

MINUTES OF OCFEC BOARD OF DIRECTORS MEETING HELD JUNE 25, 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](https://s3-us-west-1.amazonaws.com/ocfair.com/wp-content/uploads/2020/06/14152040/20_06_June_Board-Transcript.pdf) website.

https://s3-us-west-1.amazonaws.com/ocfair.com/wp-content/uploads/2020/06/14152040/20_06_June_Board-Transcript.pdf

1. **CALL TO ORDER:**

Vice Chair Rubalcava-Garcia called the meeting to order at 9:01 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** (via Zoom):

Chair Cervantes, Vice Chair Rubalcava-Garcia, Director Ruiz, Director Bagneris, Director Aitken, Director La Belle, Director Pham and Director Kovacevich.

Director Ruiz joined the meeting at 9:06 a.m. during closed session.

DIRECTORS ABSENT/EXCUSED: None.

OTHERS PRESENT:

(Via Zoom): Michele Richards, OCFEC CEO; Ken Karns, OCFEC Chief Operating Officer; Joan Hamill, OCFEC Chief Business Development Officer; Jason Jacobsen, OCFEC Director of Planning & Presentation; Nick Buffa, Director of Safety & Traffic; Terry Moore, OCFEC Director of Communications; Summer Angus, OCFEC Executive Assistant; Evelyn Hernandez, OCFEC; Josh Caplan, Office of the Attorney General; Luis Hernandez, transcriptionist; Reggie Mundekis; Vincent Pollmeier; Zoe Wianeki; Jeanine Robbins; Mike Robbins; Theresa Sears; Kevin Goel; Rev. Chineta Goodjoin; Kim Packham; Greg Silva; Dave Duran; Pat Davis; Richard Clark; Estie Sawyer

5. **CLOSED SESSION:**

Chair Cervantes left the meeting at the conclusion of closed session.

The meeting adjourned to closed session at 9:05 a.m. and reconvened at 9:39 a.m.

Matters to report out of closed session: None.

6. **CEO'S OPERATIONAL UPDATE**

Michele Richards, OCFEC CEO, reported the following:

- Staff preparing for the eventual return of events
- OCFEC is hosting emergency food distribution on Saturdays in partnership with the OC Food Bank and Power of One organizations
- OC Farm Bureau now open on Thursdays at OCFEC
- Equestrian Center is making preparations to reopen private and small group lessons
- Virtual OC Fair to launch July 17, 2020
- Preparation underway for the reopening Centennial Farm and Heroes Hall outdoor courtyard

- Renting space on for firework sales on grounds
- Staff is working on drive-in concert and movie concepts
- CDFA announced Newcastle disease has been eradicated
 - Poultry shows to return in in 2021

Richards presented the May 2020 financial statements.

7. MINUTES:

A. Board meeting held May 28, 2020

Action Item

ACTION: Director Aitken motioned and Director Bagneris seconded to approve the minutes from the Board meetings held May 28, 2020. **MOTION CARRIED. AYES: Vice Chair Rubalcava-Garcia, Director Ruiz, Director Bagneris, Director Aitken, Director La Belle, Director Pham and Director Kovacevich. NAYES: None. ABSTENTIONS: None.**

8. MATTERS OF PUBLIC COMMENT

Vincent Pollmeier, Friends and Neighbors of the Orange County Fairgrounds, commented on check number 88736 to the Morley Group, stating he hoped using the firm was a thing of the past. He asserted OCFEC should stop using the private investigation firm and agendize a future public meeting to disclose what the firm was used for.

Reggie Mundekis spoke in support of the previous speakers comments. She alleged the Morley Group was hired by the previous CEO to target two former Board members who were asking greater oversight of the CEO and to spy on members of the public. She asserted the need for a public meeting disclosing what the Morley Group did and didn't do and to end the relationship with the firm. She asked how the District will deal with the possible furlough days and other payroll cuts proposed in the State budget. She shared her concerned with reopening of fairs and carnivals as it relates to the adherence to guidelines/procedures for the use of RV, bunk houses, trailers, and bathroom/shower trailers by concessionaires.

Zoe Wianecki, President of a local non-profit, discussed wanting to connect with someone at OCFEC to do a chalk walk to promote diversity. She asked for the item to be considered for a future agenda.

9. CONSENT CALENDAR: (Policy 4.3.4)

A. Standard Agreements (New): SA-134-20FT; SA-135-20YR

- i. Standard Agreement Amendments: SA-083-18SP (Amend. #1); SA-201-18SP (Amend. #1); SA-002-20SP (Amend. #1)

B. Rental Agreements: R-045-18 (Amend. #3); R-092-20; R-097-20; R-102-20;

C. Active Joint Powers Authority Agreements (New): 03220025; 03220026; 03220038

D. Judging Agreements: LS-003-20; HA-001-20; HA-002-20; HA-003-20; VA-001-20; VA-002-20; VA-003-20

E. 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 July agenda is July 10, 2020.*

- i. 5/27/2020: Friends and Neighbors of the Orange County Fairgrounds, regarding: Potential Intellectual Property Issues in Virtual Fair Proposal
- ii. 6/08/2020: Friends and Neighbors of the Orange County Fairgrounds regarding: Handling of OC Market Place
- iii. 6/15/2020: Friends and Neighbors of the Orange County Fairgrounds regarding: Information Regarding Financial Condition of the 22nd DAA

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.

1. D2020-02: Insurance Coverage Limits – New Requirements
2. D2020-03: Guidance for Non-Essential Events during COVID-19

-End of Consent Calendar-

Richards pulled Standard Agreement SA-135-20YR (regarding the Financial Audit) for discussion by the Audit Committee and pulled Rental Agreement R-045-18 (Amend. #3) (Cirque du Soleil) off the Consent Calendar entirely, stating it will come back next month.

ACTION: Director La Belle motioned and Director Bagneris seconded to review and approve the Consent Calendar with Rental Agreement R-045-18 (Amend. #3) pulled from the Consent Calendar and Standard Agreement SA-135-20YR (Lance, Sol & Lunghard) pulled for discussion. **MOTION CARRIED. AYES: Vice Chair Rubalcava-Garcia, Director Ruiz, Director Bagneris, Director Aitken, Director La Belle, Director Pham and Director Kovacevich. NAYES: None. ABSTENTIONS: None.**

Vincent Pollmeier spoke regarding SA-135-20YR (Lance, Sol & Lunghard) stating it is for a financial audit only; that over the last three years of CDFA audits, CDFA has found major problems, requiring OCFEC to take corrective action on both the financial and management side of the audits. He asserted the need for the contract to include a management audit. He alleged a systemic oversight problem related to the management process of the 32nd DAA that needs to be addressed. He cautioned against conflicts of interest, as the lead partner on the new audit contract, is a member of the Vanguard Alumni Association; and there were issues raised in the 2018 audit related to Vanguard University. He encouraged the Board to take the contract back to square one, to draft a management and financial audit with proper waivers of any conflict.

Vice Chair Rubalcava-Garcia, on behalf of the Audit Committee, stated the Committee reviewed the RFQ. She explained CDFA notified all DAAs to seek outside support for audit services as that they do not have the current resources to conduct the 2019 audit. She reported the guidelines and parameters, within the RFQ, were given directly the District from the State in order to identify the correct firm to conduct a proper audit.

Richards explained the bid process and RFQ parameters resulting in awarding to Lance, Sol & Lunghard as the lowest qualified bidder.

Director La Belle asserted it be clear there is no conflict of interest with the firm's partner and Vanguard University, that the person will not be involved in the audit. Richards guaranteed the individual will not be involved in the audit process.

ACTION: Director Aitken motioned and Director Ruiz seconded to review and approve Standard Agreement SA-135-20YR (Lance, Sol & Lunghard) of the Consent Calendar. **MOTION CARRIED. AYES: Vice Chair Rubalcava-Garcia, Director Ruiz, Director Bagneris, Director Aitken, Director La Belle, Director Pham and Director Kovacevich. NAYES: None. ABSTENTIONS: None.**

10. 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 agendaized for a future Board meeting.

- i. Community Engagement Committee (Vice Chair 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 Rubalcava-Garcia, Committee Chair; Director Bagneris)
- vii. Safety & Security Committee (Chair Cervantes, Committee Chair; Director Ruiz)
- viii. Facilities Committee (Director Aitken, Committee Chair; Director Pham)
- ix. Audit and Compliance Committee (Vice Chair Rubalcava-Garcia, Committee Chair; Director La Belle)
- x. Branding Project Ad Hoc Committee (Director Aitken)
- xi. Storage, Parking and Traffic Ad Hoc Committee (Director La Belle, Committee Chair; Director Bagneris)
- xii. San Diego County Fair Loan Proposal Ad Hoc Committee (Director La Belle, Committee Chair; Director Kovacevich)

Director Pham, on behalf of the Financial Monitoring Committee, stated the Committee reviewed the financials, adding it is not a surprised where we are at (due to COVID-19).

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

- The Committee received a legislative report on June 22, 2020
- Fair related Assembly Bill AB1841 will require District Agriculture Associations to report salary information of their employees every year to the State Controller and will require CEOs and Board Directors to comply and attend orientation and training courses relevant to ethics, statues and regulations

Director Ashleigh, on behalf of the Facilities Committee, reported:

- An update on the status of the infrastructure audit
 - An executive summary report is near completion
 - A public study session to be scheduled
- Skyhawk turf project is ongoing
- Cal Fire Facility Inspection Report conducted, completed and posted to the OCFEC website

Director Kovacevich, on behalf of the San Diego County Fair Ad Hoc Committee, reported:

- The Committee is evaluating documents relating to the financial condition of the 22nd DAA
- The Committee has received and is reviewing a packet from the Friends and Neighbors of the Orange County Fairgrounds
- The Committee has prepared a list of questions for 22nd DAA leadership; meeting in a couple of weeks

Director La Belle thanked Friends and Neighbors of the Orange County Fairgrounds for being helpful and informative.

Director La Belle, on behalf of the Heroes Hall Veterans Foundation Board, reported:

- A fundraiser was conducted with the Newport Rib company over the Memorial weekend
- The Foundation received a generous contribution from the Crane Foundation
- Due to COVID issue the Foundation anticipates a reduction in fundraising capabilities
- The fundraising consultant moving forward with future fundraising efforts
- The Foundation expresses their on-going appreciation for the support from the Fair Board and the outstanding efforts of the Heroes Hall staff

Vincent Pollmeier reiterated his opposition of the two-person Board committee structure. He asserted the Facilities Committee meetings should be public meetings because the OCFEC facilities are a major investment of the public and are public property. He criticized and asked why the portions of the infrastructure reports have not been released to the public as they were received, so the public can provide comments and questions. He strongly

encouraged the Board have open public Facilities Committee meetings and release draft facilities statements in advance.

Reggie Mundekis criticized the Governance Committee for not bringing forth new policies for several months. She asserted facilities work should be done in public view, that documents should be released (such as portions of the infrastructure audit) rather than make people get them through public records requests. She criticized the desilting basin project for being reworked, causing changes to the Equestrian Center, and for not being discussed in public. She criticized and alleged her questions were unanswered by Board and staff. She thanked the San Diego County Fair Loan Proposal Committee for their work and stated the documents she forwarded to the Committee were obtained by public records requests. She spoke in opposition of making a loan to the San Diego County Fair.

Vice Chair Rubalcava-Garcia stated she takes full responsibility for the stall in the Governance Committee work and will do better to not fall behind.

B. Discuss May 20, 2020 Letter from Spectra Regarding Termination of OC Market Place Rental Agreement and Vote on Whether to Take Specific Action Including Enforcement, Termination or Renegotiation of OC Market Place Agreement

Action Item

Vincent Pollmeier spoke regarding a correspondence he sent to the Board asserting the OC Market Place (OCMP) business has been on a steady decline for a number of years and has a failing business model. He asserted Spectra wants out of its management contract of the OCMP adding his support for the District to take advantage of the opportunity to negotiate an exit for Spectra. He spoke in support to have Tandem explore future business to hopefully engage the small businesses of the OCMP, if not the District cannot use public money to subsidize a failing business model.

Kim Packham, OCMP long time vendor, shared she and the two-hundred other vendors whose livelihoods depend on the operation of the OCMP, have been left up in the air for months (with the COVID closure of the OCMP). She asked for the reopening of the OCMP in a safe and timely manner. She requested the Board consider, in the interim, permanently taking over management of the OCMP or until issues are resolved with Spectra. She asserted the OCMP needs strong marketing and the vendors would love to work with the Board. She shared ideas for generating revenue that could be incorporated into the OCMP.

Estie Sawyer, OCMP vendor, asserted people want to shop at outdoor events. She discussed the prime location of the OCMP at OC FEC and how vendors have investment in their business and hundreds of repeat customers. She asserted the Board and Spectra need to either reopen the OCMP again or walk away from the rental agreement allowing another partner to operate the OCMP, adding indecision is not fair to the vendors.

Reggie Mundekis stated Spectra is part of a mega corporation and has the money to make changes at the OCMP if they so choose. She asserted it is

not the responsibility of the District to invest money for Spectra to reopen the OCMP. She cautioned that giving Spectra another contract extension or rent relief would be considered a gift of public funds. She spoke in support of letting Spectra out of their contract for the OCMP and have Tandem study what the area should be used for. She suggested, in the interim, the District could operate the OCMP on a temporary basis until a new operator or activity can be found.

Jeanine Robbins, long time OCMP vendor, asked that a two-person Board committee be appointed to meet with Nick Nicora of Spectra to renegotiate the OCMP contract and that Spectra reopen the OCMP during negotiations. She reminded the Board that rent paid by Spectra is pure profit. She asked that the Board not put hundreds of small businesses out of business because of a failure to renegotiate.

Mike Robbins, long time OCMP vendor, reminded everyone that the OCMP is an iconic business that has been part of the community fifty years. He compared \$4,000 parking rental versus \$20,000 rental income from the OCMP per day. He asserted the need for a Board committee to meet with Spectra to renegotiate the contract for the OCMP soon. He shared his hope for being able to reopen safely in August.

Greg Silva, long time OCMP vendor, stated the federal and state governments are helping small business with stimulus and other types of help and the vendors are looking for help from the Board. He discussed loss of sales tax and state income tax revenues to the community with the OCMP being closed. He spoke about other swap meet being open. He criticized Spectra for lack of communication with its vendors and asked to be updated.

Dave Duran echo comments of Robbins' and shared the Board needs to evaluate the economic impact of not reopening the OCMP would have on the surrounding community. He discussed opportunity costs will suffer for fairgrounds as well as the neighboring communities as a result of having empty space that is not generating revenue. He urged the Board to renegotiate with Spectra for the OCMP contract.

Pat Davis spoke in support of the OCMP and for being part of the community for fifty years. She shared her shock that the Board and Spectra have not been able to work out the contract. She spoke in support of the District taking over management of the OCMP. She asserted that small businesses of the OCMP need the support of the Board.

Richard Clark, long time OCMP vendor, asserted the OCMP vendors are an integral part of the whole fair experience. He stated Spectra obviously wants out of the OCMP contract and to let them. He suggested the Board operate the OCMP temporarily allowing the vendors to get some financial footing while reviewing other options.

Kevin Goel, long time OCMP vendor, discussed how the retail industry has changed over the last several years. He stated the OCMP vendors need a management company that understands there is enough retail industry in the

swap meet and help them survive. He discussed how a properly managed and marketed OCMP would thrive and be profitable.

ACTION: Director La Belle motioned and Director Ruiz seconded table the item to the July meeting. **MOTION CARRIED. AYES:** Vice Chair Rubalcava-Garcia, Director Ruiz, Director Bagneris, Director Aitken, Director La Belle, Director Pham and Director Kovacevich. **NAYES:** None. **ABSTENTIONS:** None.

C. Consideration of and Vote on an OC Fair & Event Center Solidarity Statement, and Expansion of the Community Engagement Committee to Review Diversity Issues

Action Item

Director Aitken, on behalf of herself and Director Bagneris, reported the intention to take the item in two parts: a vote on the diversity proclamation and a possible formation of a diversity committee.

Director Aitken detailed the events of May 25, 2020 in Minneapolis regarding the inexcusable and senseless death Mr. George Floyd by a police officer. She stated the mission of the Board is to promote diversity and inclusion action and presented the proclamation of solidarity she and Director Bagneris co-authored for Board approval.

Director Bagneris motioned to adopt the solidarity statement of the 32nd DAA.

Vincent Pollmeier strongly endorsed the solidarity statement. He spoke in opposition of the expansion of the Community Engagement Committee to review diversity issues. He instead encouraged a separate committee to look at diversity and that committee be specifically charged with making the fair and the fairgrounds reflect and involve the diverse communities of Orange County. He urged OC FEC to stop spending money on out of state, largely white-owned corporations and connect with the Orange County business community making OC FEC reflective in all of its diversity. He suggested building lab kitchens as infrastructure to enable diversity.

Reggie Mundekis strongly endorsed the proclamation and stated the need to do more to embrace the great diversity of the Orange County community. She stated the need to find ways to increase diversity by allowing that diverse community to conduct business and make money at OC FEC. She suggested giving some of the out-of-state concessionaires' OC Fair footprint to local vendors, rotating them in, and using pop up kitchens.

Rev Chineta Goodjoin urged the Board to adopt the solidarity statement and continue to embrace the power of diversity. She stated the proclamation is powerful and unifying and is important that the community hears how the OC Fair Board stands in the light of discrimination and systemic racism. She urged the Board to celebrate Black History month at OC FEC. She added the Board has the power and the influence to make history and unifying change that impact the county and statewide.

Board discussion ensued regarding the proclamation, items included:

- Support of the proclamation
- Wide disbursement of the proclamation into the community; press release
- Discussion on: to include or exclude the language “and all people of color” and/or specifically name each group of people
 - Specifying each group could inadvertently exclude a community
 - Removing “people of color” and having a wider proclamation discussion at a later time
 - The language being as inclusive as possible
- Proclamation is in solidarity to what currently is going on in the country and in the black community
- Making policy representative of the proclamation

ACTION: Director Bagneris motioned and Director Aitken seconded to review and approve the Solidarity Proclamation as presented. **MOTION CARRIED.**
AYES: Vice Chair Rubalcava-Garcia, Director Ruiz, Director Bagneris, Director Aitken, Director La Belle, Director Pham and Director Kovacevich. **NAYES:** None. **ABSTENTIONS:** None.

Director Aitken made a motion for a creation of a diversity committee. She spoke in opposition of incorporating diversity issues as part of the Community Engagement Committee or any another committee. She also spoke in support of potentially having the committee open to the public. She discussed the potential work and issues the committee would take on:

- How to training of employees, what type of programing goes independent, Incorporating programs at Heroes Hall and the Agricultural Workers’ Memorial, how to have independent programs and exhibits on fair space, how to bring issues of diversity into OC Fair and Imaginology
- Looking at messaging and expanding on days at the fair like there was with the LGBTQ+ community last year
- Look at what other types of flags and proclamations to incorporate
- Engage in community involvement groups already established in Orange County; work with the Black and Hispanic Chambers of Commerce
- Making sure the District is recruiting from diverse communities, bringing in a diverse workforce and allocating dollars evenly amongst community groups and non-profits
- Looking at racist symbols already on the property, i.e. musical acts or vendors using the Confederate flag or other racist symbols

Director Aitken asserted a separate committee is needed to address these important issues and motioned to form a diversity committee.

Board discussion ensued, items discussed:

- Items discussed seem operational and not the purpose of the Board
- Opinions that there are already too many committees
 - Recommendation that some items proposed to go to the Governance Committee as policy, like creating a policy not to allow the Confederate Flag or other things that represent racism
 - Recommendation that Community Engagement Committee could work with the different Chambers of Commerce mentioned; this committee

has a diverse group of staff already dedicated to this project who know the fair audience

- Members of staff supportive of a diversity committee have said they would be the staff liaisons for the diversity committee
- The need for more committees because some committee don't meet regularly; to build on the momentum
- Board members who have passion for a certain committee and are willing to do the work, to let them do the work
- Having a public committee, receiving a lot of public input and reaching a broader base than an internal committee
- Discussions with staff on capacity for adding a public committee
- Making the words of the proclamation stronger by the action of creating a diversity committee
- Potentially tabling the issue

Directors Bagneris and Aitken asserted the original motion to create a diversity committee.

Director Bagneris asked to be considered for the committee appointment.

ACTION: Director Aitken motioned and Director Bagneris seconded to approve the formation of a Diversity Committee. **MOTION CARRIED. AYES: Director Bagneris, Director Aitken, Director La Belle, Director Pham and Director Kovacevich. NAYES: Vice Chair Rubalcava-Garcia; Director Ruiz. ABSTENTIONS: None.**

Vice Chair Rubalcava-Garcia stated Chair Cervantes will be the person to appoint the committee members, to table appointments until she is present.

D. Review of 2018 Audit and Vote on Whether or Not to Approve Audit & Compliance Committee's Response Letter

Action Item

Vincent Pollmeier criticized the audit response letter calling it grossly inadequate for the four violations discovered in the audit. He argued that either there is a lack of understanding of the law or a flagrant disregard for it. He criticized a systematic failure of oversight to prevent violations. He discussed the four violations and the District's responses. He stated the Board has oversight responsibilities and need to put processes and procedures in place.

Reggie Mundekis criticized it has taken too long to bring out the information of the alleged theft and the failures to follow State laws and administrative procedures. She stated there are systemic problems at OCFEC that must be addressed: using outside legal counsel continuing to be a problem and the alleged theft not being the first theft. She asserted a need for a public accounting of all the issues in the audit with all the documents involving the audit findings. She stated there are continuing systematic failures which must be addressed and that sending the audit letter is not going to address them.

Vice Chair Rubalcava-Garcia gave a background on the Audit Committee. She discussed each violation in the audit and explained District's responses.

ACTION: Director Aitken motioned and Director Ruiz seconded to review and approve the Audit & Compliance Committee's 2018 Audit response letter to CDFA as presented. **MOTION CARRIED. AYES: Vice Chair Rubalcava-Garcia, Director Ruiz, Director Bagneris, Director Aitken, Director La Belle, Director Pham and Director Kovacevich. NAYES: None. ABSTENTIONS: None.**

Richards thanked the public for their input and concerns. She declared that since assuming the role of CEO, she has taken decisive action to address concerns and to ensure open and transparent compliance. She shared she hopes her actions and oversight will provide reassurance to the Board and public that things have changed and will continue to change. She declared she is committed to doing what is right.

E. Presentation of Final 2020 Budget Reforecast, 2020 Cash Flow Projections and Revised 2020 Capital Projects List and Vote on Whether or Not to Approve
Action Item

Richards presented the 2020 Budget reforecast.

Richards shared revenue generating opportunities OCFEC continues to pursue, some being: fireworks stand rental of parking lot, fall events, drive-in concert concept and others. She stated that it is getting to the point that some opportunities are moving very quickly, that OCFEC may have to pass on opportunities because of the timing of the Board meetings and getting items on the Consent Calendar.

Caplan reminded the Board that CEO Richards has certain Board delegated authority that, if a revenue generating opportunity presented itself between Board meetings, CEO Richards can make those decisions within that delegated authority.

Director La Belle shared he would hate to see a revenue generating opportunity escape because of an inability to meet, that CEO Richards has the authority previously delegated to her.

Richards confirmed for Director La Belle the \$18 million dollar loss is the worst case scenario where no revenues from the cancelled fair and no events through the rest of the year.

Board and staff discussion ensued on CEO Richards delegated authority for revenue generating contracts and policy regarding expense contracts.

Ken Karns, OCFEC Chief Operating Officer, discussed the revised Capital Project list. He stated the Facilities Committee asked to look at the current 2020 Capital Project list and decide which items to postpone, which items to move forward and which items to carry forward to 2021.

Director La Belle reiterated the Board's number one priority is health and safety and with the cancellation of the fair, it would be an opportunity to accelerate those health and safety and other projects with the facilities being empty with a cost benefit.

Director Aitken gave an overview of the Facilities Committee oversight work and the reprioritizing of projects due to COVID-19, with the cancellation of the fair, having greater access to the property. She highlighted the storm water management project, as an item to elevate, and come back to the full Board for a decision and input.

Karns detailed the storm water management project as two separate projects. He gave the Board different scenarios with what parts of the project could be completed with the original budget and contingency budget funds and what additional budget funds would need to be approved to complete the entire project.

Vincent Pollmeier commended CEO Richards for keeping the organization afloat. He criticized the facilities management of the District. He added there is a disconnect that the public is not being involved with. He criticized what was being reported by staff was different than what was reported by the Facilities Committee. He questioned a landscaping business development area line item that was not on the capital budget approved last fall and previously not on the budget; has asked if the scope changed and the public not made aware. He asserted the public has a right to know about the capital improvement projects and spoke in opposition of the two-person committee structure.

Reggie Mundekis inquired about the drive-in concert concepts and what kind of audio will be used (individual car radios or physical speakers). She stated the gate signage project should be put on hold because of safety issues directed by the Costa Mesa Planning Commission. She spoke in support of moving forward with the administration building exterior window replacement and the storm water pump replacement in the Pac Amp. She criticized the Board for not answering her questions regarding the desilting basin. She asserted the need to have staff experienced in public works contracting.

Karns confirmed for Director La Belle the landscape project was renamed for ease of identifying the area that the term was changed not the project.

Board and staff discussion ensued regarding the storm water management project (SWMP), contingency fund uses and which projects to move forward, items discussed:

- Completing part or all of the SWMP because of its environmental impact
- Not using the entire 2020 contingency budget on the SWMP, using contingency budget for other projects like the Hangar bathroom issues
- The need to complete the SWMP in its entirety and not put it off another year, regardless of where the funds are extracted; there are potential significant environmental problem if not addressed

- An additional \$126,572 are needed to complete both projects within the SWMP
- SWMP will have some impact to the EQC in interruption in the use of the arena; staff will keep EQC management and users informed

Director Ruiz and Director Pham left the meeting prior to the vote.

Director Aitken thanked Director La Belle for clarifying repeated mischaracterizations of some of the projects by members of the public which are easily corrected when questions are asked of staff. She thanked Karns and Eldridge for their hard work. She added the Facilities Committee was informed of a pre-capital 2020 project and approved what was already Board approved, that the committee does not make unilateral decisions. She apologized to Karns for repeated attacks by the public on his qualifications and his country of origin and urged the Board to start standing up for their executives and staff.

ACTION: Director La Belle motioned and Director Bagneris seconded to approve moving forward with and allocating additional funds to complete both projects related to the Storm Water Management Project (in their entirety) in the 2020 Budget Reforecast. **MOTION CARRIED. AYES: Vice Chair Rubalcava-Garcia, Director Bagneris, Director Aitken, Director La Belle and Director Kovacevich. NAYES: None. ABSTENTIONS: None.**

ACTION: Director La Belle motioned and Director Bagneris seconded to approve giving staff permission to proceed and fully execute Letters of Understanding (LOUs) and proceed with the Storm Water Management Projects in advance of the LOUs being on the Consent Calendar. **MOTION CARRIED. AYES: Vice Chair Rubalcava-Garcia, Director Bagneris, Director Aitken, Director La Belle and Director Kovacevich. NAYES: None. ABSTENTIONS: None.**

F. Consideration of and Vote on Whether or Not to Approve Use of the Costa Mesa Building by the American Red Cross for Emergency Blood Drives on July 7, 13, 27 and August 10, 2020

Action Item

Richards presented the agenda report.

ACTION: Vice Chair Rubalcava-Garcia motioned and Director Bagneris seconded to review and approve Rental Agreement R-098-20 for the Red Cross for Emergency Blood Drives. **MOTION CARRIED. AYES: Vice Chair Rubalcava-Garcia, Director Bagneris, Director Aitken, Director La Belle and Director Kovacevich. NAYES: None. ABSTENTIONS: None.**

G. Presentation of 2020 Virtual Fair
Information Item

Joan Hamill, CBDO presented the 2020 Virtual OC Fair.

Vice Chair Rubalcava-Garcia thanked staff for their amazing work. She discussed identifying ways to potentially recover some revenues and the importance and the mission of OC FEC to engage the community.

Board and staff discussion ensued regarding sponsorships of the virtual fair.

Director La Belle asked to agendaize a discussion, for the July or August Board meetings, regarding planning for the 2021 OC Fair, with some of the following items to discuss: engaging more local business, local vendors, diversity, COVID-19 modifications/considerations in planning.

Vice Chair Rubalcava-Garcia stated she would like to know how many local vendors already participate in the OC Fair and the diversity of attendees.

11. BOARD OF DIRECTORS MATTERS OF INFORMATION

Director Bagneris left the meeting at 1:00 p.m.

Director La Belle commented on a productive meeting and is looking forward to the July meeting.

Director Kovacevich commended the efforts of the Board and management team. He added, in these difficult times, his appreciation of the energy and focus to make the best of the situation. He shared he is impressed by the activity from the organization and the participation from the public.


Director Aitken thanked staff and executive team for pivoting and doing the virtual fair. She shared her appreciation of the service of the Board, for their opinions and for respectful discussions.

Vice Chair Rubalcava-Garcia shared the OC Black Chamber of Commerce is celebrating the U.S. Army's birthday honoring Buffalo Soldiers and are debuting it on the website www.blackpast.org. She recommended everyone to take a look at. She stated, per Chair Cervantes, Directors Aitken and La Belle have been appointed to the Entertainment Booking Services RFP Ad Hoc Committee, replacing herself and Chair Cervantes.

12. NEXT BOARD MEETING: JULY 23, 2020

13. ADJOURNMENT MOTION TO ADJOURN

The meeting adjourned at 1:08 p.m.



Sandra Cervantes, Chair



Michele Richards, CEO