



OC Fair & Event Center

Effective Governance

A Seminar By
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President/CEO



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Part 1

California Fairs *(Who Are We?)*

California Fairs

A Network of Fairs

The network of California fairs includes 77 fair organizations divided into four categories:

- ✓ 52 District Agricultural Associations (DAA)*
(The OCFEC is the 32nd DAA)
- ✓ 22 County Fairs (either county government or not-for-profit)
- ✓ 2 Citrus Fruit Fairs (Not-for-profit)
- ✓ The California Exposition and State Fair (CalExpo)

* 2 additional DAA's were deactivated in 1997-98

California Fairs Class Sizes

Class Level	Operating Revenue	# of Fairs Per Class
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I	Up to \$360,000	9
II	\$360,000 - \$550,000	9
III	\$550,001 - \$1,000,000	28
IV	\$1,500,000 - \$3,000,000	14
V	\$5,000,000 - \$6,000,000	4
VI	\$6,000,001 - \$10,000,000	5
VII	Over \$10,000,000	5
IX	Owns No Land	3

California Fairs

How Are Boards of Directors Governed?

- ✓ DAA's are State institutions per the Food & Agriculture Code.
- ✓ DAA boundaries are set by the F&A Code.
- ✓ DAA Fair Boards are composed of 9 Directors.
- ✓ Directors are appointed by the Governor.
- ✓ Directors serve until reappointed, replaced or retired.

California Fairs

Director's Accountability

- ✓ Board members and public employees generally cannot be held civilly liable for acts or omissions, exercising due care, in the execution or enforcement of a law, including making decisions on behalf of the 32nd DAA that are consistent with the law.

California Fairs

Office of the Governor - Director's Oath

The California Government Code prohibits state officers and employees from engaging in activities which are inconsistent or incompatible with their duties for private gain or advantage.

- ✓ Using prestige or influence
- ✓ Using state resources
- ✓ Using confidential information
- ✓ Accepting money/gifts for acts which would otherwise be expected.
- ✓ Accepting money/gifts for from anyone seeking to do business with the state.

California Fairs

Required and Recommended Training

Required

- ✓ Ethics orientation for State officials. (every 2 years)
- ✓ Sexual Harassment and Prevention. (every 4 years)

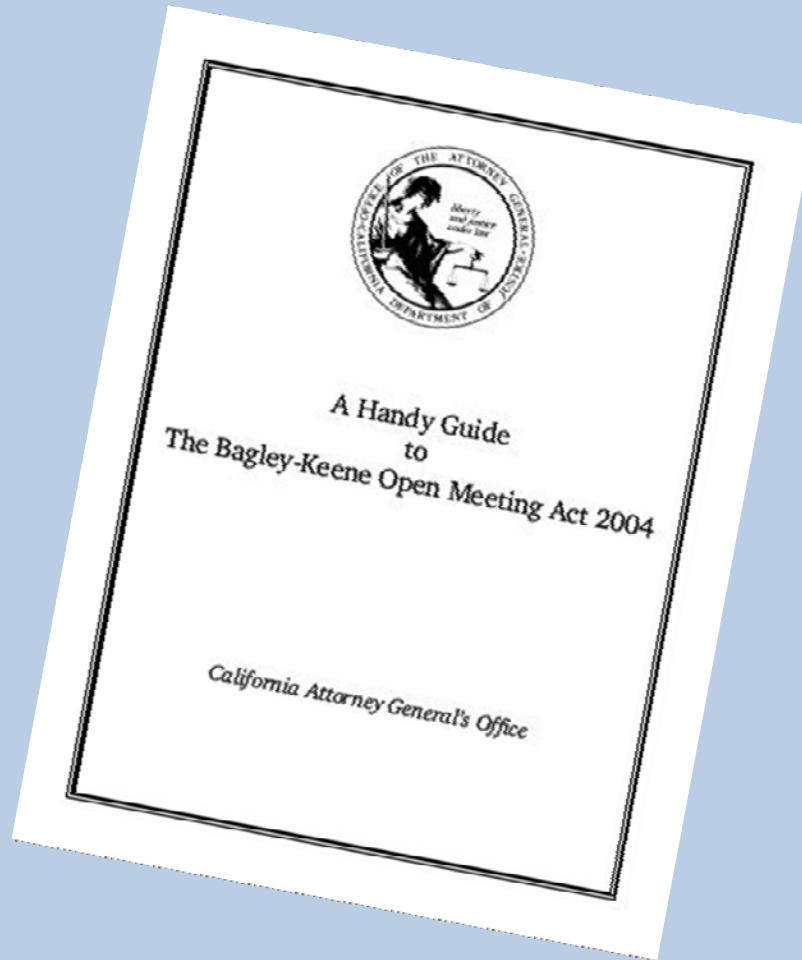
Recommended

- ✓ Civil Rights training.
- ✓ Bullying & Violence in the Workplace.
- ✓ Protecting Privacy in State Government.

California Fairs

Bagley–Keene Open Meeting Act (BKA)

(Government Code Sections 11120-111321)

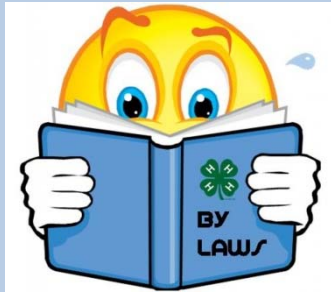


California Fairs

Basic Concepts of Open Meeting Act

- ✓ DAA's are subject to BKA, not the Brown Act.
- ✓ Unconditional public participation guaranteed.
- ✓ 10-day noticed required (post on web page).
- ✓ Agenda must be descriptive.
- ✓ Matters not on the agenda cannot be discussed.
- ✓ No closed sessions unless authorized.
- ✓ Must provide access to public records.
- ✓ Must take minutes of meetings.
- ✓ Violations of BKA subject to penalties.

California Fairs DAA By-Laws



THE 32nd DISTRICT AGRICULTURAL ASSOCIATION
BYLAWS OF
ARTICLE I - OFFICES

Section 1: **Name:** The name of this organization is the name established by law, to wit: the Agricultural Association, an agency of the State of California, and shall be these bylaws as the "Association."

Section 2: **Principal Office:** The principal office for the transaction of the business of the Association is fixed and located at 88 Fair Drive, in the city of Costa Mesa, County of Orange, California. The Board of Directors may change the location of the principal office.

ARTICLE II - MEETINGS

Section 1: **Policy:** It is public policy of the State of California that public agencies exist so that the people's business and the proceedings of public agencies be conducted so that the public may remain informed. The conduct and actions of the Board of Directors, its members, and its committees, are conducted in compliance with all pertinent laws, including but not limited to the Bagley-Keene Open Meeting Act, as they may exist from time to time.

Section 2: **Notices of Meetings:** In compliance with the Bagley-Keene Open Meeting Act, §§ 11120, *et seq.*, and all other applicable open meeting laws, all regular, annual, and special meetings of the Board of Directors shall be held with a ten-day written notice binding written agenda with descriptions of items to be considered and covered.

Section 3: **Regular Meetings:** Regular meetings of the Board will be held at monthly intervals, not less than six months per year. 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 meetings. All meetings shall be noticed in accordance with all applicable statutes and regulations.

Section 4: **Annual Meeting:** The annual meeting of the Board shall be held at the Association at 9:00 a.m. on the fourth Thursday of August of each year, if that day is a legal holiday, and if a legal holiday, then the annual meeting shall be held, at the discretion of the Board of Directors, on the preceding or next succeeding business day. The annual meeting shall be noticed in accordance with all applicable statutes, codes, and regulations.

Section 5: **Special Meetings:** Special meetings of the Board of Directors may be called at the discretion of (a) a majority of the members of the Board of Directors or (b) the Chair of the Board of Directors or, if the Chair is unable to call a meeting, by the Vice-Chair of the Board of Directors. Special meetings may be called only for the purposes set forth in the bylaws and shall be noticed in accordance with Government Code section 11125.4, as it may be amended.



Part 2

Effective Boards and Board Members

Effective Boards and Board Members

“Serving as the board’s chief governance officer, the board chair’s job is to ensure that the board fulfills its duties in a manner consistent with governing documents and policies and, secondarily, to represent the board to outside parties.”



“The board’s job is not to run the organization, but rather to ensure that it is run well.”

Effective Boards and Board Members

Board Responsibilities

- ✓ Develop, review, and revise the District's Strategic Plan, Mission Statement, Purpose and Vision.
- ✓ Develop and adopt key Financial and Administrative policies that are in line with the District's goals and will strengthen the District's business practices and procedures.
- ✓ Evaluate the clarity and effectiveness of the District's policies and procedures.
- ✓ Adopt a balanced operating budget.
- ✓ Monitor the District's budget and finances to ensure that it remains a viable entity.

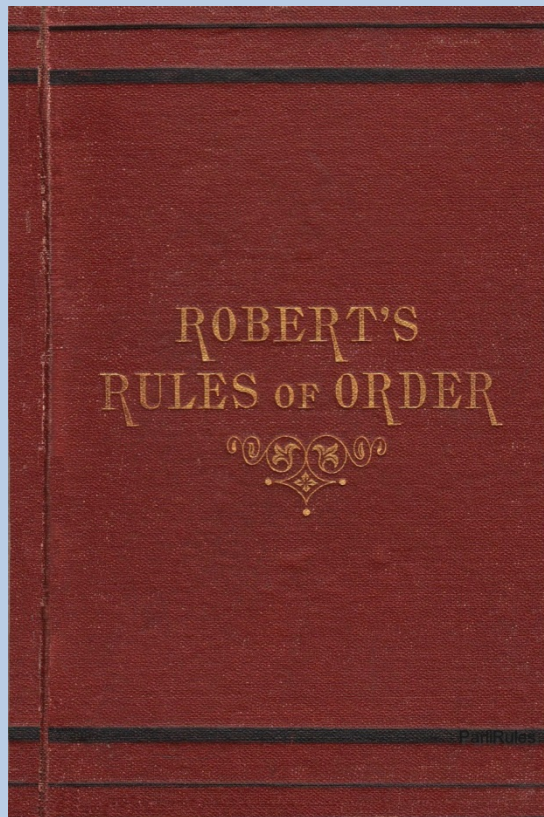
Effective Boards and Board Members

Board Responsibilities (cont.)

- ✓ Hire the CEO, set and provide clear goals and expectations, perform an annual evaluation of the CEO's performance.
- ✓ Support the District's full Board.
- ✓ Develop, support and encourage positive community and business relations.
- ✓ Establish annual goals and objectives for the Board and measure the Board's effectiveness.
- ✓ Develop and provide guidance on the District's long-term goals and expectations.

Effective Boards and Board Members

Robert's Rules of Order



"...a member shall rise and address the chair by title, and be recognized by the chair as having obtained the floor; and that the member shall then make a motion which, after being seconded, shall be stated by the chair, who shall then ask, "Are you ready for the question?"

Effective Boards and Board Members

Individual Directors Roles

- ✓ Consider other points of view, make constructive suggestions and help the Board make decisions that benefit the District and the community it serves.
- ✓ Act as an ambassador for the District and project a positive image of the District to individuals, the public and other fair associations.
- ✓ Actively support all District activities, including interim activities and District-sponsored events.
- ✓ Avoid micro-managing and impacting management's areas of responsibility.

Effective Boards and Board Members

Individual Directors Roles (Cont.)

- ✓ Avoid conflicts of interest...place the good of the District ahead of any personal or professional gain.
- ✓ Individual Board members have no authority to act independently from the Board.
- ✓ Individual Board members should abide by the Board's majority decision and speak with a unified message even if they disagree with the decision.
- ✓ Unless specifically authorized, individual Board members cannot speak for the Board.

Effective Boards and Board Members Leadership vs. Management



**“Leadership” =
Vision**

**“Management” =
Implementation**



Effective Boards and Board Members

Five-Year Strategic Business Plan



Effective Boards and Board Members

Board and CEO Relationship

The Board works together with the CEO to focus on policy objectives including:

- Financial and administrative functions of the District
- Strategic planning activities
- The annual budget

The Board sets policies and goals giving the CEO support and full authority to implement them in the day-to-day management of the District.

Effective Boards and Board Members

Board and CEO Relationship (cont.)

Things to keep in mind...

- ✓ The Board's job is to create the vision; the Executive Staff implements.
- ✓ Set clear criteria for defining results and priorities.
- ✓ Clarify boundaries of authority within which the CEO is empowered to make decisions.
- ✓ Treat the Executive Staff with respect and courtesy as they are on the front lines.

Effective Boards and Board Members

Board and CEO Relationship (cont.)

- ✓ Lead with one voice. Clarify that the CEO is accountable for expectations set by the entire Board, not those expressed by individual Board members (per Policy 3.1 of the By-Laws).
- ✓ Monitor CEO performance to ensure that it is consistent with the Board's expectation.
- ✓ Focus on results and systematic accountability for performance of the organization.

Effective Boards and Board Members

CEO/Board Responsibilities*

(* Source: CDFA Training Manual)

Area of Responsibility	CEO	Board
Day to Day Operations	Makes all decisions regarding daily operations	No role
Board Meeting Information	Create and post Board meeting Notices, Agendas and Minutes	Provide input to CEO for items to include on Agenda
Short-Term Goals	Establishes and implements	Monitors implementation efforts
Long-Term Goals	Recommends and provides information	Approves long-term goals
Budget	Develops and recommends annual budget	Approves annual budget
Fees and Charges	Develops and recommends fee schedule	Approves fee schedule

Effective Boards and Board Members

CEO/Board Responsibilities (cont.)

Area of Responsibility	CEO	Board
Personnel Policies	Recommend and administer	Approves policies
Staffing	Makes all hiring decisions	Authority limited to hiring CEO
Staff Compensation	Approves compensation based on state/county guidelines, union contracts and recommendations from supervisors	Approves compensation line items in annual budget
Staff Assignments	Makes all decisions regarding deployment of staff	No Role
Staff Grievances	Hear all grievances and manage process for addressing them	No Role

Effective Boards and Board Members

CEO/Board Responsibilities (cont.)

Area of Responsibility	CEO	Board
Staff Evaluation	Evaluates overall staff performance with input from supervisors	Evaluates CEO performance only
Staff Termination	Makes final decision with input from supervisors	Authorized to terminate CEO only
Capital Purchases	Prepares requests	Approves requests as line items in annual budget
Facility Building, Renovation, Leasing, Expansion	Recommends, signs contracts with Board approval	Makes decision to proceed
Emergency Repairs	Notifies Board chair and acts with board chair's concurrence	Works with CEO to respond to emergencies

Effective Boards and Board Members

CEO/Board Responsibilities (cont.)

Area of Responsibility	CEO	Board
Major Repairs	Obtains estimates and makes recommendations to Board	Makes decision to proceed
Minor Repairs	Authorizes repairs up to amounts approved by the Board	Establishes policy which specifies amounts CEO may spend without prior Board approval
Cleaning and Maintenance	Establishes schedule and monitors work performed	No Role
Contracts for Supplies and Services	Negotiates and signs contracts within parameters set by the Board and/or state/county to secure goods/services in accordance with the District's plan and budget. Maintain audit trail.	Establishes policy which specifies amounts CEO may spend without prior Board approval

Effective Boards and Board Members

CEO/Board Responsibilities (cont.)

Area of Responsibility	CEO	Board
Billing, Credit and Collections	Proposes and implements policy	Approves policy
Appeals of CEO Decisions (From Community, Participants, Etc.)	Places matter(s) on the Board agenda and briefs the Board	Listens to appeal and makes decisions consistent with its authority

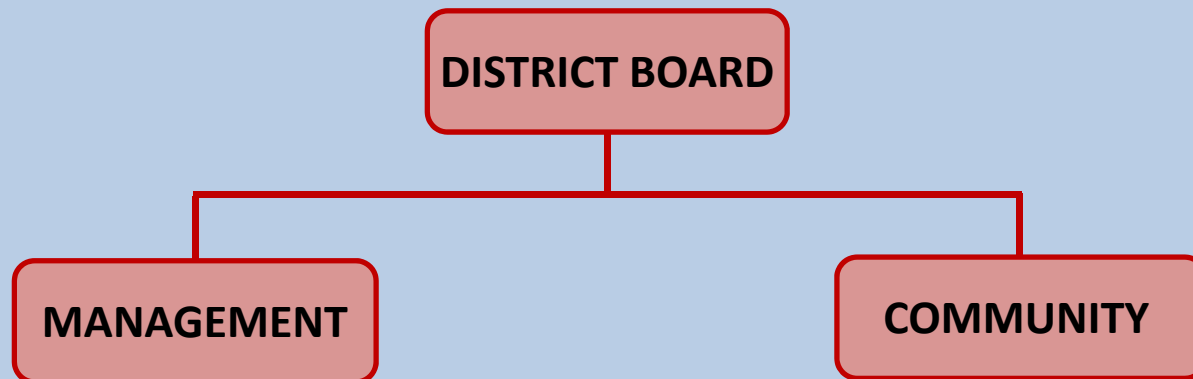
Part 3

Policy Development

Policy Development

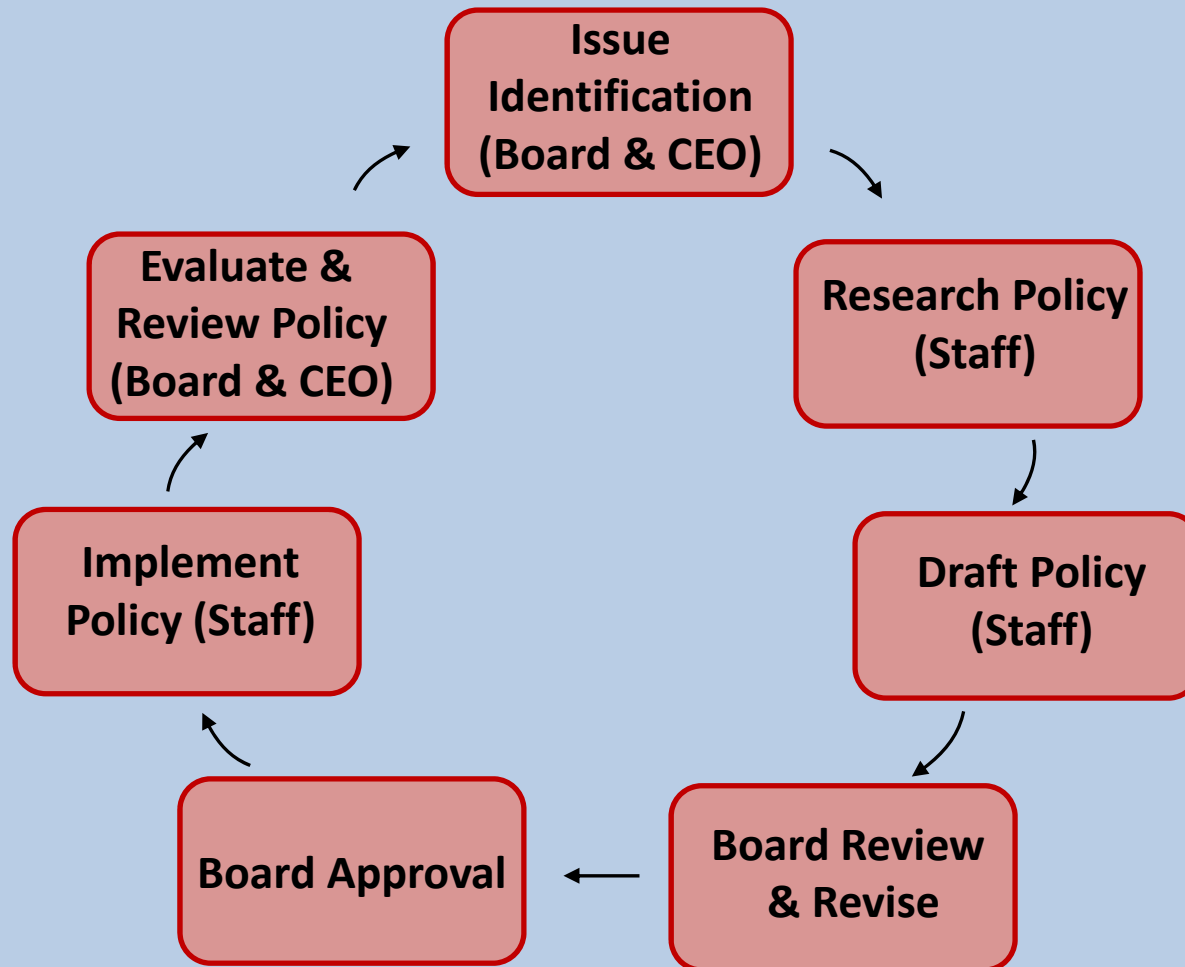
Proactive vs. Reactive

- ✓ Policy development may be either Proactive or Reactive
- ✓ Policies should be reviewed and evaluated annually to ensure their effectiveness
- ✓ Policies should develop and promote transparency throughout the entire organization.



Policy Development

Policy Development Cycle



Policy Development

Committee Types and Functions

Committees:

- *Standing*
 - *Ad Hoc*
- ✓ Committees are a valuable place to assign specific tasks that deserve lengthy discussion and deliberation.
 - ✓ Committees should have job descriptions and a thorough understanding of what is expected.
 - ✓ When a Committee reports out, the Board should determine how it will act on the Committee's report and recommendations.

Policy Development

Standing Committee

Permanent Committees that meet on an ongoing basis and are established in the District's By-Laws.

- ✓ The Board Chair appoints members to Standing Committees and appoints the Committee Chair. Each committee consists of 2 members.
- ✓ Standing Committees recommend action to the full Board for discussion and vote.

Policy Development

Ad Hoc Committee

A temporary committee appointed to fulfill special, time-limited functions on a specific issue.

- ✓ Most by-laws permit the Board Chair to appoint an ad hoc committee at any time to study a particular issue or address a particular project.
- ✓ Ad hoc committees consist of 2 Board members.
- ✓ Once an ad hoc committee has completed its assignment, it is automatically disbanded.

Policy Development

Let The Committees Do The Work!

- ✓ Refine and do the “heavy lifting”
- ✓ Establish strong Committee chairs and itemized agendas...come prepared.
- ✓ Prepare recommendations to be brought back to the Board for discussion and vote.
- ✓ The Board may vote down a Committee recommendation or refer it back for additional work.
- ✓ Once a recommendation has reached the Board, the Board should resist the temptation to “re-do” the Committee’s work

Policy Development

Let The Committees Do The Work!

- ✓ Work with the Board Chair to have items referred to the appropriate committee with a timeline for the committee to report back to the Board with a report and/or recommendation.

Part 4

Board Protocols

Board Protocols

Decisions, Presentations and Representations

- ✓ One voice builds the Board's integrity and its ability to hold itself, its members and its staff accountable.
- ✓ Dissent that is brought forth productively in the Boardroom is very healthy. That which is expressed in the parking lot after the meeting is not.
- ✓ Speaking with a unified voice and message strengthens the District's public image.

Board Protocols

Decisions, Presentations and Representations (cont.)

- ✓ The Board should adhere to a policy and practice of designating the CEO and/or the Board Chair as the official media spokesperson(s) on behalf of the District. All media calls to other Board members should be directed to the CEO or Board Chair.

Board Protocols

The Board's NOT To Do List

The District Board should not:

- ✓ Speak with multiple voices
- ✓ Micro-Manage the CEO
- ✓ Follow misguided or misplaced motivations
- ✓ Fail to be transparent in its actions
- ✓ Avoid long-term strategic planning
- ✓ Fail to adhere to Bagley-Keene Open Meeting Law
- ✓ Veer from the organization's mission and vision

The Ultimate Goal



As a leader, your Ultimate Goal should be to leave the organization better than you found it. If it's good now...Strive for greater excellence!

