



## **Board of Directors Agenda Report**

MEETING DATE: NOVEMBER 19, 2020 ITEM NUMBER:10H

**SUBJECT:** Review and Vote on Whether or Not to Approve Groups 3 and 5 Board Governance Policies

**DATE:** November 13, 2020

**FROM:** Michele Richards, CEO

**PRESENTATION BY:** Directors Rubalcava-Garcia and Bagneris

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### **RECOMMENDATION**

At the Board of Directors' discretion.

### **BACKGROUND**

The Governance Committee conducted an open public meeting on November 6, 2020 to review Groups 3 and 5 governance policies and seek public feedback.

The committee will present these two final groups of policies for the Board's consideration. The draft policies are attached.

32<sup>nd</sup> District Agricultural Association  
**Board Policies**

**3.01 Board Composition and Officers**

*Date Adopted/Last Revised: Month #, 20XX*

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*Note: Capitalized terms not otherwise defined in this Board Policy have the meanings set forth in the Definitions section of Board Policy 1.01. Should any provision in this policy contradict any provision of California law, California law shall control.*

**Purpose**

The purpose of this policy is to outline the Board of Directors’ organizational structure—including its composition and officers.

**Policy**

**Board Composition**

The Board of Directors is comprised of nine members. Board Members are appointed by the Governor of California to serve a four-year term. Board Members may serve more than one term and are reappointed at the discretion of the Governor.

**Board Officers**

As outlined in Article IV of the Board Bylaws, the Board of Directors will elect two of its members to fulfill the following officer positions for the term of one year:

- ) Board Chair (sometimes referred to in California Food and Agriculture Code as “President”)
- ) Board Vice Chair

**Comment [MR1]:** Recommended addition by a member of the public

In addition, and in accordance with California law, the Board of Directors will appoint three officer positions that are not members of the Board of Directors. The Board of Directors may elect to delegate responsibilities of Secretary and Treasurer to the CEO:

- ) CEO (sometimes referred to in California Food and Agriculture Code as “Manager” or “Fair Manager”)
- ) Secretary
- ) Treasurer

**Comment [MR2]:** Recommended addition by a member of the public

### **Board Chair Responsibilities**

The role of the Board Chair is to ensure the integrity of the Board’s processes. In addition to the specific duties outlined in other areas of the Board Policies, the Board Chair has the following general responsibilities:

- a) The Board Chair is the manager of the Board of Directors’ activities, ensuring that the Board of Directors and its members follow Board of Directors rules and policies as well as the provisions of the Bagley-Keene Open Meeting Act. Since the Board of Directors conducts business during public Board meetings, the Board Chair is responsible for ensuring that the Board of Directors’ work is conducted efficiently and effectively. To that end:
  - o Meeting discussion content will include only those issues that clearly (according to Board policy) belong to the Board of Directors to decide, consider, or to monitor.
  - o Information that is not for monitoring performance, educating the Board of Directors or aiding in the Board of Directors’ decision-making processes will be avoided or minimized and always noted as such.
  - o Deliberation will be fair, open, thorough, timely, orderly, and kept to the point.
- b) The Board Chair will set the agenda for Board meeting with input from the other members of the Board of Directors and with the assistance of the CEO. The Board Chair will ensure that Board meetings are focused on matters of Board responsibility.
- c) The Board Chair is responsible for promoting the development of a Board work plan, complementary to the strategic priorities and operational plan of the organization.
- d) The Board Chair—without undermining the CEO’s accountability to the full Board of Directors—will be the Board of Directors’ primary liaison with the CEO, who is responsible for the execution of Board policies and directives, and for determining the means, organizational structure and management processes necessary to achieve the corporate objectives.
- e) The Board Chair is responsible for ensuring that conflict of interest issues and other conflicts or disputes are addressed sensitively and resolved constructively.
- f) The Board Chair, with the support and cooperation of the Board of Directors, is responsible for ensuring adequate communications and accountability to the public and key stakeholders.

- g) The Board Chair may sign, in conjunction with the CEO or any other officer of the 32nd DAA authorized by the Board of Directors, any deed, mortgages, bonds, contracts, or other instruments which the Board of Directors has authorized to be executed with the exception of cases where the signing and execution thereof shall be expressly delegated by the Board of Directors or by these Bylaws or by statute to some other officer or agent of the 32<sup>nd</sup> DAA.
- h) The Board Chair is the only Board Member authorized to speak for the 32nd DAA, unless this is specifically delegated to another Board Member. The Board Chair will act as public and media spokesperson for the Board of Directors and 32nd DAA as required.

### **Board Vice Chair Responsibilities**

The Board Vice Chair will act on the Board Chair's behalf in the absence of the Board Chair or in the event of the Board Chair's inability or refusal to act. When acting in this capacity, the Board Vice Chair will have all the powers and responsibilities of the Board Chair. The Board Vice Chair will also take minutes at all closed session meetings when the CEO is not in attendance.

### **CEO Responsibilities**

The CEO will attend all meetings of the Board of Directors, unless excused by the Board of Directors. See Policy 5.03 (Delegation of Executive Authority) for additional details about the CEO's responsibilities.

### **Secretary Responsibilities**

The CEO will serve as the Secretary of the 32<sup>nd</sup> DAA. The Secretary's primary role is to keep the Board of Directors' book of minutes (meeting minutes) for all Board meetings, including standing committee meetings. Article IV of the Bylaws outlines specific requirements for the content of the meeting minutes. In addition, the Secretary will:

- ) Ensure that the required notice is given for all annual, regular, special, and emergency meetings as required by law
- ) Deliver copies of all minutes to all Board Members
- ) Maintain an accurate register of the mailing address and email address of each Board Member

### **Treasurer Responsibilities**

The CEO will serve as the Treasurer of the 32nd DAA, and shall keep and maintain or cause to be kept and maintained in accordance with generally accepted accounting principles as they pertain to governmental agencies adequate and correct accounts or properties and business transactions of the 32nd DAA, including accounts of its assets, liabilities, receipts, disbursements, gains, losses, and capital. The Treasurer shall deposit or cause to be deposited all monies and other valuables in the name of and to the credit of the 32nd DAA with such depositories as may be designated by the Board of Directors and approved by the California Department of Finance. The Treasurer shall disburse the funds of the 32nd DAA as ordered by the Board of Directors and shall render to the Board Chair and Directors whenever requested, an account of all transactions as Treasurer and an account of the financial condition of the 32nd DAA.

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32<sup>nd</sup> District Agricultural Association  
**Board Policies**

### **3.02 Board Composition and Committees**

*Date Adopted/Last Revised: Month #, 20XX*

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*Note: Capitalized terms not otherwise defined in this Board Policy have the meanings set forth in the Definitions section of Board Policy 1.01. Should any provision in this policy contradict any provision of California law, California law shall control.*

#### **Purpose**

The 32<sup>nd</sup> DAA recognizes that either the Board Chair or the Board of Directors can establish committees to assist in the work of the Board of Directors. The purpose of this policy is to outline the authority of the Board Chair and of the Board of Directors to establish committees.

#### **Policy**

Under the authority of Bylaw Article V, Section 1, the Board of Directors may establish Board Committees to assist in carrying out its responsibilities and duties. The Board Chair may also establish Board Committees, at his or her discretion, to assist in carrying out the duties and functions of the 32<sup>nd</sup> DAA. Within this structure, Board Committees have one essential role—to strengthen and support the work of the Board of Directors as a whole.

The Board Chair and the Board of Directors may each form standing committees to address long-term or continuing needs of the organization. Each standing committee will have one or two members. The Board of Directors must comply with all requirements of the Bagley-Keene Open Meeting Act in creating standing committees. The Board Chair may create standing committees upon his or her discretion during a meeting of the Board of Directors properly noticed in accordance with the Bagley-Keene Open Meeting Act.

The Board Chair and Board of Directors may each also create time-limited ad hoc committees to oversee specific projects, tasks, or initiatives. Each ad hoc committee may have between two and four members. Ad hoc committees with more than two members must comply with the requirements of the Bagley-Keene Opening Meeting Act. When the task of an Ad hoc committee

is completed or no longer relevant, the Board of Directors should be dissolve that committee through formal action at a properly noticed public meeting.

## **Procedure**

### **Committee Member Selection**

The Board Chair is responsible for selecting committee members. When selecting members, the Board Chair will consider the Board Member's knowledge and expertise, competencies and skills, and personal interest in serving on the committee. In the interest of having committee members represent the community served by the committee, the Board Chair may also consider the diversity of each Board Member's personal experiences and backgrounds. Unless otherwise specified, the CEO or his/her staff designee, will serve as a non-voting member of each committee.

### **Committee Member Resignation**

Committee members may resign from their committee positions or recommend replacement at any time by giving written notice of resignation to the Board Chair or Board Vice Chair. The resignation is effective when notice is received by either officer, unless the notice specifies a later effective date. The acceptance of the resignation is not necessary to make it effective.

### **Committee Member Removal**

The Board Chair can remove and/or reassign committee members when, in the Board Chair's sole judgment, it would be in the best interest of the 32nd DAA.

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### **3.03 Board Member Code of Conduct**

*Date Adopted/Last Revised: Month #, 20XX*

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*Note: Capitalized terms not otherwise defined in this Board Policy have the meanings set forth in the Definitions section of Board Policy 1.01. Should any provision in this policy contradict any provision of California law, California law shall control.*

#### **Purpose**

Board Members are expected to conduct themselves in a manner that cultivates a spirit of cooperative decision-making, shared goals, and collective ownership of decisions of the Board of Directors. In addition to the guidelines provided in the Organizational Values, Code of Ethics, and Conflicts of Interest policies, this policy outlines a specific Code of Conduct that applies to all Board Members.

#### **Policy**

The Board of Directors commits itself and each Board Member to professional and respectful conduct, including proper use of authority and appropriate decorum when acting as Board Members. Accordingly, Board Members are expected to embrace and support the following principles:

1. **Group Responsibility:** The Board of Directors will cultivate a sense of group responsibility. The Board may use the expertise of individual Board Members to enhance the Board of Directors' understanding of issues, but will not substitute such expertise for the collective judgment of the Board of Directors.
2. **Preparation and Participation:** Board Members are accountable for discharging their duties honestly and in good faith. Board Members shall exercise the degree of care, diligence, and skill that a reasonably prudent person would use in similar circumstances.
  - a. *Preparation:* Board Members will review agenda materials in advance of public Board meetings and committee meetings, and will participate productively in discussions.



- b. *Ethics Training*: All Board Members are required to participate in training regarding the Bagley-Keene Open Meeting Act, ethics, conflict of interest, public records requests, and Board Policies. In addition, all Board Members must timely complete all trainings required by the State and California Department of Food & Agriculture. Training should take place as part of the initial onboarding process for new Board Members. In addition, all Board Members should review relevant material on an ongoing basis.
3. **Respect for Roles**: Board Members will not attempt to exercise individual authority over the 32<sup>nd</sup> DAA.
- a. *Interaction with CEO/Staff*: Board Members' interaction with the CEO or with staff should respect the appropriate reporting lines and recognize the lack of authority vested in individuals except when explicitly Board authorized (see Policy 5.02 CEO Accountability).
  - b. *Interaction with Public*: Board Members' interaction with public, media or other entities must recognize this limitation and Board Members should not speak for the CEO, or speak for the Board except to communicate explicitly stated Board decisions (see Policy 4.09 Community Representation and Advocacy).
  - c. *Board and CEO Relationship*: The CEO is accountable to the Board of Directors as a whole, and not to individual Board Members. Therefore, the relationship between the CEO and individual Board Members, including the Board Chair, is collegial, not hierarchical (see Policy 5.02 CEO Accountability).
  - d. *Volunteering*: As the CEO is responsible for operational activities and results, Board Members that decide to volunteer in operational capacities (those for which the Board of Directors holds the CEO accountable) are subject to the direct supervision of the CEO or responsible staff person.
  - e. *CEO/Employee Performance*: Except for participation in Board deliberation related to the employment of the CEO (including but not limited to CEO performance evaluation (see Policy 5.05 CEO Evaluation),
4. **Commitment to Board Decisions**: Board Members will support the legitimacy and authority of the final determination of the Board of Directors on any matter, irrespective of the Board Member's personal position on the issue.
5. **Event Attendance and Support**: In addition to attendance at Board meetings, Board Members are encouraged to attend the following 32<sup>nd</sup> DAA events and functions:

- a. Opening Day of the annual OC Fair
  - b. Awards presentations
  - c. Other special events as determined by the Board or requested by the CEO
6. **Discipline:** The Board will enforce upon itself whatever discipline is needed and appropriate to govern with excellence. Discipline will apply to matters such as attendance, preparation for meetings, policymaking principles, respect of roles, and ensuring the continual development of governance capability.

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32<sup>nd</sup> District Agricultural Association  
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### **3.04 Board Member Conflict Resolution**

*Date Adopted/Last Revised: Month #, 20XX*

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#### **Purpose**

Board Members are commonly appointed to bring diverse views on issues to the decision-making process. Constructive disagreements between Board Members are encouraged. However, in the heat of debate, disagreements sometimes degenerate into serious conflict on issues or between or among personalities. The purpose of this policy is to outline how conflict between Board Members should be resolved.

#### **Policy**

If disputes among Board Members begin to interfere with the ability of the Board of Directors to effectively carry out its business, the Governance Committee is responsible for managing and resolving those conflicts. If the Board Chair is party to a conflict, the Board Vice Chair will take on this responsibility. If the Board Vice Chair is party to the conflict, a neutral Board Member will be selected to fulfill this roll by the Board of Directors during a public meeting in accordance with the Bagley-Keene Open Meeting Act.

The Board Chair will review any disputes, and provide an opportunity for the Board Members concerned to represent their positions. Every attempt should be made to resolve such matters expeditiously and fairly. Any recommendations regarding resolution of such matters shall be brought to the Board of Directors for approval, and the ruling of the Board of Directors shall be made during a public meeting and shall be deemed final. Should any Board Member refuse to abide by the ruling, the Board may table the matter pending determination of disciplinary action. Such action may include formal or informal censure by the Board Chair or the Board of Directors.

## **Procedure**

### **Managing Issues-Based Conflict**

The Board Chair, or other delegated representative, will use the following techniques when reviewing issue-based conflicts during Board Meetings between or among Board Members:

1. Acknowledge the value and importance of divergent views in informing decision-making.
2. Practice and encourage good listening skills, understanding and respect. Clarify the ground rules for effective communication: confidentiality of discussions, allowing others to have their say, listening to understand, group ownership of problems and solutions, focus on issues rather than personalities or personal attacks.
3. Assist the parties in defining the issue. State what you understand to be the substance of the issue and seek agreement between them on a clear definition of the issue.
4. Seek agreement on the objectives, outcomes, or decisions sought by placing this item on the board agenda.
5. Assist the parties to identify and expand points of agreement.
6. Assist the parties in identifying why this issue is important to them rather than encouraging more debate on who has the best solution or idea.
7. Paraphrase or summarize the discussions repeatedly until they have reached consensus on points of agreement and disagreement.
8. Encourage both parties to suggest options for resolution or compromises. Seek agreement on a compromise.
9. If a resolution is identified, check with both parties to see if it is acceptable and will allow them to resolve the matter. Consensus around the issue may not always be possible, but should be a goal.

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**Board Policies**

### **3.05 Board Meetings and Agendas**

*Date Adopted/Last Revised: Month #, 20XX*

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#### **Purpose**

The purpose of this policy is to outline meeting and agenda-setting requirements, including compliance with regulations.

#### **Policy**

To support transparent communication, and in alignment with the Bagley-Keene Open Meeting Act, it is the policy of the 32nd DAA that its work will be conducted openly so that the public may remain informed and involved in the decision-making process. As such, the actions of the Board are conducted in compliance with all pertinent statutes, including – but not limited to – the Bagley Keene Open Meeting Act.

#### **Notices of Meetings**

All meetings will be noticed in accordance with the Bagley Keene Open Meeting Act.

#### **Regular Meetings**

Regular meetings of the Board of Directors will be held monthly on the fourth Thursday or at the discretion of the Board Chair, for no less than eight months per year, with the exception of the November meeting which will be held on the third Thursday or at the discretion of the Board Chair. The December regular meeting date will remain at the Board Chair's discretion. Because the 32nd DAA hosts the annual OC Fair from mid July to mid August, there will not be a July Board meeting unless specifically requested and approved by the Board of Directors. Via a

resolution, the Board of Directors may select the time and place within Orange County, California, to hold its regular meetings.

Except when the Board of Directors convenes to closed session in accordance with the Bagley-Keene Open Meeting Act, , Board meetings are open to the public.. Board meetings will follow Robert’s Rules of Order unless the Board Bylaw explicitly substitutes an alternative procedure. Committee meetings are not open to the public unless required by law or otherwise requested by Board committee members.

### **Special Meetings**

“Special Meetings” of the Board of Directors may be called at any time in accordance with Government Code section 11125.4.

may be called only for the purposes outlined in the Government Code section 11125.4.

### **Emergency Meetings**

“Emergency Meetings” of the Board of Directors may be called at any time in accordance with Government Code section 11125.5.

### **Annual Meeting**

The annual meeting of the Board of Directors will be held at the office of the 32nd DAA (or via teleconference or videoconference in accordance with California law) at 9:00 a.m. on the fourth Thursday of October of each year. If that date is a legal holiday, then the annual meeting shall be held, at the discretion of the Board of Directors, on the preceding or next succeeding business day.

### **Closed Sessions**

Closed sessions of the Board of Directors shall be noticed in accordance with the requirements of the Bagley-Keene Open Meeting Act.

### **Recessed and Adjourned Meetings**

Any meeting may be recessed or adjourned until a stated later date and hour. In the absence of a quorum, a majority of the Board Members present at the meeting may adjourn any meeting.

### **Decision-Making Process**

Decisions of the Board of Directors are made as a group at Board meetings at which a quorum of the Board (50% plus one) is present. A quorum is required for the transaction of any business of the 32nd DAA. Decisions will ideally be made through a consensus development process leading to a formal vote to record the decision. This process is intended to encourage full discussion and development of a decision that all, or at least the largest possible majority of, board members can support, prior to a vote. Where disagreements continue to exist, dissenting members may request that their objections be recorded in the minutes. A favorable vote of a majority of the members present, regardless of abstentions, is required for approval. Board Members have the right to discuss questions before the board and make their decisions in an uninhibited atmosphere.

### **Agenda**

As stated in policy 3.01 Board Composition and Officers, the Board Chair will set the agendas for Board meetings, with input from Board Members and assistance of the CEO. The Board Chair will ensure that discussion at Board meetings are confined to those issues properly agendized and that clearly fall within the Board's authority according to its policies. Deliberation on issues during Board meetings will be timely, fair, orderly, thorough, and efficient.

## Board Policies

### 3.06 Board Member Orientation and Training

*Date Adopted/Last Revised: Month #, 20XX*

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*Note: Capitalized terms not otherwise defined in this Board Policy have the meanings set forth in the Definitions section of Board Policy 1.01. Should any provision in this policy contradict any provision of California law, California law shall control.*

#### **Purpose**

The 32nd DAA works to actively develop and maintain a high quality, engaged, and effective Board of Directors. This policy outlines the responsibility of the Board of Directors to orient and train its members.

#### **Policy**

##### **New Board Member Orientation**

The 32nd DAA will provide a welcoming and comprehensive orientation process to encourage new Board Members to become informed and engaged. Within 30 days of appointment, each new Board Member will receive a thorough orientation to their position by the CEO. Orientation should include, but not be limited to:

- The history, mission, and values of the 32nd DAA
- The Board Bylaws and all Board Policies
- An organizational chart
- An overview of funding sources
- Calendar of meetings and events
- A tour of facilities and introduction to key staff



## Continuing Education

To build an informed and engaged Board of Directors, the 32nd DAA provides ongoing education, including:

- Sexual harassment prevention training (in accordance with policy 2.04), completed within six months after appointment, and every two years thereafter.
- Completion of State-mandated training courses including, but not limited to:
  - Sexual Harassment Prevention (every two years)
  - SANS Security Awareness (annually)
  - Bullying and Violence in the Workplace (every two years)
  - Ethics Orientation for State Officials (every two years)
- Bagley-Keene Open Meeting Act training

Whenever possible, the Board should consider participating in the above required training as a group during a publicly noticed meeting to foster discussion.

**Comment [MR1]:** Requested addition by Director La Belle

## Procedure

On an annual basis, the Board Chair, in collaboration with the CEO, will determine the continuing education schedule and opportunities for the year. As part of this process, the Board Chair, in collaboration with the CEO, will ensure that all Board Members have the opportunity to attend and complete all required trainings.

32<sup>nd</sup> District Agricultural Association  
**Board Policies**

### **3.07 Board Self-Assessment**

*Date Adopted/Last Revised: Month #, 20XX*

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*Note: Capitalized terms not otherwise defined in this Board Policy have the meanings set forth in the Definitions section of Board Policy 1.01. Should any provision in this policy contradict any provision of California law, California law shall control.*

#### **Purpose**

The purpose of this policy is to ensure that the Board of Directors functions as effectively as possible by regularly conducting self-assessments of their own performance.

#### **Policy**

Led by the Governance Committee, the Board of Directors will conduct a formal self-assessment of its own performance on an annual basis. This assessment should take place at the same time as the CEO Performance Evaluation (see Board Policy 5.04). The evaluation should include an assessment of:

- ) The Board's progress in relation to their annual work plan
- ) Board Members in terms of their understanding and support of the organization's mission, values, ethics, as well as Board-specific responsibilities
- ) The Board as a whole in terms of its capacity to function effectively and collaboratively
- ) The strength of relationship/collaboration with the CEO and other members of the Executive Staff

Additionally, the process should include an opportunity for the CEO to provide direct feedback to the Board of Directors.

The Board of Directors will review the results of the self-assessment. Under the guidance of the Board Chair, the Board of Directors is responsible to take any appropriate steps suggested by the review to improve its internal operations.

## **Procedure**

The Governance Committee is responsible for establishing and implementing an appropriate self-assessment process during the first quarter of each fiscal year.

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## **Board Policies**

### **5.01 Appointment and Removal of the CEO**

*Date Adopted/Last Revised: Month #, 20XX*

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#### **Purpose**

The California Food and Agricultural Code authorizes the Board to appoint and remove the CEO. In addition, planning for executive leadership transition is a critical governance responsibility of the Board. This policy outlines the Board's duties and procedures related to these processes.

#### **Policy**

The Board is responsible for ensuring that the 32<sup>nd</sup> DAA has strong and continuous executive leadership. Under the authority of the California Food and Agricultural Code and Article IV in the Board Bylaws, the Board has the authority to appoint and remove the CEO.

In addition, succession planning of executive leadership is addressed through the close partnership between the Board and the CEO, and the informal ongoing planning for leadership development of management staff. The CEO is responsible to equip no fewer than two other members of the executive management team with sufficient information to assume the role of interim CEO with reasonable proficiency.

More formally, the Board and CEO are responsible to develop a written emergency plan (or include a section on emergency executive succession in other documents like a business continuity or disaster preparedness plan), which is reviewed annually and revised when needed. The plan should address unexpected short-term absences of three months or less, as well as long-term or permanent absences. The Board may work with the CEO, other members of the executive leadership team, and/or outside consultants to plan for a stable transition.

## Procedure

### Appointing the CEO

Ideally, the appointment of the CEO should be made by a unanimous Board vote. If a unanimous vote cannot be reached, the Board is authorized to appoint the CEO with a majority vote and in accordance with the notice and reporting requirements of the Bagley-Keene Open Meeting Act.

### Removing the CEO

California law authorizes the Board to remove the CEO without cause. The Board may terminate the CEO with a majority vote and in accordance with the notice and reporting requirements of the Bagley-Keene Open Meeting Act.

### Appointing an Interim CEO

If the CEO is anticipated to be necessarily absent for a one- to three-month period with the intent to return, they may delegate their authority to a member or members of their executive staff. If the CEO is unable to perform such delegation before their absence, the Board can appoint an interim CEO.

In addition, if the CEO is anticipated to be necessarily absent for a period longer than three months, the Board can appoint an interim CEO. Ideally, this work would be done in collaboration with the CEO. The Board may select a qualified staff member, or opt to appoint any other qualified individual. However, current Board members are not eligible to fill the interim role. If a current member of staff is selected for this role, they will receive a temporary salary increase.

**Comment [ARF1]:** It may be a good idea to get the District's legal team to review, as I am unsure how the CDFA's salary-setting rules might apply here.

### Removing an Interim CEO

If the Board determines that an interim CEO must be removed before the return of the CEO, they may remove the delegation of authority or terminate the employee with a majority vote.

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**Board Policies**

## **5.02 CEO and Staff Accountability**

*Date Adopted/Last Revised: Month #, 20XX*

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### **Purpose**

The purpose of this policy is to outline the accountability and proper reporting relationship among the CEO, 32nd DAA staff members, and the Board.

### **Policy**

The Board's sole official connection to the day-to-day operations of the 32nd DAA is through the CEO. Within this context, only official Board action is binding on the District and CEO. Decisions or instructions of individual Board members, officers, or committees are not binding on the District or the CEO unless the Board has properly delegated that authority.

In addition, the CEO is accountable for, and maintains authority over, 32nd DAA staff. As such, the Board will not provide direction to, or evaluate, any 32nd DAA employee (other than the CEO). .

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### **5.03 Delegation of Executive Authority**

*Date Adopted/Last Revised: Month #, 20XX*

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#### **Purpose**

The Board delegates authority to the CEO for the daily management and administration of the 32nd DAA. This policy sets out key parameters for the CEO's authority. *Should any provision in this policy contradict any provision of California law, California law shall control.*

#### **Policy**

The Board directs the CEO through written policies that outline the organization's mission, values, and strategic priorities. Within this context, the Board delegates to the CEO the authority to execute those policies and manage the day-to-day operations of the 32nd DAA.

#### **General Responsibilities**

Other than as expressly provided in these Board Policy documents, all matters not specifically reserved for the Board and necessary for the day-to-day management of the organization are delegated to the CEO. In turn, the CEO may delegate where appropriate. In general, the CEO is responsible for:

- ) Overseeing the successful implementation of the Board's policies and strategic priorities within the resources and fiscal limits set by the Board.
- ) Ensuring that the organization's daily operations are carried out in accordance with all legal and regulatory requirements, 32nd DAA Bylaws, and Board policies, along with the values and ethics of the organization.

- ) Ensuring that the organization’s policies, practices, and decisions are undertaken in a manner that is responsible, equitable, and consistent with commonly accepted state agency and business practices.
- ) Maintaining a strong working relationship with the Board by sharing relevant information in a timely manner—including all specified reports, meeting notices and agenda packets, decision information, and notification of any current or anticipated actions that may threaten the organization.
- ) Ensuring that the organization’s assets are adequately protected, maintained, and not placed at unnecessary risk.
- ) Ensuring that the 32nd DAA’s budgeting is based on generally accepted accounting principles and that budgets are balanced.
- ) Ensuring that the 32<sup>nd</sup> DAA is financially sound by guiding efforts to increase revenue and maintain a balanced operating budget.
- ) Promoting a healthy work environment for staff that is consistent with the organization’s values.
- ) Managing and approving all staffing, organizational structure, and personnel decisions, including hiring, discipline, terminations, classifications, and salary ranges.
- ) Representing the organization to the community, media, and other stakeholders in a way that enhances the public image and credibility of the organization.

### **Reporting to the Board**

The CEO is required to provide the Board with the information it requires to govern effectively, make informed decisions, and monitor the overall performance of the 32nd DAA. As part of this work, the CEO will report to the Board, on at least a monthly basis, of all significant actions the CEO has taken within the parameters of the CEO’s delegated authority. Reports from the CEO, or selected management representatives, will cover areas including organizational performance toward goals, financial performance, human resources issues, or other major items related to organizational operations. In addition, the CEO is expected to provide advice to the Board on policy and program/service issues that affect the services provided by the 32nd DAA.

### **Other Responsibilities**

In addition to the general responsibilities outlined above, specific responsibilities are described in the CEO’s job description and in the following Board Policies:

- ) Chapter 2: Ethics of the Organization



- All policies
- ) Chapter 4: Board Responsibilities
  - Planning as outlined in 4.03 Organizational Planning
  - Financial Stewardship as outlined in 4.05 Financial Stewardship
  - Risk Management as outlined in 4.06 Risk management
  - Records Management as outlined in 4.07 Records Management
  - Personnel Management as outlined in 4.09 Personnel Policy
  - Community representation as outlined in 4.10 Community Representation and Advocacy
- ) Chapter 5: Board-Management Relationship
  - All policies

### **Emergency Situations**

In emergency situations involving operational matters upon which prompt action is necessary, the CEO will have the authority to act on matters not expressly within this delegation, provided:

- The action is, in the CEO's judgment, necessary to protect the 32nd DAA, its employees and members of the public from loss or harm that is reasonably likely to occur if action is delayed for the scheduling of a noticed meeting of the Board; and
- The CEO promptly reports to the Board the emergency action taken, and the reasons why the CEO determined action was immediately necessary.

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**Board Policies**

**5.04 CEO Compensation and Benefits**

*Date Adopted/Last Revised: Month #, 20XX*

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*Note: Capitalized terms not otherwise defined in this Board Policy have the meanings set forth in the Definitions section of Board Policy 1.01. Should any provision in this policy contradict any provision of California law, California law shall control.*

**Purpose**

The CEO is a principle representative of the 32nd DAA and is responsible for the effective operation of the organization. The purpose of this policy is to ensure that the CEO is provided with fair and reasonable compensation for the execution of their critical role.

**Policy**

The California Department of Human Resources (CalHR) designates district agricultural association CEOs as Secretary-Manager III positions and sets the annual compensation (salary and benefits) range for this role.

Under the authority of Article IV in the Board Bylaws, the Board has the responsibility to determine the compensation of the CEO within the range established by the CalHR. The 32nd DAA’s philosophy on executive compensation is based on the intent to recruit and retain a high-quality and experienced leader who can effectively execute on the 32nd DAA’s mission and strategic priorities. Executive compensation is determined by three factors:

1. Individual qualifications (if the CEO is new to the position)
2. Individual and organizational performance based on the CEO evaluation
3. 32nd DAA budget and financial condition

It is the policy of the 32nd DAA that the Board will review the CEO’s compensation on an annual basis.

**Comment [ARF1]:** Note: Bylaws may need to be updated to acknowledge the role of CalHR.

**Comment [MR2]:** The salary of the District’s CEO is determined by law. CalHR maintains the salary structure for DAA CEOs - CEOs are classified by CalHR as Secretary-Manager VII (class code 4812). Executive compensation must be consistent with CalHR’s salary structure. We may need to discuss further this language and determine whether it is necessary or appropriate.

**Comment [ARF3]:** We have updated the language throughout to clarify the role of CalHR.

## Retention Differential

In alignment with CalHR's Exempt Salary Schedule, the Board may grant a retention differential to the CEO, if it determines that they have achieved expected performance objectives and that such a bonus is necessary for retention purposes.

**Comment [ARF4]:** Source: <https://www.calhr.ca.gov/Documents/exempt-salary-schedule.pdf#search=Secretary%2DManager%20VII>

## Independence

All Board Members, including the Board Chair, will operate independently without undue influence from the CEO. No member of the Board who is involved in setting compensation can be a relative of the CEO or have any relationship with the CEO that could present a conflict of interest.

## Procedure

Executive compensation is determined based on the factors described above, and must be confirmed in writing. This determination takes place in the first quarter of the fiscal year, with any changes to salary effective DATE.

**Comment [ARF5]:** TBD

## Concurrent Documentation

To approve the compensation for the CEO, the Board must document how it reached its decisions, including the data on which it relied, in minutes of the meeting during which the compensation was approved. Documentation will include:

- ) A description of the compensation and the date it was approved;
- ) Board Members who were present during the discussion about compensation, and the results of the vote;
- ) Any actions taken (such as abstaining from discussion and vote) with respect to consideration of the compensation by any Board Member who has a conflict of interest with respect to the decision on the compensation and benefits.

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**Board Policies**

## **5.05 CEO Performance Evaluation**

*Date Adopted/Last Revised: Month #, 20XX*

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*Note: Capitalized terms not otherwise defined in this Board Policy have the meanings set forth in the Definitions section of Board Policy 1.01. Should any provision in this policy contradict any provision of California law, California law shall control.*

### **Purpose**

The purpose of this policy is to ensure that the 32nd DAA's CEO receives consistent and timely feedback about their performance from the Board.

### **Policy**

The Board will formally evaluate the CEO's performance on an annual basis using the approved form from the California Department of Food & Agriculture. The evaluation will be based upon:

- ) An evaluation of the organization's performance in the last fiscal year compared to the organization's mission, vision, and strategic goals
- ) An evaluation of the CEO's professional performance and growth compared to goals developed by the Board in collaboration with the CEO
- ) A self-evaluation by the CEO
- ) Feedback from direct staff reports about the CEO through the Human Resources Department

### **Procedure**

The CEO's performance evaluation will be finalized during the first quarter of each fiscal year. The Board will provide their evaluation in both written form and in person during an executive evaluation session. The CEO will have the opportunity to comment, respond, include other assessment information, and suggest growth and development ideas before and during the evaluation session.

During the executive evaluation session, the CEO and the Board should discuss and formalize any specific goals for the following year. These goals should be rooted in the organization's performance against strategic goals, as well as the overall leadership of the executive.

The CEO will have the option to receive his/her personnel evaluation during open session or a public meeting or during a closed session of a public meeting. In connection with the CEO's personnel evaluation, the Board will comply with all notice requirements under the Bagley-Keene Open Meeting Act.

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32<sup>nd</sup> District Agricultural Association  
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## **5.06 Emergency CEO Succession**

*Date Adopted/Last Revised: Month #, 20XX*

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*Note: Capitalized terms not otherwise defined in this Board Policy have the meanings set forth in the Definitions section of Board Policy 1.01. Should any provision in this policy contradict any provision of California law, California law shall control.*

### **Purpose**

Planning for executive leadership transition is a critical governance responsibility of the Board. This policy outlines the responsibility of the Board to accomplish this role.

### **Policy**

Succession planning of executive leadership is addressed through the close partnership between the Board and the CEO, and the informal ongoing planning for leadership development of management staff. The CEO is responsible to equip no fewer than two other members of the 32nd DAA's executive management team with sufficient information to assume the role of interim CEO with reasonable proficiency.

More formally, the Board and CEO are responsible to develop a written emergency plan, which is reviewed at the October annual meeting of the Board and revised when needed. The plan addresses unplanned short term absences of three months or less, as well as long term or permanent absences. The Board may work with the CEO, other members of the executive leadership team, and/or outside consultants to plan for a stable transition. Should the Board be required to appoint an interim CEO, it will make such appointment in accordance with the notice and reporting requirements of the Bagley-Keene Open Meeting Act.

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**Board Policies**

**5.07 CEO Event Responsibilities**

*Date Adopted/Last Revised: Month #, 20XX*

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*Note: Capitalized terms not otherwise defined in this Board Policy have the meanings set forth in the Definitions section of Board Policy 1.01. Should any provision in this policy contradict any provision of California law, California law shall control.*

**Purpose**

The purpose of this policy is to establish guidelines and expectations for the CEO related to event-specific responsibilities. Areas of focus include event logistics, event ticket distribution, and fairground management.

**5.07.01 Event Logistics**

**Policy**

It is the policy of the 32<sup>nd</sup> DAA that the CEO will provide adequate logistical planning for all major events, including the annual Fair, in order to protect the reputation of the organization and provide value to the public.

Within this context, adequate logistical planning involves:

- ) Active collaboration with governmental agencies and affected property owners and residents to minimize inconveniences or other negative impacts caused by events. The CEO may offer up to twenty OC Fair admission tickets to neighbors for a discounted price as defined in the 32<sup>nd</sup> DAA's neighbor ticket policy.
- ) Recommending the price of entrance fees and parking for the annual OC Fair as part of the annual operating budget process and presenting to the full Board for approval. Such rates will be competitive with other fair and special event venues in Southern California.
- ) Choosing concessions, and items sold directly by the 32<sup>nd</sup> DAA at rates that are competitive with other fair and special event venues in Southern California.

**Comment [MR1]:** See comment on neighbor ticket policy.

- J Operating with an Incident Command Procedure / Emergency Preparedness Plan. This plan must be approved by appropriate governmental agencies, and communicated to relevant staff, as well as key vendors and production personnel. To this end, the CEO will schedule a security meeting with the appropriate security partner representatives and the Chair and Vice Chair of the Board prior to the start of the annual OC Fair and once in the approximate mid-point of the annual OC Fair.
- J Responsible management of lifetime credentials. Lifetime credentials are non-transferable and valid for complimentary admission to the annual OC Fair for the designated recipient plus one guest, and parking in a lot determined by 32<sup>nd</sup> DAA management. Civil Service employees who have completed 240 service months (20 years) with the 32<sup>nd</sup> DAA, or upon the recommendation of the CEO and the approval of the Board, will receive a lifetime credential upon completion of their employment. Additionally, lifetime credentials may be issued to past Board Members, event industry professionals, employees of other government agencies, and other partners who have contributed to the success of the 32<sup>nd</sup> DAA upon the recommendation of the CEO and the approval of the Board.

**Comment [MR2]:** Lifetime credentials are not consistent with California law. While existing employees and Board members are entitled to a certain number of event tickets (in accordance with FPPC guidelines), the PFFC does not permit the issuance of lifetime credentials. Strongly recommend deleting this section.

## 5.07.02 Event Ticket Distribution

### Policy

It is the policy of the 32<sup>nd</sup> DAA that the CEO will follow established policies and procedures pertaining to the equitable and rational distribution of complimentary event tickets in support of the 32<sup>nd</sup> DAA's strategic goals. All ticketing policies and implementation of those policies must comply with all applicable state laws and regulations.

Within this context, the CEO will:

- J Maintain and adhere to explicit policies, procedures, controls, and record-keeping over the distribution of complimentary tickets.
- J Act in accordance with California Food & Agricultural Code section 3026 and limit the total number of courtesy fair admission tickets to less than 4% of the quantity of gross paid admissions to the OC Fair in the preceding calendar year.
- J Maintain and adhere to explicit policies, procedures, controls and record-keeping over the reservation and sale or courtesy distribution of "house seats" in the Pacific Amphitheatre for strategic business development and community relations.



- House seats may not be held except for the following purposes:
  - Contractual fulfillment of agreements with artists and performers
  - Promotions and marketing, including sponsorships
  - Press and media relations
  - Business development and community relations
- House seats provided on a courtesy basis are subject to all requirements of Section 3 below.
- ) Post the ticket policy on the 32nd DAA website in accordance with FPPC requirements, and for reporting and recordkeeping regarding tickets as required by state and federal tax law, including but not limited to the California Political Reform Act of 1974 (government Code sections 81000, *et seq.*, as amended) and the Fair Political Practices Commission (“FPPC”) Regulations (Title 2, Division 6 of the California Code of Regulations, sections 18110, *et seq.*, as amended).
- ) Follow the policy statement described immediately below:

**A. Application of Policy**

- i. This policy applies to tickets distributed by the OC Fair & Event Center (OCFEC) for events and activities, including the OC Fair, Pacific Amphitheatre, Action Sports Arena, Hangar and other events and activities taking place at the OCFEC facility.
- ii. This policy applies to tickets which provide admission to a facility or event for an entertainment, amusement, recreational or similar purpose, and are either:
  - a. Issued by OCFEC as the producer of the event;
  - b. Gratuitously provided to OCFEC by an outside source;
  - c. Acquired by OCFEC by purchase;
  - d. Acquired by OCFEC as consideration pursuant to the terms of a contract for the use of an OCFEC venue; or
  - e. Acquired and distributed by OCFEC in any other manner.
- iii. This policy does not apply to any other item of value provided to OCFEC or any OCFEC Official, regardless of whether received gratuitously or for which consideration is provided.

**Comment [MR3]:** Changed from “Grandstand” Arena per a recommendation from a member of the public.

**B. Definitions**

- i. “OC Fair & Event Center” or “OCFEC” shall mean the 32nd District Agricultural Association, known as the OC Fair & Event Center.
- ii. “OCFEC Official” means every Director, officer, employee, or consultant of the OC Fair & Event Center, as defined in Government Code Section 82048 and California Code of Regulations, title 2, section 18701. OCFEC Official shall include, without limitation, any member of the OCFEC’s Board of Directors or any other appointed OCFEC official or OCFEC employee required to file an annual Statement of Economic Interests (FPPC Form 700).

- iii. "OCFEC Venue" means and includes the OC Fair & Event Center, OC Fairgrounds, Pacific Amphitheatre, Grandstand Arena, or any other venue owned, controlled, or operated by OCFEC.
- iv. "Immediate Family" means the spouse or registered domestic partner and dependent children, as set forth in Government Code section 82029 and Family Code section 297.5.
- v. "Policy" means this ticket policy.
- vi. "Ticket" means and includes any form of admission privilege to a facility, event, show or performance.

### ***C. General Provisions***

- i. **No Right to Tickets:** The use of complimentary tickets is a privilege extended by OCFEC and not the right of any person to which the privilege may from time to time be extended.
- ii. **Limitation on Transfer of Tickets:** Tickets distributed to an OCFEC Official pursuant to this Policy shall not be transferred to any other person, except to members of such OCFEC Official's Immediate Family (as defined above) solely for their personal use. Unused tickets must be returned to the District for sale to the general public.
- iii. **Prohibition Against Sale or Receiving Reimbursement for Tickets:** No person who receives a ticket pursuant to this Policy shall sell or receive reimbursement for the value of such ticket.
- iv. **No Earmarking of Tickets to OCFEC:** No ticket gratuitously provided to the OCFEC by an outside source and distributed to, or at the behest of an OCFEC Official pursuant to this Policy, shall be earmarked by the original source for distribution to a particular OCFEC Official.
- v. **No Disproportionate use of Tickets or Passes:** This Policy prevents the disproportionate use of tickets or passes by Board Members and the CEO.

### ***D. Ticket Administrator***

- i. The 32nd DAA CEO shall be the Ticket Administrator for purposes of implementing the provisions of this Policy, and may delegate this responsibility within the organization as necessary.
- ii. The Ticket Administrator shall have the authority, in his or her sole discretion, to establish procedures for the distribution of tickets in accordance with this Policy. All

requests for tickets which fall within the scope of this Policy shall be made in accordance with the procedures established by the Ticket Administrator.

- iii. The Ticket Administrator shall determine the face value of tickets distributed by OCFEC for purposes of Sections E(i), E(ii), and G(i)(d) of this Policy. Face value will include any applicable fees and service charges.
- iv. The Ticket Administrator, in his or her sole discretion, may revoke or suspend the ticket privileges of any person who violates any provision of this policy or the procedures established by the Ticket Administrator for the distribution of tickets in accordance with this policy.
- v. The disclosure forms required by Section G of this Policy shall be prepared and posted by the Ticket Administrator, or by an individual acting under the Ticket Administrator's authority, supervision and control.

***E. Conditions Under Which Tickets May Be Distributed***

Subject to the provisions of this Policy, tickets may be distributed to OCFEC Officials under the following conditions:

- i. The OCFEC Official reimburses OCFEC for the face value of the ticket(s), including any applicable fees and service charges.
  - a. Reimbursement shall be made at the time the ticket(s) is/are distributed to the OCFEC Official.
  - b. The Ticket Administrator shall, in his or her sole discretion, determine which event tickets, if any, shall be available under this section.
- ii. The OCFEC Official treats the value of the ticket(s) as income consistent with applicable federal and state income tax laws.
- iii. The OCFEC Official uses, or behests, such ticket(s) for one or more of the following public purposes:
  - a. Performance of a ceremonial role or function representing OCFEC at the event, for which the OCFEC Official may receive enough tickets for the OCFEC Official and each member of his or her immediate family.
  - b. The official and/or job duties of the OCFEC Official require his or her attendance at the event, for which the OCFEC Official may receive enough tickets for the OCFEC Official and each member of his or her immediate family.
  - c. Economic or business development purposes on behalf of OCFEC, including but not necessarily limited to: promotion and marketing of OCFEC's resources and facilities available for commercial and other uses; increase of ancillary revenue for food, beverage, parking and related items at interim and

- OCFEC-promoted events; promotion and marketing of OCFEC initiated, supported controlled or sponsored programs or events.
- d. Fulfillment of contractual obligations where OCFEC has agreed to provide tickets as a form of consideration.
- e. Intergovernmental relations purposes, including but not limited to attendance at an event with or by elected or appointed public officials from other jurisdictions, their staff members and their guests.
- f. Attracting or recognizing volunteer service to OCFEC.
- iv. The Ticket Administrator may also elect to offer OC Fair admission tickets at a discounted price to OCFEC Officials for one or more of the public purposes described in Section E(iii). If offered, the Ticket Administrator will establish the prices of such tickets and any applicable quantity limits.

***F. Tickets Distributed at the Behest of an OCFEC Official***

- i. Only Board Members and the CEO shall have the authority to behest tickets.
- ii. Tickets shall be distributed at the behest of an OCFEC Official only for one or more public purposes set forth in this Policy.
- iii. If tickets are distributed at the behest of an OCFEC Official, such OCFEC Official shall not use one of the tickets so distributed to attend the event.

**Comment [MR4]:** In plain language, this prevents a Director from behesting the same ticket that he/she will use for the event. Once a Director behests a ticket, he or she cannot use that ticket.

***G. Disclosure Requirements***

- i. Tickets distributed by OCFEC to any OCFEC Official (i) which the OCFEC Official treats as income pursuant to Section E(ii) above, or (ii) for one or more public purposes described in Section E(iii) above, shall be posted on FPPC Form 802, or any successor form provided by the FPPC, in a prominent fashion on OCFEC’s website within thirty (30) days after distribution. Such posting shall include the following information:
  - a. The name of the recipient, except that if the recipient is an organization, OCFEC may post the name, address, description of the organization and number of tickets provided to the organization in lieu of posting the names of each individual recipient;
  - b. A description of the event;
  - c. The date of the event;
  - d. The face value of the ticket;
  - e. The number of tickets provided to each person or organization;
  - f. If the ticket was distributed at the behest of an OCFEC Official, the name of the OCFEC Official who made such behest; and

- g. A description of the public purpose(s) under which the distribution was made, or, alternately, that the OCFEC Official is treating the ticket(s) as income.
- ii. Tickets distributed by OCFEC for which OCFEC receives reimbursement from the OCFEC Official as provided under Section E(i) above shall not be subject to the disclosure provisions of Section G(i).

### 5.07.03 Fairground Management/Leasing

#### Policy

With respect to the interim and year-round operations, it is the policy of the 32nd DAA that the CEO will maintain the appearance and reputation of the Fairgrounds as a vital community asset.

Accordingly, the CEO will:

- ) Establish and maintain a competitive rental rate structure for space/building rentals. .
- ) Operate with standardized rental policies and requirements, which shall be incorporated into all rental agreements.
- ) Rent facilities with both parties entering into a written rental agreement.
- ) Operate with the written consent of the two affected parties, allow competing events within forty-five (45) days of the traditional dates of annual renters' events.
- ) Ensure that facilities are not rented for any activities that the CEO determines may adversely impact the local neighborhood.
- ) Comply with the 32<sup>nd</sup> DAA's High Profile Events Policy

**Comment [MR5]:** Recommended addition by a member of the public

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