

MINUTES OF OCFEC BOARD OF DIRECTORS MEETING HELD JULY 23, 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/2020/07/21081803/20_07_July_Board_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 Rubalcava-Garcia. Roll call was taken by Summer Angus.

4. DIRECTORS PRESENT (via Zoom):

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

Director Ruiz joined the meeting at 9:06 during Closed Session. Director Ruiz was present at the meeting although, due to technical difficulties, he was only able to vote on item 10B.

DIRECTORS ABSENT/EXCUSED: Director Bagneris and Director Pham.

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; 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; Jeanine Robbins; Mike Robbins; Jerilynn; Cindy Massaro

5. CLOSED SESSION:

The meeting adjourned to closed session at 9:06 a.m. and reconvened at 9:32 a.m.

Matters to report out of closed session: None.

6. CEO'S OPERATIONAL UPDATE

Michele Richards, OCFEC CEO, reported the following:

- OC Food Bank and Power of One Food Drive update
 - Thanked Andre Roberson, Executive Director of Power of One
 - He thanked for the opportunity to use the grounds
- Spectra's letter regarding their intent to terminate the OC Market Place (OCMP) agreement update
 - The District responded with a letter indicating the agreement is valid and the District's expectation that Spectra continue to operate the OCMP

- To help mitigate the impact to OCMP vendors the District has invited vendors to apply to be part of the Virtual OC Fair in the online shopping page of the website
- OCFEC will be a large scale COVID-19 testing site by the OC Health Care Agency
- American Red Cross blood drives on hold due to challenges regarding the COVID waiver
- OCFEC presented a framed copy of the 32nd DAA Solidarity Proclamation to the Black Chamber of Commerce, accepted by Bobby McDonald, President/Executive Director
- AutoSonic drive-in concert event next weekend
- Drive thru fair food and drive-in movie event plans underway
- Centennial Farm plans for reopening update:
 - Staff built new Red Barn hand washing station
 - Crops harvested and donated to OC Food Bank
 - New litter of piglets and a calf due soon
 - Virtual OC Fair launched July 17th

Richards presented the June 2020 financial statement.

7. MINUTES:

A. Board meeting held June 11, 2020

Action Item

B. Board meeting held June 25, 2020

Action Item

ACTION: Director Aitken motioned and Director La Belle seconded to approve the minutes from the Board meetings held June 11, 2020 and June 25, 2020. **MOTION CARRIED. AYES:** Chair Cervantes, Vice Chair Rubalcava-Garcia, Director Aitken, Director La Belle and Director Kovacevich. **NAYES:** None. **ABSTENTIONS:** None.

8. MATTERS OF PUBLIC COMMENT

Reggie Mundekis thanked the Board and staff for continuing to make things work during this difficult time. She spoke in support of the drive-in concerts and movies planned. She congratulated Director Pham for his commercial debut for California Bank and Trust.

Jeanine Robbins, OCMP vendor, spoke about the hundreds of small businesses out of business and caught up in the contract dispute between the fairgrounds and Spectra. She asserted the need to come to an agreement and find a way to reopen the OCMP safely. She spoke about vendors being in debt from inventory purchased months in advance and not able to sell. She discussed the economic impact the OCMP has on state and local tax revenues. She urged the Board to come to an agreement with Spectra enabling the vendors to get back to work.

Mike Robbins, OCMP vendor, discussed the COVID-19 pandemic as the greatest crisis of our lifetime. He criticized the Board and Spectra for not coming to an agreement. He asserted the District should pay vendors to come back to the OCMP. He further argued that the Board should agendize an item for the next Board meeting enabling Spectra to pay one dollar a weekend for a year rent for the OCMP operation. He asserted the District should support the businesses of the OCMP.

Jerilynn, Costa Mesa resident and OC Fair patron, thanked the Board for their service. She discussed her history using/visiting the fairgrounds and her church's use of the Pacific Amphitheatre for their Easter Services. She asked the Board to agendize a discussion for including flying other special interest type flags on the fairgrounds and shared her specific desire to see the Christian flag flown on grounds. She discussed reaching out to those of faith in an effort of being inclusive.

Cindy Massaro asked the Board to agendize a discussion and resolution regarding the flags that are displayed at the fairgrounds. She shared her appreciation for the inclusion and welcoming of the Pride flag being flown on grounds and asserted others are also passionate about their communities and would like to see their flag flown. She reiterated her request the Board add to the agenda a discussion of inclusion of other flags that can be fully examined and discussed.

9. CONSENT CALENDAR: (Policy 4.3.4)

- A. Standard Agreements (New): SA-137-20YR**
- B. Rental Agreements: R-045-18 (Amend. #3); R-023-20 (Amend. #1); R-103-20; R-005-21**
- C. Active Joint Powers Authority Agreements (New): None.**
- D. Judging Agreements: CA-001-20; GF-001-20; GF-002-20; GF-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 August agenda is August 14, 2020.*
 - i. None.
- F. CDFA Correspondence:**

Communications to the Board from the California Department of Food & Agriculture Division of Fairs & Expositions regarding relevant topics at Fairs and Expositions.

- i. 7/7/2020: D2020-05 - \$40.3 Million General Fund Support

G. CFSA Correspondence:

Communications to the Board from the California Fair Services Authority regarding relevant topics at CFSA.

- i. 7/06/2020: CFSA Election Notice

-End of Consent Calendar-

ACTION: Director La Belle motioned and Director Kovacevich seconded to review and approve the Consent Calendar. **MOTION CARRIED.**

AYES: Chair Cervantes, Vice Chair Rubalcava-Garcia, Director Aitken, Director La Belle 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 agendized 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, Committee Chair)
- 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)

- xiii. Diversity Committee Diversity Committee (Director Ruiz, Committee Chair; Director Kovacevich)
- xiv. Entertainment Booking Services RFP Ad Hoc Committee (Director Aitken, Director La Belle)

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

- The Committee and staff reviewed the June financial statements
- The Committee continues to meet monthly

Richards on behalf of the Legislative Monitoring Committee, reported:

- A press conference was announced for today, from State Representative Josh Harder, where he will be presenting a Bill call "Protecting Fairs During Corona Virus Act"
 - The Committee will report out after review of the press conference

Vice Chair Rubalcava-Garcia, on behalf of the Governance Committee, reported:

- The Committee met on June 30, 2020 for final review of Group 4 policies
 - Final edits were made and forwarded for legal review
- The Committee also met on July 22, 2020 to review Groups 3 and 5 policies
 - The Committee will complete the review at their next meeting to be scheduled within the next few weeks
 - Next steps discussed to include an open public meeting first to review Group 3 policies, followed by a second public meeting to review Groups 4 and 5 policies
- Once all policies are reviewed by the committee and legal, they will go to the full Board for approval
- The Committee will continue the review process at their next meeting to be scheduled within the next few weeks.

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

- The Infrastructure Audit process nearing end
 - The committee will meet with the consultants
 - Reports will be provided to the full Board of Directors for review
 - All reports will be posted and the committee will schedule a public facilities committee meeting

Karns reported:

- The Storm Water Management project LOU's with CCA have been updated
 - CCA will now work with the successful bidders on all the paperwork required and get the projects started

- OCFEC Facilities Director, Jerry Eldridge, will work closely with CCA on the projects and keep communication with the Equestrian Center a priority
- The South Lawn Turf project is complete and looks great
- The Fire Alarm panel in the Costa Mesa building that is being replaced is moving forward
 - Cal Fire has approved the drawings and is estimated to be installed the first week of August
- Staff is working with Spectra on the removal of the Hussong's tent structure
- CFSA carried out their annual inspection. The team is working through any deficiencies
 - Once completed, the report will be posted on our website
- Staff sent the Construction Management letter approved by the Board to 142 Construction Management Firms

Director Kovacevich, on behalf of the San Diego County Fair (SDCF) Loan Proposal Ad Hoc Committee reported:

- The Committee did their due diligence on the loan proposal:
 - The Committee looked at the proposal two ways: the quantitative and qualitative components
 - Quantitative: Thorough look into SDCF financials and OCFEC financials; uncertainty of rebound from COVID-19 was one of the biggest issues; being paid back and when
 - The Committee thanked Friends and Neighbors of the Orange County Fairgrounds organization for providing data to the Committee and thanked SDCF for being open and sharing their financials
 - Qualitative aspect: Considering the relationship between the two districts; the proximity; helping a fellow fair
 - Considering the internal impact on staff from a qualitative stand point of moral; staff pay cuts
- The Committee's recommendation to the Board is not proceed with the \$5 million Loan to the SDCF due to uncertainty in these very difficult times coupled by the qualitative and quantitative aspects. The Committee suggested other ways OCFEC could help the SDCF

Chair Cervantes introduced the Diversity Committee appointing Director Ruiz and Director Kovacevich to the committee. Both Directors expressed their excitement to serve on the committee.

Director La Belle, on behalf of the Entertainment Booking Services RFP Ad Hoc Committee, reported:

- First phase of the scoring process will take place next week
- Interviews as appropriate will be held with the Committee in the next few weeks
- Recommendation will come forward after the process to the full Board

Reggie Mundekis thanked Governance Committee for moving forward with the Governance policies and thanked Director Aitken for reaching out to set up public meetings regarding the Facilities Committee.

B. Consideration of and Vote on Whether or Not to Approve Loan Agreement with the 22nd District Agricultural Association (San Diego County Fairgrounds)

Action Item

Reggie Mundekis shared her appreciation for the work everyone did with regard to vetting and underwriting the loan proposal. She spoke in support of the Committee's recommendation to not approve a loan agreement with the 22nd DAA. She shared her appreciation for the offer of help from the 32nd DAA to the 22nd DAA going forward to assist them in activities.

Mike Robbins spoke in support of the 32nd DAA loaning \$5 million to the 22nd DAA. He reminded the Board the District's money belongs to the State of California and urged the Board to help support the 22nd DAA and asserted the Board's fiscal responsibility to protect merchants and jobs of people of California.

Director La Belle stated that Director Kovacevich articulated clearly the matter during the committee report and that the committee spent considerable time discussing the matter. He explained further that the Committee understands the dilemma that the 22nd DAA is in but due to the significant uncertainty to OCFEC's future, the Committee cannot recommend to loan the 22nd DAA money at this time. He thanked Friends and Neighbors of the Orange County Fairgrounds for providing information to the Committee.

Vice Chair Rubalcava-Garcia thanked the Committee for all their work.

ACTION: Vice Chair Rubalcava-Garcia motioned and Chair Cervantes seconded to follow the recommendation of the Ad Hoc Committee that the Board not approve the \$5 million loan to the 22nd District Agricultural Association. **MOTION CARRIED.** **AYES:** Chair Cervantes, Vice Chair Rubalcava-Garcia, Director Ruiz, Director Aitken, Director La Belle and Director Kovacevich. **NAYES:** None. **ABSTENTIONS:** None.

C. Update on the 2020 OC Virtual Fair

Information Item

Joan Hamill presented the updated to the 2020 OC Virtual Fair.

11. BOARD OF DIRECTORS MATTERS OF INFORMATION

Director La Belle thanked everyone for their participation in the Board meeting and to stay safe and wear their masks.

Director Ruiz shared his hopes for everyone to stay safe and wear their masks.

Director Kovacevich echoed the concerns for safety and to be extra cautious with the increase in COVID numbers. He thanked for the public for their comments and participation. He added the Board wants to continue to deliver value to the community and honor their fiduciary responsibility. He thanked Richards for including the OCMP small business owners to participate in the virtual fair.

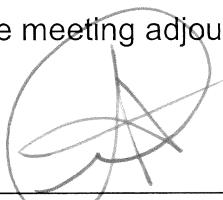
Vice Chair Rubalcava-Garcia announced the County of Orange approved funding for restaurants that are operating safely, that they will be providing grants for PPE expenses.

Director Aitken thanked everyone for participating today and the kind comments regarding the committee reports. She added for everyone to stay safe and to please support the virtual fair.

12. NEXT BOARD MEETING: AUGUST 27, 2020

13. ADJOURNMENT MOTION TO ADJOURN

The meeting adjourned at 10:36 a.m.



Sandra Cervantes, Chair



Michele Richards, Chief Executive Officer