



Board of Directors Meeting

November 19, 2020

Good morning.

The meeting will begin just after 9:00 a.m. After the meeting's Roll Call, the Board will immediately adjourn to Closed Session; at this time the meeting Secretary will organize Public Comment. Please keep your device on mute until called upon to speak.

If using the Zoom dial-in option, use *6 to mute and un-mute your phone.

Please take notice that this public meeting of the 32nd District Agricultural Association, a California state institution, is being recorded using video recording equipment. Please also take notice that the 32nd District Agricultural Association will release video recordings of its public meetings where required under California law.

Please keep your device on mute

The Mission of OCFEC is...

**Celebration of Orange County's
Communities, Interests, Agriculture and
Heritage**

(with results justifying resources expended)





5. Closed Session

- A. Pending Litigation** – The Board will meet in closed session to consult with legal counsel regarding the following pending litigation. [Gov. Code section 11126(e).]
 - i. To confer with and receive advice from legal counsel regarding potential litigation involving the 32nd District Agricultural Association. Based on existing facts and circumstances, the Board of Directors will decide whether to initiate litigation. (Govt. Code, § 11126, subd. (e).)
 - ii. To confer with and receive advice from legal counsel regarding potential litigation involving the 32nd District Agricultural Association. Based on existing facts and circumstances, there is significant exposure to litigation against the 32nd District Agricultural Association. (Govt. Code, § 11126, subd. (e).)
 - iii. To confer with counsel, discuss, and consider the following pending litigation to which the 32nd DAA is a party. 32nd District Agricultural Association v. Ovations Fanfare, L.P., et al., Orange County Superior Court, Case No. 30-2020-01161661-CU-CO-CJC
- B. Personnel:** The Board will meet in closed session to consider the evaluation of performance of the General Manager / CEO. [Govt. Code, § 11126, subd. (a).]



6. CEO's Operational Announcements & Updates



**Shelter for 20 evacuated horses
during Silverado and Blue Ridge Fires**



**Over \$1 million in
fair food
concessions sales**



6. CEO's Operational Announcements & Updates



Our goat landscapers are famous!



**Centennial Farm and Heroes Hall
welcome back guests**



**Carol Singleton named
Veteran of the Year
by Assemblywoman
Cottie Petrie-Norris**



For the Ten Months Ended October 31, 2020

	Actual	Budget	Variance Favorable (Unfavorable)
YTD Revenue	\$3,370,236	\$50,162,448	\$(46,792,212)
YTD Expenses	<u>\$16,712,549</u>	<u>\$45,855,092</u>	<u>\$29,142,543</u>
YTD Net Proceeds (Deficit)	<u>\$(13,342,313)</u>	<u>\$4,307,356</u>	<u>\$(17,649,669)</u>



Cash and Cash Equivalents

	<u>October 31, 2020</u>	<u>October 31, 2019</u>
Cash on Hand	\$ 1,257,842	\$ 1,113,689
Investments	<u>\$42,794,297</u>	<u>\$57,231,409</u>
Total Cash and Cash Equivalents	<u>\$44,052,139</u>	<u>\$58,345,098</u>
Year over Year Decrease	<u>(\$14,292,959)</u>	
Year over Year % Decrease	-24.5%	



Current & Upcoming Events

November
December



Centennial Farm



Now Open  Make your reservation today
at ocfair.com/reservations

COVID-19
Drive Thru Testing
SUPERSITE



County COVID Testing
(Monday-Friday)

Through Dec. 31, 2020

POWER OF ONE

FOUNDATION

Emergency Food Assistance
Drive-Through
Distribution



Farmers Market
Every Thursday



**Christmas Tree Lot -
Seasonal Adventures**

Nov. 27 - Dec. 18, 2020



Dec 15-Dec 17

WINTER FEST OC PRESENTS:



Dec 3-Jan 3



7. Minutes

A. Board meeting held October 22, 2020

Action Item



8. Matters of Public Comment

Speakers are requested to sign in prior to the start of the meeting and are limited to three minutes. Public comment is allowed on issues NOT on the current Agenda. However, no debate by the Board shall be permitted on such public comments, and no action will be taken on such public comment items at this time, as law requires formal public notice prior to any action on a docket item.

Comments will be accepted on Agenda items during the meeting. Speakers wishing to address the Board on items on the agenda are requested to sign in prior to the start of the meeting and identify the agenda item[s] on which you desire to address the Board. Speakers are limited to three minutes.



9. Consent Calendar: (Policy Reference: 4.3.4)

All matters listed under Consent Calendar are operational matters about which the Board has governing policies, implementation of which is delegated to the CEO. They will be enacted in one motion by category in the order listed below. There will be no discussion of these items prior to the time the Board of Directors votes on the motion, unless members of the board, staff or public request specific items to be discussed separately and/or removed from this section.

Any member of the public who wishes to discuss Consent Calendar items should notify the Chair of the Board, at the time requested and be recognized by invitation of the Chair to address the Board.



10A. 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. Storage, Parking and Traffic Ad Hoc Committee (Director La Belle, Committee Chair; Director Bagneris)
- xi. Diversity Committee (Director Ruiz, Committee Chair; Director Kovacevich)



10B. Presentation from Women for American Values and Ethics (WAVE) Regarding “Ghost Guns” at California Gun Shows

INFORMATION ITEM:

Women for American Values and Ethics (WAVE) is a diverse, nonpartisan organization that engages, educates and empowers its members and the community to advance progressive American values and ethics.

Directors Kovacevich and Aitken will introduce Piper Benom from WAVE's Gun Safety Working Group, who along with Stephen Lindley, Program Manager for the Brady Center in Los Angeles, will provide information regarding “ghost gun” sales at California gun shows.



10C. Review of Current Enhanced Worker Safety Policy and Vote on Whether or Not to Revise

In September, 2012 the Board of Directors adopted the Enhanced Worker Safety Policy to ensure job safety and the safety of the public at large. The policy applies to all construction projects with a contract amount in excess of \$25,000.

The policy also requires that specific workforce ratios are met by verifying the workforce on a daily basis. The worker classification requirements of the policy state that “the use of Journeymen will comply with all State of California labor law. A minimum of 70% of all Journeymen of each apprenticeable craft or trade engaged in work on the site shall be a graduate of an approved State of California Apprenticeship Program.”



ENHANCED WORKER SAFETY POLICY

For all construction projects with a contract price in excess of Twenty Five Thousand Dollars (\$25,000), the following Enhanced Worker Safety Policy (EWSP) shall be included as part of the contract document:

The EWSP will be monitored by the construction management team at the construction site by collecting daily job manpower reports. These reports shall contain specific information on trades, personnel, and equipment engaged on the project site on a daily basis. The required workforce ratios shall be determined by verifying the workforce on a daily basis.

Worker Classification Requirements:

The use of Journeymen will comply with all State of California labor laws. A minimum of 70% of all Journeymen of each apprenticeable craft or trade engaged in work on the site shall be a graduate of an approved State of California Apprenticeship Program.

Apprentices shall be permitted to work as such only when they are registered, individually, under a bona fide apprenticeship program registered and approved by the State Division of Apprenticeship Standards. The allowable ratio of apprentices to journeypersons in any craft/classification shall not be greater than the ratio permitted to the contractor as to its entire workforce under the registered program.

Any worker listed on a payroll at an apprentice wage rate who is not registered shall be paid the journey level wage rate determined by the Department of Industrial Relations for the classification of the work he/she actually performed. Pre-apprentice trainees, trainees in nonapprenticeable crafts, and others who are not duly registered will not be permitted on public works projects unless they are paid full prevailing wage rates as journeypersons.

Compliance with California Labor Code Section 1777.5 requires all public works contractors and subcontractors to:

1. Submit contract award information on the most current DAS Form 140 to the apprenticeship committee for each apprenticeable craft or trade in the area of the Project;
2. Request dispatch of apprentices from the applicable Apprenticeship Program(s) and employ apprentices on public works projects in a ratio to journeypersons which in no case shall be less than one (1) hour of apprentice work to each five (5) hours of journeyperson work; and
3. Contribute to the applicable Apprenticeship Program(s) or the California Apprenticeship Council in the amount identified in the prevailing wage rate publication for journeypersons and apprentices. If payments are not made to an Apprenticeship

Program, they shall be made to the California Apprenticeship Council, Post Office Box, 420603, San Francisco, CA 94142.

Worker Training Requirements

1. 20% of all jobsite workers will be OSHA 10-hour General Industry Safety and Health certified.
2. At least one (1) jobsite workers will be OSHA 30-hour General Industry Safety and Health certified.

10C. Review of Current Enhanced Worker Safety Policy and Vote on Whether or Not to Revise

The current policy has presented some compliance challenges for both construction contractors and the trade unions resulting in project delays, most recently involving the campground storm water management project. It is proposed that the threshold of 70% be lowered to 35% requirement that all Journeyman of each apprenticeable craft or trade engaged in work on the site shall be a graduate of an approved State of California Apprenticeship Program. The new requirement is agreeable to OCFEC staff, California Construction Authority and local trade unions. **The recommendation is to have the Facilities Committee formally amend the Enhanced Workers Safety Policy to reflect the threshold change.**

RECOMMENDATION:

At the Board of Directors' discretion.



10D. Consideration of and Vote on Whether or Not to Revise Current Cannabis Event Policy

At the January 25, 2018 meeting, the Board of Directors adopted the Cannabis Event Policy (Policy 6.05), based on cannabis event guidelines published for District Agricultural Associations in October, 2017 by the California Department of Food & Agriculture (CDFA). A copy of the policy is attached.

In considering the policy, the Board looked at several factors suggested by CDFA including:

1. Community values and standards in regards to cannabis as reflected by local city and county cannabis ordinances
2. Fairgrounds' proximity to schools, youth recreation centers, parks and other areas minors congregate
3. CDFA cannabis event guidelines
4. Potential federal enforcement on cannabis use
5. Relationship with California Highway Patrol and/or local law enforcement

The Board voted unanimously in favor of banning cannabis events at OCFEC, which included the ban of cannabis-related products such as those containing CBD. In November, 2018, the Board amended the policy to include the following statement highlighted in red:



10D. Consideration of and Vote on Whether or Not to Revise Current Cannabis Event Policy

Policy with amendment (in red)

The 32nd District Agricultural Association (OC Fair & Event Center) does not book cannabis-related events at the OC Fair & Event Center for several reasons, including without limitation, the City of Costa Mesa's Marijuana Ordinance and the OC Fair & Event Center's close proximity to schools, parks, day care centers and other areas where minors gather. This policy also extends to existing events which are prohibited from including cannabis products or activities, cannabis-related products or activities or drug paraphernalia during events held at the OC Fair & Event Center. The OC Fair & Event Center does not permit any sponsor, vendor or exhibitor to include in any marketing, advertising or information for an event held at the OC Fair & Event Center, any promotion, information or advertisement from cannabis dispensaries or third-parties that sell or promote cannabis-related products or drug paraphernalia. Event sponsors, vendors and/or exhibitors may not distribute, sell or promote cannabis products, cannabis-related products or drug paraphernalia during any event at the OC Fair & Event Center. **Notwithstanding the foregoing, the OC Fair & Event Center permits the sale, promotion and display of products containing seeds derived from industrial hemp or industrial hemp seed oil or hemp seed oil derived from industrial hemp, consistent with California law.**



10D. Consideration of and Vote on Whether or Not to Revise Current Cannabis Event Policy

In November, 2016, the City of Costa Mesa passed Measure X which allows for businesses meeting the requirements for operation to conduct wholesale medical marijuana distributing, manufacturing, processing and transporting, as well as research and development testing laboratories. Measure X does not allow for cannabis cultivation and/or retail sales. Medical marijuana businesses are only permitted in a specific part of Costa Mesa (north of South Coast Dr., west of Harbor Blvd, south of MacArthur Blvd and east of the Santa Ana River.)

In November 2020, Costa Mesa voters approved Measure H, which will allow for retail cannabis shops and delivery operations in Costa Mesa. Measure H passed with 65 percent support. Since cannabis is a growing part of California's agriculture and contributes to future economic growth the Board is being asked to review the current policy and discuss potential amendments to the Cannabis Event Policy 6.05.

RECOMMENDATION:

At the Board of Directors' discretion.



10E. Consideration of and Vote on Whether to Dissolve the Board-created Diversity Committee

At the June, 2020 Board of Directors meeting, Board members voted to create a Diversity Committee to focus on diversity, inclusion and equality issues. Then Board Chair, Sandra Cervantes, appointed Directors Ruiz and Kovacevich to serve on the committee.

Because the Diversity Committee was created by the Board of Directors, it is subject to the requirements of the Bagley-Keene Open Meeting Act. The Diversity Committee members requested this agenda item to propose dissolving the committee. In its place, the Diversity Committee members recommend that the Board Chair consider creating, at her discretion, a two-person diversity committee. While this two-person committee created by the Board Chair would not be subject to the requirements of the Bagley-Keene Open Meeting Act, it would have the flexibility to schedule public meetings for input and ideas while maintaining the ability to meet separately with staff when required.



10E. Consideration of and Vote on Whether to Dissolve the Board-created Diversity Committee

RECOMMENDATION:

At the Board of Directors' discretion.



New Board Committees

Leadership Committee:

- Chair Rubalcava-Garcia and Vice Chair La Belle

Purpose:

This committee provides executive support to the Board and acts on behalf of the full Board during emergency situations.

Focus:

- Consult with CEO
- Develop Board meeting agendas
- Address Board issues
- Conduct annual safety/security meeting
- Initiate strategic planning

Financial Monitoring and Audit Committee:

- Director Pham and Director Bagneris

Purpose:

This committee monitors the organization's financial position and ensures financial controls are in place.

Focus:

- Monthly financial oversight
- Annual budget review
- Annual audit process



New Board Committees

Facilities Committee:

- Director Aitken and Director Ruiz

Purpose:

This committee reviews buildings and grounds related projects and issues and recommends site planning direction

Focus:

- Construction projects
- Capital expenditures
- Master site planning

Community Affairs Committee:

- Director Kovacevich and Director Ruiz

Purpose:

This committee oversees the Board's relationship with the community

Focus:

- Diversity, equity and inclusion
- Community engagement
- Relationships with local, county and state officials

Governance Committee:

- Director Cervantes and Chair Rubalcava-Garcia

Purpose:

This committee ensures compliance with all Board policies and regulatory requirements

Focus:

- Policy updates
- Legislative monitoring
- Bagley-Keene open meeting compliance
- Annual form 700 reporting
- Annual required Board training

10F. Review of Current Equestrian Center Contract and Vote on Direction to Staff for Next Steps

At the October 22, 2020 Board of Directors meeting, Board Chair Rubalcava-Garcia requested that this item be placed on the November Board meeting agenda. The current contract with Equestrian Services II for the operation of the Equestrian Center was provided with the Board materials on the website. Currently, the contract is on a month-to-month basis.

- The Equestrian Center is located on approximately 7.5 acres of land in the northeast corner of OCFEC.
- There are nine (9) barns which represent 188 box stalls.
- The facility includes a total of 206 12'x12' spaces.
- Currently 115 horses are boarded at the facility.
- There are currently 32 vacant horse stalls at the Equestrian Center.
- The facility includes 18 permanent tack room/office spaces with 1 current vacancy, and 21 converted tack room/office spaces with 4 current vacancies.
- According to recent COVID-19 attestation forms required by the OC Health Care Agency, there are nine (9) private trainers who operate businesses at the Equestrian Center:
 - Cheval Training Stables
 - Equine Encounter
 - Inverness Ridge Stables
 - O.C. Equestrian Vaulting
 - Wildling Equestrian
 - Equilux Showjumping
 - Integrity Sport Horses OC
 - Moonstone Riding Academy
 - Sabo Eventing



10F. Review of Current Equestrian Center Contract and Vote on Direction to Staff for Next Steps

- The trainers own and board horses at the Equestrian Center. There are also additional horses currently boarded at the Equestrian Center which belong to private owners.
- According to the Equestrian Services II website, the trainers provide training, lessons, breeding, horse care, sales and equitation (horsemanship) to their clients.
- Some of the trainers also hold summer camps which are open to the public to join.
- Two of the trainers, Lisa Sabo of Sabo Eventing and Sarah Klifa of Cheval Training Stables, formed a 501(c)3 nonprofit organization (Changing Strides) “to address the need for equine therapy to serve veterans, battered women, adults with mental challenges, and at-risk youth in the urban setting of Orange County,” according to their website.
- As part of OCFEC’s agreement with OC Animal Care, the property serves as a large animal evacuation center. Most recently during the 2018 Canyon II Fire and again during the Silverado and Blue Ridge wildfires in October, 2020, OCFEC was activated as a large animal evacuation center. Over the course of 3 days, the Equestrian Center was used to house 20 evacuated horses from the wildfire zones.
- The Equestrian Center continues to operate for the trainers and boarders during the annual OC Fair.

RECOMMENDATION:

At the Board of Directors’ discretion.



10G. Consideration of and Vote on Amending Board Policy 1.01: Policy Framework and Definitions, to Align Terms CDFA Code Language

Several of the newly adopted Board governance policies refer to other policies and documents in California Food and Agriculture Code. Some of these documents refer to the Board Chair position as the “President” and to the CEO as the “Manager” or “Fair Manager.”

To clarify that the 32nd DAA title of Board Chair is aligned with the CDFA title of President, and the 32nd DAA title of CEO is aligned with the CDFA title of Manager, it is recommended that Policy 1.01 be amended to include those references in the “Definitions” section.

- *Board Chair: the Board Member elected by the Board to serve as President of the 32nd DAA and as chair of the Board (sometimes referred to in California Food and Agriculture Code as “President.”)*
- *CEO: an individual appointed by and responsible to the Board to hold all of the following offices: chief executive officer, general manager, secretary, and treasurer; the highest ranking employee of the 32nd DAA (sometimes referred to in California Food and Agriculture Code as “Manager” or “Fair Manager”)*

RECOMMENDATION:

At the Board of Directors’ discretion.



10H. Review and Vote on Whether or Not to Approve Groups 3 and 5 Board Governance Policies

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.

Policy 3.01 – Board Composition and Officers

Policy 3.02 – Board Committees

Policy 3.03 – Board Member Code of Conduct

Policy 3.04 – Board Member Conflict Resolution

Policy 3.05 – Board Meetings and Agendas

Policy 3.06 – Board Member Orientation and Continuing Education

Policy 3.07 – Board Self-Assessment

Policy 5.01 – Appointment of the CEO

Policy 5.02 – CEO Accountability

Policy 5.03 – Delegation of Authority

Policy 5.04 – CEO Compensation and Benefits

Policy 5.05 – CEO Performance Evaluation

Policy 5.06 – Emergency CEO Succession

Policy 5.07 – CEO Event Responsibilities

RECOMMENDATION:

At the Board of Directors' discretion.



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Policy 5.03 – Delegation of Authority

Policy 5.04 – CEO Compensation and Benefits

Policy 5.05 – CEO Performance Evaluation

Policy 5.06 – Emergency CEO Succession

Policy 5.07 – CEO Event Responsibilities

RECOMMENDATION:

At the Board of Directors' discretion.



HIP HIP HORRAY!



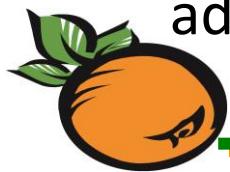
10I. Presentation of 2021 Budget and Vote on Whether or Not to Amend or Approve

On November 13, 2020, the Financial Monitoring Committee held an open public budget study session. Committee Chair Newton Pham and Committee Member Director Doug La Belle were also joined by staff and members of the public.

Staff reviewed the assumptions, economic factors and health/safety considerations used to develop the 2021 budget and capital expenditures/major projects plan. The presentation included:

1. Proposed 2021 Budget Roll-up – draft
2. Proposed 2021 Budget by Month – draft
3. Detailed Department Budget Worksheets – draft
4. 2021 OC Fair Projected Profit and Loss Statement – draft
5. Capital Expenditures and Major Projects Proposed for 2021 - draft

Staff will review the budget with the full Board and be available to answer questions and provide additional information as requested.



Budget Process

- Fiscal year runs January through December
- Budgets are created annually for each department and then consolidated into an organization-wide budget
- The 53 departmental budgets are directly overseen by 13 management staff
- Through monthly variance reports and monthly reforecasting throughout 2021, each department's budget will be closely monitored. The Board, staff and public will receive regular updates



A Look Back at 2020 Budget

- The 2020 budget was developed from the ground up
- Nothing about the 2020 budget preparation process could have prepared us for the year we are now experiencing
- The cancelation of the 2020 OC Fair and the inability to hold mass gatherings has had a devastating impact
- In May, we estimated a \$20M deficit to budget by the end of the year
- We also projected an \$18M loss in cash reserves
- Throughout the year, we have been focused on cutting costs, providing space for emergency purposes and working with promoters on safe and healthy vehicle-based events
- We are now projecting a \$16.8M deficit to budget and a \$16.6M loss in cash reserves by the end of the year



Budget Assumptions for 2021

- \$10M-\$12M net deficit to budget (35-40% improvement from 2020)
- Up to \$2M net proceeds from 2021 OC Fair
- \$825K capital budget
- Minimal event activity in Q1 and Q2; Q4 event activity reduced to 25% of Q4 2019
- 2021 civil service labor headcount same as 2020 (includes pay cuts)
- Utilities and other operational expenses cut from 2020
- 2021 OC Fair at 50% fixed daily attendance (30,000)
- 2021 OC Fair expenses adjusted per reduction in programming
- Pacific Amphitheatre concerts sold at 50% capacity
- 2021 OC Fair programming adjusted to achieve budget goals
- Additional staff/supplies increased for health and safety initiatives



Economic Factors Affecting 2021 Budget

Cal State Fullerton, Woods Center for Economic Analysis and Forecasting

- Late 2019: “The baseline scenario from top OC economists is that, while flirting with recession over the next 12-18 months, the U.S. economy will manage to escape it...but just barely.”
- “At the end of February, the U.S. was basking in the golden age of an expansion that had lasted more than a decade.”
- “The Great Disruption”
- “More encouragingly, after a difficult summer, there are now signs that the economy is growing more confidently ‘around the virus,’ so to speak.”
- “These developments make a strong case for a sustained economic recovery, which, although fragile, is unlikely to keel over into another abyss over the forecast horizon.”



Economic Factors Affecting 2021 Budget

- Regular meetings held with Dr. Clayton Chau, OC Public Health Officer
- The OC Fair is NOT a theme park or amusement park
- Potential exists to host a modified 2021 OC Fair
- Four conditions must be met:
 - An approved COVID-19 vaccine must be on the market
 - The vaccine must be widely distributed in Orange County
 - The Orange County immunity level must be between 65-80%
 - Proof of vaccination by event attendees



Labor Outlook

- Total labor: \$15.5M (\$4.9M reduction from 2020 budget)
- Minimum wage increases to \$14/hr.
- Increased PERS contribution
- No new Civil Service headcount
- Year-round and fair part-time headcount cut due to projected decreases in events and fair attendance



Facility Rental and Fair Merchant Rates

- Increases to reflect competitive market rates
- Facility Rental Fees
 - Increasing \$25-\$75 per day depending on size/location
- Fair Merchant Space Fees
 - Increasing \$25-\$75 for the run of fair depending on size/location
 - Average increase is \$3/day



2020 v. 2021 Budget Changes

Revenue: from \$52.2M to \$23.5M

- No OC Market Place
- Fewer events
- Interest revenue decrease
- Fair admissions revenue
- Renegotiating performance fees to be profitable at 50% capacity
- Eliminating Super Pass sales
- 50% capacity in Hangar
- Elimination of traditional programming in Action Sports Arena
- Fair competitive entry categories reduced; some moving to virtual format
- Concessions and merchant revenue at 50% - reduction in number of both
- Carnival revenue reduced by 50%
- Parking revenue flat
- ❖ Two new self-produced events added to generate revenue



2020 v. 2021 Budget Changes

Expenses: from \$50.4M to \$35.3M

- + Return rights for civil service supervisor
- + Unemployment fees
- + Increase in credit card fees
- + Increase in benefits costs
- + Increased legal fees
- ✗ Virtual Imaginology
- ✗ Reduction in utility expenses
- ✗ Travel drastically reduced; no out of state travel
- ✗ Seasonal staff reductions
- ✗ Civil service pay cuts
- ✗ Reduction in Professional Services such as OCSD, CMPD, Janitorial, Production, Employee Shuttles, Gate Operations Contractor, etc.
- ✗ Modified fair
- ✗ Fewer equipment rentals due to reduced programming (fencing, computers, trailers, stages, trussing, signage, etc.)
- ✗ No nightly Main Mall show with pyro
- ✗ Transition to more digital marketing assets, rather than print
- ✗ Fair décor costs reduced



Parking and Fair Admission Rates

- Parking
 - \$10
 - No need for off-site parking lot expenses
- Fair Admission
 - Budget is carrying an average ticket price of \$9.33
 - Blended rate of current adult, senior and youth admission
 - Actual admission prices under review and will be brought back for Board approval



2021 Travel Budget

- **Conferences and Conventions:**
 - All virtual
 - No out of state travel projected for 2021
- **Training and Learning opportunities:**
 - Mandatory State compliance training (Sacramento)
- **All travel is in compliance with CA State law**



2021 Capital / Major Expenditure

2020 Carry-forward (Capital Expenditure)	FY 2021	Postponed 2022	FY 2022	FY 2023
Property signage		200,000		
Box Office - roof replacement		40,000		
ASA electrical upgrade		30,000		
Admin exterior resurfacing - color coat		30,000		
Pacific Amphitheater Box Office awning			64,000	
Pacific Amphitheater storm water pumps			80,000	
2020 Carry-forward (Major Expenditures)				
Lot G - utilities	350,000			
Plaza Pacific south lawn - Serenity Garden		80,000		
Fire Lane - curb painting		50,000		
Portable rolling bleachers			28,000	
Exterior parking perimeter - landscaping			30,000	
Main Mall lighting retro fit - tower lights			20,000	
2020 Carry-forward Total:	350,000	430,000	222,000	0

Capital Expenditure	FY 2021	Postponed 2022	FY 2022	FY 2023
Heroes Hall medallion - replacement/repair		150,000		
Administration windows - replacement (8)		35,000		
Court Yard - replace shade cloth		50,000		
Ranch building - install trellis		35,000		
Exterior parking lot repairs		150,000	150,000	150,000
Interior parking lot repairs		100,000	100,000	100,000
Back Flow / Valve - replacement (all grounds)		20,000	15,000	15,000
Box Office - replace drive island			250,000	
Administration building - office space improvements			58,000	
E&E work space upgrade - exterior			12,000	
Action Sport Arena Sound wall			1,000,000	
Costa Mesa building - elect upgrade			20,000	
Pacific Amphitheater - restroom roll up doors			60,000	60,000
Way Finding signage			100,000	100,000
Plaza West - accessibility ramp and stairs				45,000
Centennial Farm - Welcome Center/Gift Shop				23,000
Gate 10 remodel				20,000
Maintenance yard - compactor cover				150,000
Action Sport Arena - replace restroom				200,000
Parking lot lighting controls				150,000
Capital Expenditure Total:	0	540,000	1,765,000	1,013,000

Equipment	FY 2021	Postponed 2022	FY 2022	FY 2023
Valve exerciser		5,500		
Exhibit equipment		37,500	37,500	37,500
Livestock fence panels			28,000	
Power monitoring system			100,000	
4-seater utility cart with fold down back seat (E&E)			14,000	
E&E - passenger cart			12,000	
Taylor Dunn carts - fleet replacement			15,000	15,000
Portable restroom			30,000	30,000
Equipment Total:	0	43,000	236,500	82,500

Major Expenditures	FY 2021	Postponed 2022	FY 2022	FY 2023
All grounds Wi Fi	45,000			
All grounds PA	30,000			
Main/Blue Gate - entry drive alterations	90,000			
Surveillance system - upgrade	20,000		20,000	
Parking lot maintenance	100,000		100,000	100,000
Replace in-grounds electrical boxes	20,000		30,000	30,000
Picnic tables	20,000		20,000	20,000
Parking lot Fencing - green wrought iron fence		30,000		
Repair 400 amp free standing electrical panels		26,000		
Electrical SO cord storage containers		5,500	5,500	
Umbrellas		10,000	10,000	10,000
Feature exhibit equipment		37,500	37,500	37,500
Aluminum barricades			20,000	20,000
Cable ramps			10,000	10,000
Crowd control stanchions / carts			10,000	10,000
Portable elect panels			25,000	25,000
Fair material			20,000	20,000
2 yard trash dumpsters			25,000	25,000
Pacific Amphitheater - landscape				15,000
Major Expenditure Total:	325,000	109,000	333,000	322,500

Capital Expenditures/Major Projects

	FY 2021	FY 2022	FY 2023
Capital Budget total:	325,000	2,334,500	1,418,000
Contingency:	150,000	100,000	100,000
Cap-X budget:	475,000	2,434,500	1,518,000
2020 Carry forward:	350,000	0	0
GRAND TOTAL	825,000	2,434,500	1,518,000

Expenses Over \$50,000

Board of Directors Governing Policy 4.05.02 – CONTRACTING AND SIGNATURE AUTHORITY

- In accordance with Board Bylaws Article VI, the Board may authorize any officer or agent of the 32nd DAA to enter into any contract on behalf of the 32nd DAA. Within this context, the Board authorizes the CEO contract signature authority to execute a check or purchase commitment of \$50,000 or less. Notwithstanding the foregoing, the Board authorizes the CEO contract signature authority to execute talent guarantees of \$400,000 or less. Splitting expenses or orders to avoid these limits is not acceptable. Exclusions from this Contracting and Signing Authority Policy include commitments that have been separately authorized by the Board via the “Over \$50,000 Expenditure Budget Schedule,” which is submitted with each annual budget or an approved contract, LOU or rental agreement or is payment for utilities, Cal Card expenditures, insurance, payroll or State mandated services.*

VENDOR	EXPLANATION
Board of Equalization	Sales and Use Tax
Department of Forestry & Fire Protection	State Fire Marshal Services
Department of Justice	Attorney Services
Franchise Tax Board	CA Non Resident Withholding Remittance
California Economic Development Dept.	Unemployment Fees



RFPs To Be Released in 2021

Type of Service	Proposed Release Date
Restroom trailers with ADA	January 1, 2021
Shuttle services	January 1, 2021
Golf cart rental	January 1, 2021
Bottled water	January 1, 2021
Fencing rental	February 1, 2021
Mobile modular portable storage	Feb 1, 2021
Concert merchandising	July 1, 2021
Carbonated beverages/bottled water sponsorship	October 1, 2021
Carnival	Q4, 2021
Admissions and Teller office trailers	November 1, 2021
Pacific Amphitheatre Video	December 1, 2021
Armored courier services	December 1, 2021
Campground restroom trailer with ADA	December 1, 2021



2021 Budget Roll-Up

2021 PROPOSED BUDGET		
REVENUE		
Total OCFEC Self-Produced Event Revenue	\$21,445,879	
Total Rental Revenue	\$1,896,695	
Total Non-Operating Revenue	\$182,446	
	TOTAL REVENUE:	\$23,525,020
EXPENSES		
Total Operating Expense	(\$30, 543,520)	
Total Non-Operating Expense <i>(Depreciation, Major Projects, Net Pension Adjustment – GASB 68)</i>	(\$4,800,000)	
	TOTAL EXPENSES:	(\$35,343,520)
TOTAL NET PROCEEDS:		(\$11,818,500)



2021 Budgeted Fair P&L

2021 Budgeted Fair Profit/Loss		
REVENUE		
Attractions:	\$6,405,349	
Services:	\$13,948,500	
	TOTAL REVENUE:	\$20,353,849
EXPENSES		
Attractions:	(\$5,337,401)	
Marketing:	(\$994,489)	
Services:	(\$2,444,560)	
Total Fair Labor, Benefits, Taxes:	(\$5,145,084)	
	TOTAL EXPENSES:	(\$13,921,534)
TOTAL NET PROCEEDS:		\$6,432,315



10I. Presentation of 2021 Budget and Vote on Whether or Not to
Amend or Approve

Questions ?

RECOMMENDATION:

At the Board of Directors' discretion.



11. Board of Directors' Matters of Information

Next Board Meeting
December 17, 2020

HAPPY THANKSGIVING



OC Fair & Event Center – Costa Mesa, California