

## **MINUTES OF OCFEC BOARD OF DIRECTORS MEETING HELD AUGUST 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](https://s3.us-west-1.amazonaws.com/ocfair.com/wp-content/uploads/2020/08/17111756/20_08_August_Board_Transcript.pdf) website.*

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**1. CALL TO ORDER:**

Chair Cervantes called the meeting to order at 9:00 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.

**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; Terry Moore, OCFEC Director of Communications; Summer Angus, OCFEC Executive Assistant; Evelyn Hernandez, OCFEC; Josh Caplan, Office of the Attorney General; Denise Herft, transcriptionist; Reggie Mundekis; Jeanine Robbins; Mike Robbins; Kim Packham; Kevin Goel; Pam Jones; Greg Silva; Michelle Falvo; Cindy Massaro; Jerilyn; Doug Reid; Jim Forbes; Pat Davis; Dave Duran; Kellie Avakian; Gibran Stout; Toija Fitzgerald

**5. CLOSED SESSION:**

The meeting adjourned to closed session at 9:03 a.m. and reconvened at 9:50 a.m.

Directors Bagneris and Kovacevich joined the meeting during closed session.

Matters to report out of closed session: None.

**7. MINUTES:**

**A. Board meeting held July 23, 2020**

Action Item

**ACTION:** Director Aitken motioned and Director Ruiz seconded to approve the minutes from the Board meeting held July 23, 2020.

**MOTION CARRIED. AYES: Chair Cervantes, Vice Chair Rubalcava-Garcia, Director Ruiz, Director Bagneris, Director Aitken, Director La Belle, and Director Kovacevich. NAYES: None. ABSTENTIONS: Director Pham.**

CEO Richards announced the District has explored options given the status of the Orange County Market Place (OCMP), including considering the District operating the swap meet; based on their review the District is precluded from operating a weekly swap meet on State property based on current California State law. She continued that the District is exploring all options at this time.

## **8. MATTERS OF PUBLIC COMMENT**

Jeanine Robbins, OCMP vendor, commented on public records requests email correspondence between the District and Spectra she received. She criticized the correspondence for what she deemed to be communication breakdowns resulting from the bureaucratic nature of a state-run facility. However, she shared she saw potential for the District and Spectra to find a resolution and requested the Board shed the layers of bureaucracy and come to a quick resolution regarding the OCMP for the vendors.

Mike Robbins, OCMP vendor, commented on past relationships with the fair Board members that sought his advice regarding the OCMP. He discussed his suggestion for what action the Board should take to help the OCMP vendors by way of discounting rent and getting approval from the Governor's Office to aid the small business vendors.

Kim Packham, OCMP vendor, asked for the OCMP to be reopened in a timely manner or at least by October to salvage vendor business loss. She criticized the lack of communication to the vendors from Spectra and asked the Board to work out a deal with them. She discussed the hardships the vendors have endured since the close of the OCMP

Kevin Goel, OCMP vendor, discussed his business and the people he employs. He shared hardships endured since the closure of the OCMP and the burden of fifty-thousand dollars of merchandise inventory purchased. He urged the Board to negotiate with Spectra and come to a resolution regarding the OCMP.

Pam Jones, OCMP vendor, shared her hardships endured since the closure of the OCMP and not being able to run her business. She urged the Board to work with Spectra to reopen the OCMP so the vendors can get back to business.

Greg Silva, OCMP vendor, spoke in support of the other vendors' comments. He suggested looking at new operator for the OCMP and discussed how there are other swap meets currently open and operating.

He criticized the lack of communication to the vendors from Spectra and the fair Board, but shared he appreciated the comments given earlier in the meeting by staff, that the District is looking into other solutions regarding the OCMP.

Michelle Falvo, OCMP vendor, spoke about the troubling financial impact the closure of the OCMP has had on her and urged the Board to look to the mission statement of community and give back. She criticized Spectra for implementing touchless payment systems at their other venues and not at the OCMP. She urged the importance of the OCMP in the community.

Cindy Massaro sympathized with the hardships of the OCMP vendors. She discussed the flags flown on the fairgrounds and spoke in opposition of flying one single special interest flag stating other groups will feel disenfranchised if their flags are not also recognized. Her suggestion to avoid this by a simple resolution determining to have no special interest flags flown except the United States and State flags, which represents all.

Jerilyn, Costa Mesa resident, also spoke regarding the flags flown on the fairgrounds. She agreed with the previous speaker stating she'd like to see the flags flown based on unity and not divisiveness. She continued by stating if we're going to have special interests, we need to include different flags and have equal access so that all people feel welcome at the fairgrounds. She asked for the issue to be agendaized for discussion.

Doug Reid, OCMP vendor, spoke about the hardship and impact the closing of the OCMP has had on his business. He urged the Board to resolve the issue with Spectra or find someone else to operate the OCMP so the vendors can get back to work.

Jim Forbes, spoke on behalf of OCMP vendor Pat Kehoe, he spoke about the family of vendors and sense of unity and community at the OCMP. He urged the Board to do whatever they can to help the vendors get back on their feet.

Pat Davis spoke in support of the COVID testing site calling it essential and spoke in support of the Pride flag flown on the fairgrounds. Related to the OCMP, she questioned why the Board has not been able to make a decision that will save the small businesses of the OCMP. She urged the Board to make a decision and reopen the OCMP.

Dave Duran discussed the OCFEC mission statement, highlighting communities, asserting the OCMP is a big part of the community. He urged the Board to make a decision regarding the OCMP.

Kellie Avakian shared she loves the fairgrounds and the OCMP and sympathizes with the vendors. She talked about the diversity of Orange County and criticized that the flags that are represented at the fairgrounds are not an accurate representation of the diverse community, as a whole.

She proposed to add flags to represent all of Costa Mesa and all of its kids, not just one small percentage. She stated she would like to see other flags flown like the Little League, US water Polo or the United States Equestrian flag flown, amongst others. She stated the flags flown should be all-inclusive and fly all the special interest flags that represent all and not just a tiny small percentage of the community. She asked for a discussion on the issue be added to a future agenda.

Toija Fitzgerald advocated the reopening of the OCMP as soon as possible. She also requested to agendize a discussion on whether or not to allow special interest groups' flags be flown on the fairgrounds or to simplify things and realize that the flag of the United States and state flag represent inclusiveness and shows pride for who we are as a people, who we are as a community.

**9. CONSENT CALENDAR: (Policy 4.3.4)**

**A. Standard Agreements (New):** SA-138-20SP; SA-139-20SP; SA-140-20FT; SA-141-20YR; SA-142-20FT; SA-143-20YR; SA-144-20YR

**B. Rental Agreements:** R-004-21; R-006-21; R-104-20; R-106-20; R-107-20; R-109-20

**C. Active Joint Powers Authority Agreements (New):** None.

i. Active Joint Powers Authority Agreements Amendments:  
03220025; 03220026

**D. Concession Rental Agreements :** FFDT-001; FFDT-002; FFDT-003; FFDT-004; ~~FFDT-005~~

**E. Correspondence:**

Communications to the Board from members of public related to OC FEC business are identified below and included with the Board materials (available on the OC FEC 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 September agenda is September 11, 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. 7/17/2020: F2020-10 Fairgrounds Pandemic Shelter Guideline Communication

ii. 7/29/2020: D2020-07 - Property Insurance Final

*-End of Consent Calendar-*

Due to technical difficulties, Director Pham was absent from the vote.

**ACTION:** Director La Belle motioned and Director Ruiz seconded to review and approve the Consent Calendar. **MOTION CARRIED.**  
**AYES:** Chair Cervantes, Vice Chair Rubalcava-Garcia, Director Ruiz, Director Bagneris, 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 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, Committee Chair)
- xi. Storage, Parking and Traffic Ad Hoc Committee (Director La Belle, Committee Chair; Director Bagneris)
- xii. Diversity Committee Diversity Committee (Director Ruiz, Committee Chair; Director Kovacevich)
- xiii. Entertainment Booking Services RFP Ad Hoc Committee (Director Aitken, Director La Belle)

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

- The Governance Committee met on August 14, 2020 to review the last two groups of policies drafted by consultants Moss Adams
- The Committee recommended edits to the documents, which will next be reviewed by the Attorney General's Office

- Once completed, the Committee will hold two public meetings to review the policies, one for group 4 policies and one for groups 3 and 5 policies
- Final versions of the policies will then go to the full Board for final approval.
  - Once the legal review is completed, the Committee will schedule two public meetings to review the policies with interested members of the public

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

- The State has required the District to contract with a private audit firm for the 2019 audit period (Lance Soll & Lunghard LLC)
- The Committee held a kick-off meeting with Lance Soll & Lunghard LLC (LSL) directly following the July 23, 2020 Board of Directors meeting
- The audit team from LSL reviewed with the Committee the process that is being used for the 2019 audit
  - The Committee is very familiar with this process
- LSL expects to complete the audit by November 30, 2020 and submit their audit report by the end of the year

Director Pham, on behalf of the Financial Monitoring Committee, reported:

- The Committee reviewed the July financial statements with staff
  - The reports are posted on the website
- The Committee was briefed on year-to-date revenue which is unfavorable to budget by \$25 million due to the cancelation of the fair and other operations
- Expenses are favorable to budget also due to the cancelation of fair
- Reforecast indicating deficit budget indicating \$17.2 million by the end of the year
- Cash flow statement projecting \$38 million by the end of the year
- Director La Belle commented on the significant loss of the cash balance from \$52 million at the beginning of the year to the projected year-end cash balance of \$38 million (due to COVID-19 impact)

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

- In March 2020, the District completed a thorough review of the materials for the Community Engagement Program
  - The District determined that there does not appear to be clear authority for the 32nd DAA to implement either the rent relief or nonprofit/community sponsorship components of the Community Engagement Program.
  - The Legislative Committee is working with Gonsalves & Sons and Western Fairs Association to address the issue and seek potential legislative solutions when the legislature

returns in January to allow the District to move forward with its Community Engagement Program

- The California State Assembly and the State Senate will be in session through August 31st, focusing on budget and COVID-19 related bills or anything determined to be pressing, and then recess until January, 2021
- The Legislative Committee received an updated legislative report from Gonsalves & Sons on August 17, 2020
- The Legislative Committee will continue to work with Gonsalves & Sons and Western Fairs Association to seek a legislative solution for the Community Engagement Program
  - Once the legislature is back in session, the Committee will begin receiving weekly legislative reports from Gonsalves & Sons and will keep the Board updated

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

- The Committee met recently
  - a complete report and supporting docs are posted with the Board packet
  - Things on hold due to COVID-19 and the impact on operations
  - Some action items to take place with the City of Costa Mesa and the Planning Commission
    - Staff will meet with the City Walkability Committee prior to the Planning Commission

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

- Committee met in early August regarding the Infrastructure Audit Report
  - The full draft Infrastructure Audit Report was posted to the website on 8/21/2020
  - The Committee wants to make sure the Board and the public have time to digest voluminous reports
  - The Committee intends to have public meetings to go over the report and receive input from the public
    - The draft report will go on the Board agenda in September and/or October, whatever is needed
  - The Committee met with members of the public and interested neighbors to try to keep dialog going and answer questions on the ongoing capital expenditure projects

Director Kovacevich, on behalf of the Diversity Committee, reported:

- Committee met by phone on August 5th
  - The Committee wanted to have a discussion with the full Board to receive guidance regarding a purpose statement, goals and responsibilities for the new Diversity Committee, for better parameters for Committee as they move forward

Director Ruiz reiterated wanting full Board discussion and direction regarding the above so hopefully the Committee can start taking action in September.

Chair Cervantes stated the item is informational report only not for discussion. She suggested agendizing and item for next month's meeting, in which the Committee confirmed the desire to agendize.

Director Bagneris stated the Diversity Committee is a public committee and wanted to make sure there will be public meetings.

Director Aitken, on behalf of the Entertainment Booking Services, reported:

- Three proposals in response to the RFP
- Committee and staff panel met and scored the proposals
- The proposers qualified for the interview phase
  - Notice of award will be posted 8/28/2020
  - The final awarded contract will come back to the full Board for approval

Reggie Mundekis commented regarding the Facilities Committee report. She listed the services that CCA offers which state owned fairgrounds should be using for all their construction projects. She shared her concerns with alleged issues with some of the OC FEC construction projects, stating one of the items not being discussed is whether or not what is being done actually meets the California building code or things properly inspected. She stated she will be sharing the CCA e-matrix with the Board to continue this discussion and utilizing the services of CCA the way they are supposed to be used.

Gibran Stout shared her concerns over specific aspects of the infrastructure audit report related to the Equestrian Center (EQC). She pointed out what she deemed as inaccurate groupings of facilities. She stated some items should be viewed as agricultural not commercial. She added many items listed as "immediate need" are not at all immediate need. She asserted to have an onsite EQC user participate in discussion before any money is spent on the property.

Director Aitken reiterated that the Infrastructure Audit reports are drafts and are not final in any way. She encouraged input and questions from the public before the public meeting. She affirmed the infrastructure audit will be a tool for capital projects that will be Board approved through the budget process, that all capital/major projects come before the Board and the public for discussion.

**B. Consideration and Vote on Whether or Not to Change the District's California Fair Services Authority (CFSA) Elector and**

**California Construction Authority (CCA) Board Member from the Board Chair to CEO**

**Action Item**

Richards presented the agenda report.

Vice Chair Rubalcava-Garcia left the meeting prior to the vote on this action item.

**ACTION:** Chair Cervantes motioned and Director Aitken seconded to approve to change the District's California Fair Services Authority (CFSA) elector and California Construction Authority (CCA) Board member from the Board Chair to the CEO. **MOTION CARRIED.** **AYES:** Chair Cervantes, Director Ruiz, Director Bagneris, Director Aitken, Director La Belle, Director Pham and Director Kovacevich. **NAYES:** None. **ABSTENTIONS:** None.

Director Bagneris left the meeting.

**C. Consideration of and Vote on Whether or Not to Change the October 22, 2020 Board of Directors Meeting from the Evening to 9:00a.m.**

**Action Item**

Reggie Mundekis encouraged the Board to keep the evening meeting and to have other evening meetings, arguing that people would benefit from evening meetings with having to work and children going to school from home during the day. She argued the one evening meeting that was held prior was not enough and that it takes time for people to know that things are available.

**ACTION:** Director La Belle motioned and Director Ruiz seconded to schedule the October 22, 2020 Board of Directors meeting to 9:00 a.m. **MOTION CARRIED.** **AYES:** Chair Cervantes, Director Ruiz, Director Aitken, Director La Belle and Director Kovacevich. **NAYES:** None. **ABSTENTIONS:** None.

**D. Discussion Regarding Considerations for the 2021 Imaginology and OC Fair**

**Information Item**

Richards gave some background and presented the agenda report.

Reggie Mundekis discussed her concerns regarding the dense living conditions of the OC Fair vendor campground site and what protocols will be put in place related to COVID-19. She questioned what will happen when and if someone tests positive for COVID-19 and what will quarantine and notifications look like. She suggested having an

OC Fair with only local vendors, concessionaires and food trucks from Orange County with limited admission and timed sessions.

Director La Belle agreed with some of the concerns and suggestions the speaker brought up and asked staff to evaluate and bring back for Board review to the September or October Board meeting.

Discussion ensued regarding when mass gatherings will be able to take place.

Richards reported that a decision regarding whether or not the 2021 fair will be able to be held will need to be made in March or April of 2021.

Director La Belle discussed new standards that will have to be made and asked staff to look into possibly reducing the footprint, duration, attendance, etc. of the annual fair. He discussed possible attendance restrictions related to the concert and arena venues that may have an impact on the types of acts that will be able to be booked. He asserted whatever production that happens needs to be revenue neutral, that the District cannot lose any more money. He asked about moving the fair dates in to the fall and see what options are out there.

## **6. CEO'S OPERATIONAL UPDATE**

Michele Richards, OCFEC CEO, reported the following:

- Announced the District has explored options concerning the OCMF including the District operating the swap meet
  - Based on staff research the District is precluded from operating a swap meet on State property, based on current California State law
  - The District is continuing to explore all other options
- Starting to bring back activities at OCFEC
  - Return of the Farmers Market
  - Emergency response activities
- Centennial Farm piglets and Red Holstein calf born
- Table of Dignity Agricultural Workers Memorial getting a facelift and the grapevine foliage growing
- 19 California fairs activated as emergency sites and fires camps
  - OCFEC is prepared in case if called upon to be a large animal evacuation site
- OCFEC will be a voting center for the November election
- With the eventual closing of the Fairview State Hospital, the State has transferred several pieces of furniture, equipment and vehicles to OCFEC

Richards presented the July 2020 financial statement.

Joan Hamill, OCFEC Chief Business Development Officer, gave an

update on current and upcoming events.

Richards discussed for Director La Belle that museums can re-open when the County is in Phase 3. She continued by saying the Governor is expected to make announcement regarding Orange County as the County has come off of the watch list.

Director La Belle discussed his thoughts of talking with RCS to about possibly installing the Sky Ride on a trial basis at the fairgrounds when people will be allowed back on the property (with proper social distancing and health and safety protocols). He asked that staff approach RCS on the issue.

#### **11. BOARD OF DIRECTORS MATTERS OF INFORMATION**

Director La Belle encouraged everyone to stay safe and cool with the weather.

Director Aitken thanked the staff for trying to get the fair food launched. She looks forward to see everyone at the fair food opening.

Director Ruiz thanked Richards and staff for the great job on the Virtual OC Fair. He encouraged everyone to stay safe and healthy and wear masks.

Director Kovacevich echoed comments thanking staff. He shared his excitement for the fair food drive thru. He shared his thoughts are with those effected by the Corona Virus and those effected by the fires in California. He shared it was very moving to hear from the OCMP vendors and echoed Richards' comments regarding exploring all options regarding the swap meet. He thanked everyone for attending and commenting on the meeting

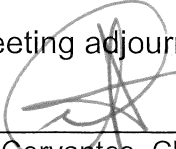
Director Bagneris echoed the other comments for people staying safe. She uplifted the family of Mr. Blake commenting on what a very tough time it is and to remember the families that have had horrific murders going on in their families. She shared she misses seeing everyone and is looking forward to 2021.

Chair Cervantes thanked the public for their comments and encouraged everyone to stay safe. She thanked CEO Richards and team.

#### **12. NEXT BOARD MEETING: SEPTEMBER 24, 2020**

#### **13. ADJOURNMENT MOTION TO ADJOURN**

The meeting adjourned at 11:45 a.m.

  
Sandra Cervantes, Chair

  
Michele Richards, Chief Executive Officer