

MINUTES OF OCFEC BOARD OF DIRECTORS MEETING HELD FEBRUARY 27, 2020

The following Minutes are a summary of Board action and proceedings. For a full transcript please click on the link below or visit the ocfair.com website.

https://s3-us-west-1.amazonaws.com/ocfair.com/wp-content/uploads/2020/02/16101211/20_02_February_Transcript.pdf

1. CALL TO ORDER:

Chair Cervantes called the meeting to order at 9:03 A.M.

2. MISSION STATEMENT

3. PLEDGE OF ALLEGIANCE:

The Pledge of Allegiance was recited by Vice Chair Meyer. Roll call was taken by Summer Angus.

4. DIRECTORS PRESENT:

Chair Cervantes, Vice Chair Meyer, Director Bagneris, Director Aitken, Director La Belle and Director Rubalcava-Garcia.

DIRECTORS ABSENT/EXCUSED: Director Ruiz and Director Pham.

OTHERS PRESENT:

Michele Richards, OCFEC CEO; Ken Karns, OCFEC Vice President, Operations; Summer Angus, OCFEC Executive Assistant; Bianca Kulback, OCFEC Director of Human Resources; Jerry Eldridge, OCFEC Director of Facilities; Jason Jacobsen, OCFEC Director of Planning & Presentation; Nick Buffa, OCFEC Director Security & Traffic; Josh Caplan, Office of the Attorney General; Luis Hernandez, Stenographer; Debraun West; Adam West; Reggie Mundekis; Mary Spadoni; Beth Refakes; Adam Carleton; Mariana Ritchie

Chair Cervantes also stated Item 9G on the agenda will be deferred to a later date.

Chair Cervantes presented HR Director, Bianca Kulback with a certificate of recognition for her outstanding leadership of the department and her invaluable contributions to the staff and Board of Directors of the OC Fair & Event Center.

5. CEO'S OPERATIONAL UPDATE

Michele Richards, OCFEC CEO, reported the following:

- OCFEC not being considered a site for possible homeless shelter
- Cirque du Sol opening next month
- Carol Singleton, Heroes Hall Supervisor, interviewed by KTLA
- Western Fairs Association industry awards awarded to OCFEC
- New ADA accessibility portal on the OCFEC on website
- Super Pass sales up 29% from same time last year
- Written committee reports will now be provided at the monthly Board meetings

Richards presented January 2020 financials.

Richards provided an overview of upcoming events at OCFEC.

Ken Karns, OCFEC VP Operations, reported the following:

- All the permanent plaques are being installed for the Skyhawk
 - Staff working on planter inserts for the benches
- Cal Fire annual inspections tentatively scheduled for the third week of March
- CFSA has started its annual inspections

Regarding Item 9G (Discussion Regarding “Music Makes Us One” COR (Christ Our Redeemer Church) Performance From the 2019 OC Fair and Vote on Whether or Not to Direct Staff to Work with Board Representative to Review Process - Action Item) that was removed from the agenda:

Reggie Mundekis asked when the item will be put back on the agenda. She announced she attended the event and claimed the event was a church service with active proselytizing. She asserted special privileges, not available to the general public, were afforded to the two churches involved in the event. She urged that safeguards be put in place to preclude OCFEC from sponsoring religious events in the future and requested that the \$25,000 OCFEC paid to sponsor the event be returned.

Adam Carleton reported he received a notice of adverse action, terminating his employment at OCFEC, on February 19, 2020. He alleged retaliation due to his filing of a whistleblower complaint with the State Personnel Board. He alleged he was put on administrative time office due to opposing former CEO Kramer on issues related to the 2016 audit.

6. MINUTES:

A. Board meeting held January 16, 2020

Action Item

ACTION: Director Aitken motioned and Vice Chair Meyer seconded to approve the minutes from the Board meeting held January 16, 2020.

MOTION CARRIED. AYES: Chair Cervantes, Vice Chair Meyer,

Director Bagneris, Director Aitken and Director Rubalcava-Garcia.

NAYES: None. **ABSTENTIONS:** Director La Belle.

7. MATTERS OF PUBLIC COMMENT

Reggie Mundekis spoke in regards to the amount of information provided in the agenda packet. She criticized the lack of information provided in the Board meeting materials with regard to Item 9B, 9D and 9G. She accused staff of not providing the Board with enough information to be able to make informed decisions. She asked how to improve the process for better information and better decision making.

Debraun West discussed the past and current carnival midway contract at OCFEC. She asserted, with the current carnival contract expiring in 2021,

the need to start discussing the RFP, to have workshops and hold public meeting and invite carnival contractors to give their opinions and suggestions. She criticized that there has not been an RFP for the carnival contract in twenty years. She urged the Board to have open discussion and workshops, to create a fair RFP for the carnival midway, and cast the broadest net possible to attract as many contractors as possible.

Adam West criticize that it has been over twenty years since anyone could compete for a carnival midway contract at OCFEC. He spoke in opposition of a single carnival contractor and asserted that an independent midway would increase revenues. He shared his concerns with drafting an RFP intended for a single proposer is not the road for the future. He requested that staff and the Board open up discussion with the public on how to increase revenues, increase attendance and make the OCFEC a more profitable facility.

Mariana Ritchie, wife of Adam Carleton, spoke regarding her husband's employment and termination as VP of Finance and Administration and the challenges he faced when hired. She spoke about the impact of his administrative time off and termination on her family and Carleton's reputation and asserted Carleton was trying to stand up for what he believed was right.

Adam Carleton shared he was delighted to serve the OC Fair which he had fond memories of growing up. He read a statement from his first year review, from former CEO Kramer, praising him for his work in his first year. He stated he appealed to the State Board and has a prima fascie case for whistleblower retaliation.

Mary Spadone questioned what OCFEC is going to do to stop the spread of the Coronavirus within the fairgrounds and into the City of Costa Mesa. She asked if any screening efforts will be implemented to screen attendees at OCFEC events.

Beth Refakes spoke her concerns regarding the Coronavirus and asked is there is a plan for fairgoers, employees and residents' safety. She asked if there is a strategy for dealing with possible negative impacts on OCFEC revenues. She asserted the agenda reports are too brief and need more information.

Lisa Sabo delivered an Equestrian Center (EQC) report:

- Group lessons for diverse groups of struggling youth
- People from all walks of life coming together and enjoying horses
- Non-profit, Changing Strides programs moving forward
- Equine therapy programs
- Top young rider in the country trains at the EQC

8. CONSENT CALENDAR: (Policy 4.3.4)

- A. Standard Agreements (New):** SA-003-20GE; SA-006-20SP; SA-007-20HB; SA-008-20HB; SA-009-20HB; SA-010-20BB; SA-012-20GE; SA-013-20IO; SA-014-20SP; SA-016-20HB; SA-017-20BB; SA-019-20GE; SA-022-20GE; SA-023-20GE; SA-024-20GE; SA-025-20GE; SA-026-20SP; SA-027-20SP; SA-028-20SP; SA-029-20BB; SA-031-20HB; SA-032-20GE; SA-033-20SP; SA-034-20SP; SA-035-20GE; SA-036-20GE; SA-038-20GE; SA-039-20CF; SA-040-20PA; SA-041-20IO; SA-042-20IO; SA-043-20IO; SA-044-20IO; SA-045-20IO; SA-046-20IO; SA-047-20IO; SA-048-20IO; SA-049-20IO; SA-050-20IO; SA-051-20IO; SA-052-20GE; SA-053-20SP; SA-054-20SP; SA-055-20GE; SA-062-20YR
 - i. Standard Agreement Amendments: SA-005-15ET (Amend. #8); SA-238-16WR (Amend. #6)
- B. Rental Agreements:** R-020-20; R-056-20; R-057-20; R-059-20; R-061-20; R-062-20; R-063-20; R-064-20; R-065-20; R-066-20; R-067-20; R-070-20; R-071-20; R-072-20; R-073-20; R-074-20; R-075-20
- C. Active Joint Powers Authority Agreements (New):** None.
- D. Commercial Rental Agreements:** IMCOM-01-20; IMCOM-02-20; IMCOM-03-20; IMCOM-08-20
- E. Concession Rental Agreements:** IMFO-01-20; IMFO-02-20; IMFO-03-20; IMFO-04-20; IMFO-05-20; IMFO-06-20; IMFO-07-20; IMFO-08-20; IMFO-09-20; IMFO-10-20; IMFO-11-20; IMFO-12-20; IMFO-13-20; IMFO-15-20; IMFO-17-20; IMFO-18-20
- F. Independent Amusement Agreements:** IMIA-01-20
- G. Correspondence:**

Communications to the Board from members of public related to OCFEC business are identified below and included with the Board materials (available on the OCFEC website). Note that this agenda item includes only those communication(s) that were sent to the entire Board and CEO before the publication of this month's agenda. The deadline for correspondence to be included on the March agenda is March 13, 2020.
- H. 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. F2020-02: 2020 State Rules for California Fairs and Fair Letters
 - ii. State Veterinarian Update for Fairs and Shows with Poultry

Richards reported the following:

- The Standard Agreement Amendments from the January Board meeting were part of the Board packet, but were not listed on the agenda are now being brought back this month for full approval
 - She pulled standard agreement amendment SA-238-16WR (Amend. #6), stating that the contract scope has expanded and will be brought back at a later time
- The Consent Calendar now includes instructions regarding inclusion of correspondence on the Consent Calendar
- She explained the CDFA correspondence listed on the agenda

Director La Belle pulled standard agreement SA-053-20SB (AT&T Mobile sponsorship).

ACTION: Director Bagneris motioned and Director La Belle seconded to review and approve the Consent Calendar with agreements SA-238-16WR and SA-053-20SB pulled for discussion. **MOTION CARRIED.**
AYES: Chair Cervantes, Vice Chair Meyer, Director Bagneris, Director Aitken, Director La Belle and Director Rubalcava-Garcia.
NAYES: None. **ABSTENTIONS:** None.

Director La Belle disclosed his 307 shares of AT&T stock.

ACTION: Vice Chair Meyer motioned and Director Bagneris seconded to review and approve agreement SA-053-20SB (AT&T Mobile sponsorship) of the Consent Calendar. **MOTION CARRIED.** **AYES:** Chair Cervantes, Vice Chair Meyer, Director Bagneris, Director Aitken, Director La Belle and Director Rubalcava-Garcia. **NAYES:** None. **ABSTENTIONS:** None.

9. GOVERNANCE PROCESS:

A. Committee / Ad Hoc Committee / Liaison Reports

Information Item

To assure compliance with the Bagley-Keene Act, Committee reports are only for the purpose of the Committee chair, Ad Hoc Committee 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. Community Engagement Committee (Director Rubalcava-Garcia, Committee Chair; Director Ruiz)
- ii. Heroes Hall Veterans Foundation Board (Director La Belle, Chair Cervantes)
- iii. Centennial Farm Foundation (Chair Cervantes)
- iv. Financial Monitoring Committee (Director Pham, Committee Chair; Director La Belle)

- v. Legislative Monitoring Committee (Director Aitken, Committee Chair; Director Ruiz)
- vi. Governance Committee (Vice Chair Meyer, Committee Chair; Director Bagneris)
- vii. Safety & Security Committee (Chair Cervantes, Committee Chair; Vice Chair Meyer)
- viii. Facilities Committee (Director Aitken, Committee Chair; Director Rubalcava-Garcia)
- ix. Audit and Compliance Committee (Director Rubalcava-Garcia, Committee Chair; Director La Belle)
- x. Branding Project Ad Hoc Committee (Vice Chair Meyer, Committee Chair; Director Aitken)
- xi. Storage, Parking and Traffic Ad Hoc Committee (Director La Belle, Committee Chair; Director Bagneris)

Chair Cervantes announced that moving forward, whenever possible, the Committees will provide written committee reports which will be distributed to the public at the back of the room, and to other Board members during each meeting.

Director Rubalcava-Garcia, on behalf of the Community Engagement Committee, reported:

- The staff panel will present the agendized item

Director La Belle, on behalf of the Financial Monitoring Committee, reported:

- The Committee met last week, items discussed:
 - Budget transmittal letter and budget reports will be posted on line
 - Committee asked for information related to the admission increase issue
 - The Committee plans to review and come back in May

Director Aitken, on behalf of the Legislative Monitoring Committee, reported:

- The Committee and staff had a teleconference with Gonsalves
 - Confirmed OCFEC property not listed as possible homeless shelter site
 - No other bills directly impacting OCFEC at this time

Director Rubalcava-Garcia, on behalf of the Facilities Committee, reported:

- The tenting RFP was awarded to A-1
- The Committee reviewed:
 - The IFB for landscaping (no changes)
 - The RFP for lighting (no changes)
- The Committee is working on:
 - RFP documents for The Hangar audio
 - The IFB for Action Sports Arena and Heritage Stage audio
 - The video RFP for The Hangar and grounds

- Sound monitoring RFP (work to begin later this year)
- Draft of the Infrastructure Audit Zone 1 has been fully reviewed and discussed
 - All zones will come to the full Board when completed
- Storm Water Infrastructure project status is pending City permits
- Work started on the south lawn landscaping project – goal to have completed before the 2020 OC Fair
- Staff working on landscape plan for the Pacific Amphitheatre berm
- Discussed the potential OC Marketplace marketing initiative

Director La Belle asked the Committee and staff to look into possibly incorporate a wall or some other mechanism to honoring recipients of medals adding to the Medal of Honor Courtyard.

Director Bagneris, on behalf of the Storage, Parking and Traffic Ad Hoc Committee, reported:

- Underground service work on Bristol, potentially impacting traffic – the Committee will continue to monitor
- Gained stalls from parking lot restriping in various lots
- New back-of-house storage solution
- Two initiatives to come back to the full Board for approval
 - Parking at Costa Mesa High School
 - Green gate expansion project

Karns reminded that parking and traffic initiatives were not included in the 2020 budget.

Director Rubalcava-Garcia, on behalf of the Audit and Compliance Committee, reported:

- Per the Auditor, 2018 audit is on his supervisors desk for review
 - 2019 audit field work cannot begin until 2018 audit is approved
- Committee actively staying in communication with the auditor

Reggie Mundekis thanked the Financial Monitoring Committee for providing more information and updates on what the Committee is doing. She asserted the need to have the data made available to the public regarding a potential admission price increase and to include cutting costs in addition to raising prices, prior to Board discussion. She objected to the statement the Legislative Monitoring Committee made, stating there are no significant bills pending and referred to AB 1841 which is an ethics bill for DAA Boards and staff. She asserted if WFA or IAFE oppose the bill then OCFEC should terminate membership to those organizations. She discussed the asphalt project of Lot G and suggested a concrete lot instead due to the use damage of the lot. She criticized fulfillment of a public records request for being different than what was presented as part of the Facilities Committee report and what she has been told by staff. She criticized the removal

of the tent roof at the Housong's structure and asserted it either needs to be taken down or made into a permanent structure.

B. Information About the Business Development Program During the Annual OC Fair

Information Item

Director La Belle reported the agenda report came from him, not staff. He asserted the information item was intended to enable discussion on furthering Business Development efforts, to give staff direction to bring back recommendation for Board consideration. He discussed the current function and shared some ideas to expand the business development.

Board and staff discussion ensued regarding the business development dinner area during the annual OC Fair, items discussed:

- Expanding both day and evening use if the area
- Enhancing the City day program: to have City receptions in the area after the flag raising ceremonies; community hero program
- It is worth assessing the current structure and function and what to do to streamline and expand the program
- Helpful for the Board to know who will be attending a head of time
- Current program resulted in successful key sponsorship with sponsors like Albertsons Vons Pavilions and Raising Cane's
- Opportunities to expand revenues

Reggie Mundekis spoke in support of Director La Belle's ideas regarding bring in community based business. She discussed community based business and commercial based business and the development of commercial business by Tandem. She cautioned against the Board congregating to a quorum and possible violations of Bagley-Keene, at the business development dinners, mixing with commercial business. She suggested opening the business development dinner area up as a restaurant and/or creating package deals for concert goers for dinner and a show.

C. Consideration of and Vote on Whether or Not to Direct Staff to Contact Orange County Construction and Project Management Firms to Apply for Approval through the California Department of General Services (DGS)

Action Item

Director La Belle presented the agenda report and his recommendation for the Board to direct staff to reach out to firms to encourage them to apply for approval through DGS.

Board discussion ensued:

- A letter be drafted to send to firms encouraging them to apply for DGS approval
 - Draft letter to come back to the Board for review
- Referring the development of the letter to the Facilities Committee and staff
- Possibly purchasing a list of engineering and construction firms from a neutral third party

Reggie Mundekis spoke in support of the agenda item, stating it will help speed up projects. She stated as projects become more complicated, the Board needs to consider having licensed civil engineers and contractors involved in the process of specifying and designing projects.

ACTION: Director La Belle motioned and Director Bagneris seconded to direct staff to work with the Facilities Committee to draft a letter to Southern California engineering and construction firms to encouraging them to apply for DGS approval. **MOTION CARRIED.** **AYES:** Chair Cervantes, Vice Chair Meyer, Director Bagneris, Director Aitken, Director La Belle and Director Rubalcava-Garcia. **NAYES:** None. **ABSTENTIONS:** None.

E. Review of and Vote on Whether or Not to Approve the Group 1 Board Governance Policies

Action Item

Reggie Mundekis spoke in support of the item and thanked the committee for their work. She requested the Board consider including language to policy 2.01 Institutional Values that the Friends and Neighbors of the Orange County Fairgrounds submitted regarding respect for neighbors.

Vice Chair Meyer stated the draft sufficiently addresses neighborliness.

Director La Belle discussed including a mechanism to inform the full Board of elevated and sensitive personnel matters, on a confidential basis.

Vice Chair Meyer amended his recommendation directing staff to investigate options for a whistleblower hotline, administered by a 3rd party, that proposed in the policy.

ACTION: Vice Chair Meyer motioned and Director La Belle seconded to review and approve Group 1 Board Governance Policies and to direct staff to investigate options for a whistleblower hotline, administered by a 3rd party. **MOTION CARRIED.** **AYES:** Chair Cervantes, Vice Chair Meyer, Director Bagneris, Director Aitken, Director La Belle and Director Rubalcava-Garcia. **NAYES:** None. **ABSTENTIONS:** None.

F. Review of and Vote on Whether or Not to Approve the Application, Criteria and Evaluation Process for the New Community Engagement Program

Action Item

Richards introduced the cross-functional OCFEC employee panel working with the Board committee and summarized the program and goals.

Director Rubalcava-Garcia summarized the Committee and staff panel work on the program.

Thane Hollman, Guest Experience Supervisor, staff panel member and spokesperson for the group, discussed the draft application and evaluation form:

- The panel wanting to keep verbiage in support of the diverse community of Orange County
- Further exploring the time commitment of the applicant requirement to present in person
- Further exploring options for OCFEC and others to participate in the participants' programs
- Clarification on "sponsorship" on the evaluation sheet

Director Rubalcava-Garcia clarified points and shared the objective is to make sure that the language is diverse and inclusive with a lot of sponsorships; not making the application overly complicated.

Discussion ensued regarding the grading criteria on the evaluation, if the applicant's program is open to the public.

Director Aitken discussed transparency and disclosing on the form whether a Board member or staff is associated with the applicant's organization. She shared she likes the emphasis on Orange County.

Director Rubalcava-Garcia discussed the diversity of Orange County at large and removing some language as to not deter organizations from applying.

Discussion ensued regarding when and how often the Committee and staff panel will meet.

Reggie Mundekis spoke in support of the program and the increased transparency. She questioned if the program includes request for free OC Fair admission tickets. She asserted the need for policies and procedures before funds are disbursed and formalizing the program. She asserted the need for the right to audit how the funds are used and to avoid and prevent conflicts of interest.

Board discussion ensued regarding the right to audit and post event documentation on how the money was spent.

ACTION: Vice Chair Meyer motioned and Director La Belle seconded to review and approve the application, criteria and evaluation process of the Community Entanglement Program as presented. **MOTION CARRIED.** **AYES:** Chair Cervantes, Vice Chair Meyer, Director Bagneris, Director Aitken, Director La Belle and Director Rubalcava-Garcia. **NAYES:** None. **ABSTENTIONS:** None.

D. Consideration of and Vote on Whether to Approve of a Resolution and Policy Recognizing February as Black History Month and Direction for OCFEC to fly Pan-African Flag on the Fairgrounds for the Month of February as Well as a Permanent Mural Representing the Full Diversity of Orange County

Action Item

Director Bagneris gave a summary of Black History Month. She presented the resolution recommendation.

Reggie Mundekis spoke in support of the resolution with the exception of the creating public art mural. She spoke about laws pertaining to artist's rights with regard to public art and the litigation that can result when changing or doing away with that art. She stated there are other ways to represent the diversity of Orange County and gave examples.

Vice Chair Meyer stated he is a huge supporter of diversity and inclusion measures but the agenda item feels like a targeted response to what the Board did last year with regard to the Pride Flag.

Director Bagneris asserted her only objection with regard to the Pride Flag was flying the flag 365 days a year. She stated when one community is elevated it marginalizes the rest. She stated a mural makes sense to represent all communities.

Director Aitken spoke in support of the agenda item. She suggested adopting a day at the fair for different groups, highlighting different groups. She suggested the idea of a public art project versus a mural as to not limit the possibilities.

Director Rubalcava-Garcia spoke in support of flying the Pan-African Flag but asked to consider a flag that is all-inclusive, that represents all of the different groups that might have a designated month, to fly year-round. She asked the Board to consider expanding on Director Bagneris' recommendation and look at a flag that is all-inclusive, having a broader discussion and expand on this opportunity.

Chair Cervantes spoke in support of Director Rubalcava-Garcia's comments.

Director Bagneris motioned to approve the resolution with the change in the language for a public art mural to a public art project.

ACTION: Director Bagneris motioned and Director Aitken seconded to approve the resolution presented, changing the language regarding a public art mural to a public art project. **MOTION FAILED.** **AYES:** **Director Bagneris, Director Aitken and Director La Belle.** **NAYES:** **Chair Cervantes, Vice Chair Meyer and Director Rubalcava-Garcia.** **ABSTENTIONS:** None.

Karns, as a continued Facilities Committee report related to work on Lot G reported:

- The capital project for services fall outside the Lot G repair footprint
- The way some of the parking lots were constructed are not sufficient
 - Current project is much improved for the amount of activity
- A concrete lot would be challenging for events like Cirque that need to stake

Jerry Eldridge, OCFEC Director of Facilities, further explained the approach to the parking lot paving and repairs.

11. CLOSED SESSION (Closed to the Public)

The meeting adjourned to closed session at 11:41 a.m. and reconvened at 12:18 p.m.

Matters to report out of closed session: None.

12. BOARD OF DIRECTORS MATTERS OF INFORMATION

Vice Chair Meyers reported he is going to resign from the Board of Directors

Director Bagneris shared her disappointment that her resolution did not pass.

Director La Belle thanked Vice Chair Meyer for his service and his work on the governance policies.

Director Rubalcava-Garcia thanked Vice Chair Meyer for his work. She commented about the flag discussion that was brought forward, stating that it is all about diversity and inclusion for her and thinks the Fair already represents that.

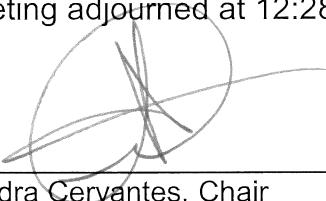
Director Aitken thanked Vice Chair Meyer for his contributions to the Board. She shared that when an item gets voted down; the feeling is that item is dead. She offered to partner with Director Bagneris to further the conversation and bring more statements of diversity to the property.

Chair Cervantes shared she will miss Vice Chair Meyer and looks forward to the time when he returns.

13. NEXT BOARD MEETING: MARCH 26, 2020

14. ADJOURNMENT MOTION TO ADJOURN

Meeting adjourned at 12:28 p.m.



Sandra Cervantes, Chair



Michele Richards, Chief Executive Officer