles the District to charge for the direct cost of duplication, for both hard copies and electronic copies. If you require hard copies of the electronic documents, please let us know. When the documents are available, we will advise you they are ready and will also advise you of the cost, which must be paid before your receipt of the documents.

Sincerely yours,

32nd District Agricultural Association  
Kathy Kramer, CFE, CMP  
Chief Executive Officer

## 10. Closed Session

A. Pending Litigation – The Board will meet in closed session to consult with legal counsel regarding the following pending litigation. [Gov. Code section 11126(e).]

- i. To confer with and receive advice from legal counsel regarding potential litigation involving the 32nd District Agricultural Association. Based on existing facts and circumstances, the Board of Directors will decide whether to initiate litigation.
- ii. To confer with and receive advice from legal counsel regarding potential litigation involving the 32nd District Agricultural Association. Based on existing facts and circumstances, there is significant exposure to litigation against the 32nd District Agricultural Association.
- iii. To confer with counsel, discuss, and consider the following pending litigation to which the 32nd District Agricultural Association is a party: The Official Committee of Unsecured Creditors on behalf of the bankruptcy estate of HH Liquidation, LLC, et al. v. 32nd District Agricultural Association, United States Bankruptcy Court, District of Delaware, Case No. 17-51212 (KG)



11. Board of Directors' Matters of Information

**Next Board Meeting**

**March 22, 2018**



OC Fair & Event Center – Costa Mesa, California