



Board of Directors Meeting

January 28, 2021

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



6. CEO's Operational Announcements & Updates

32nd District Agricultural Association
Board Policies

Board Policy 1.01: Policy Framework and Definitions

Date Adopted/Last Revised: November 19, 2020

Should any provision in this policy contradict any provision of California law, California law shall control.

Purpose

In order to promote consistency and clarity of information, this policy establishes a framework for all 32nd DAA policies. This policy applies to all 32nd DAA policies, regardless of their date of adoption.

Policy

To be an official 32nd DAA policy, a policy must either be approved by the Board or issued by the CEO or other Executives as delegated by the CEO. The 32nd DAA is responsible for ensuring that policies are up to date, so policies may change at any time. In the event of a conflict between a Bylaw and a Board Policy, the Bylaw will supersede. In the event of a conflict between a Board Policy and any other organizational policy, the Board Policy will supersede. Board Policies are to be understood in conjunction with, and incorporate, all applicable laws, regulations, and policies. All 32nd DAA Personnel are expected and required to know and act in accordance with all Board Policies.

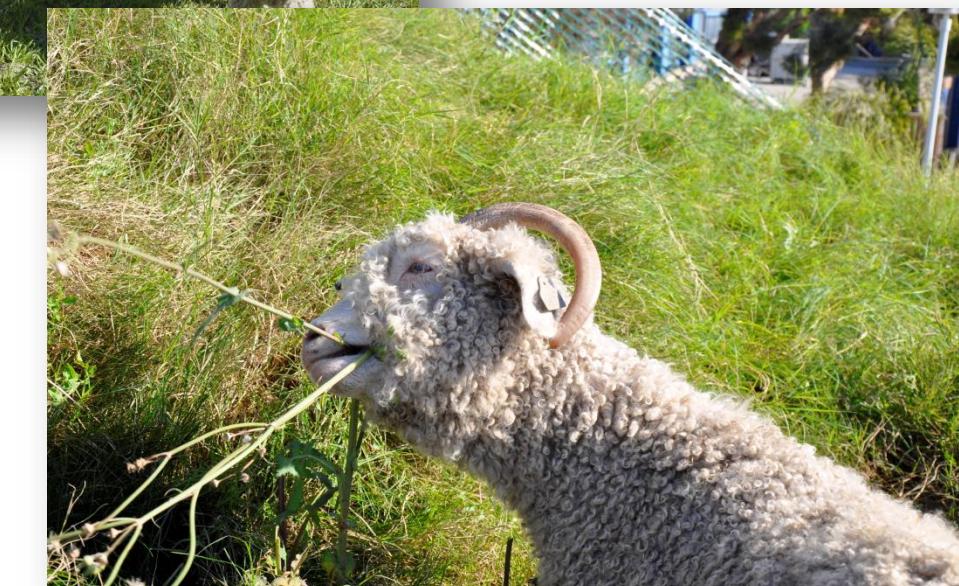
The 32nd DAA's policies and related documents can be categorized as follows:

- **Board Bylaws:** The 32nd DAA's Bylaws outline the organizational framework of the 32nd DAA and set forth rules for how the 32nd DAA's Board governs the 32nd DAA. The Board is responsible for amending the Bylaws, as necessary (see Bylaws for relevant procedural details).
- **Board Policies:** The 32nd DAA's Board Policies set forth requirements that the Board has adopted regarding to how the Board, the CEO, and other 32nd DAA employees carry

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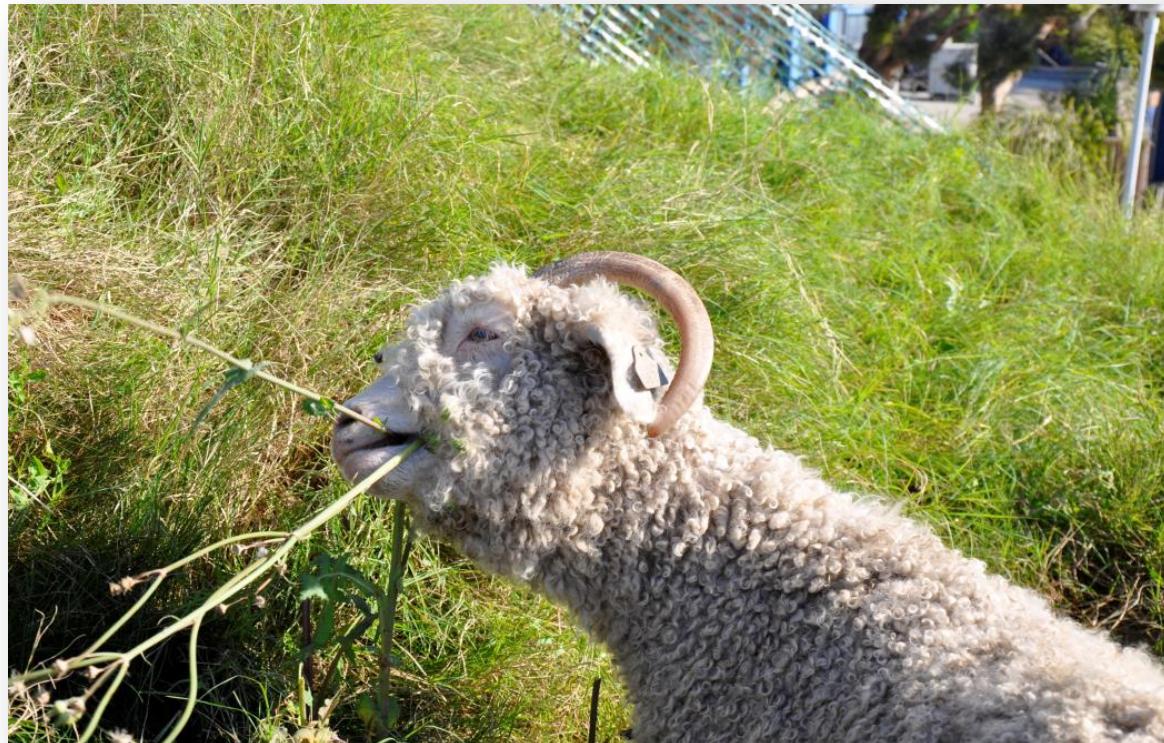
Berm goats "fur"-loughed until Spring.



New governance policies posted on web site by end of January.



6. CEO's Operational Announcements & Updates



BEFORE



AFTER

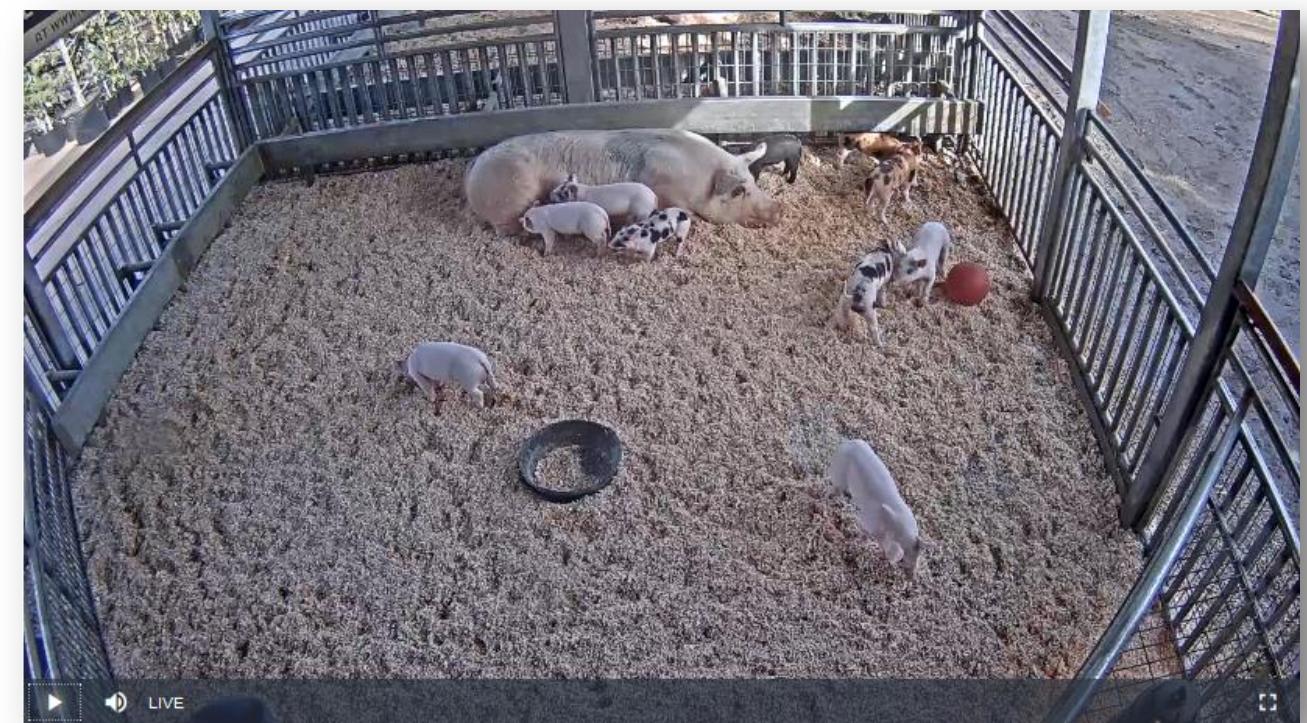


6. CEO's Operational Announcements & Updates

iafe[®], THE NETWORK!

Institute of Fair Management Virtual Summit January 23-24

- 44 industry professionals from all over the world
- Presentations by industry experts:
 - Carnival Midway
 - Health and Safety
 - Financial Management
 - Commercial Exhibits
 - Entertainment



WFA Achievement Awards

Entry

Entry	Place
Virtual Fair*	1 st
Virtual Auctions	1 st
Drive-Through Food Events	1 st
Community Outreach*	1 st
"Give It Your Best Shot" <i>(Drive-Through Food & Entertainment Events)</i>	1 st x 2
Virtual Online Contests <i>(Other than during Fair)</i>	2 nd
Drive-In Entertainment Concerts <i>(Autosonic)</i>	2 nd

Community
Programs



OC Fair & Event Center - Costa Mesa, CA

*Virtual Fair & Community Outreach - Judges Choice Award



2021 Imaginology



2020 OC Fair Theme



2021 OC Fair Theme

Time
FOR
Fun



Upcoming



- February 5 – 14
- Tickets start at \$49 per vehicle



4th Anniversary of Heroes Hall

February 15, 2021



For the Twelve Months Ended December 31, 2020

Based on Preliminary Results

	Actual	Budget	Variance Favorable (Unfavorable)
YTD Revenue	\$3,667,104	\$52,237,608	\$(48,570,504)
YTD Expenses	<u>\$20,179,369</u>	<u>\$50,432,634</u>	<u>\$30,253,265</u>
YTD Net Proceeds (Deficit)	<u>\$(16,512,265)</u>	<u>\$1,804,974</u>	<u>\$(18,317,239)</u>



Cash and Cash Equivalents

Based on Preliminary Results

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
Cash on Hand	\$ 658,102	\$ 1,497,562
Investments	<u>\$40,794,297</u>	<u>\$53,431,409</u>
Total Cash and Cash Equivalents	<u>\$41,452,399</u>	<u>\$54,928,971</u>
Year over Year Decrease	<u>(\$13,476,572)</u>	
Year over Year % Decrease	-24.5%	



7. Minutes

A. Board meeting held December 17, 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. Leadership Committee (Chair Rubalcava-Garcia, Committee Chair; Vice Chair La Belle)
- ii. Financial Monitoring and Audit Committee (Director Pham, Committee Chair; Director Bagneris)
- iii. Facilities Committee (Director Aitken, Committee Chair; Director Ruiz)
- iv. Governance Committee (Director Cervantes, Committee Chair; Chair Rubalcava-Garcia)
- v. Community Affairs Committee (Director Kovacevich, Committee Chair; Director Ruiz)
- vi. Centennial Farm Foundation Liaison (Director Cervantes)
- vii. Heroes Hall Veterans Foundation Liaison (Vice Chair La Belle, Director Cervantes)



10Av. Community Affairs Committee

Question 1:

The OC Fair & Event Center celebrates the diversity of Orange County and is seeking input from the public about how to equitably represent the community. Currently, the OC Fair & Event Center displays the American flag, the State of California flag, the OC Fair & Event Center logo flag and the Pride flag in three locations on the fairgrounds. Which ONE of the following best describes what you think is the most equitable set of flags to fly?

Results:

	RESPONSES	POPULATION	SUMMARY
Keep displaying all the current flags and no others	135	697	19.40%
Keep displaying the current flags and consider adding more flags to represent additional subgroups in Orange County	125	697	17.90%
Keep displaying the American, California State and OC Fair & Event Center flags, but replace the Pride flag with a flag that represents all the diverse subgroups in Orange County (a "unity flag")	106	697	15.20%
Keep displaying the American, California State and OC Fair & Event Center flags, but remove the Pride flag to avoid singling out or leaving out subgroups in Orange County	289	697	41.50%
Not Sure	24	697	3.40%
Other:	14	697	2.00%



10Av. Community Affairs Committee

Question 2:

In which ways, if any, would you like to see our county's diversity celebrated at the OC Fair & Event Center? (Choose all that apply)

Results:

	RESPONSES	POPULATION	SUMMARY
Permanent multi-cultural mural displayed throughout the year representing OC's diverse communities	175	585	29.90%
Permanent art piece or sculpture displayed throughout the year representing OC's diverse communities	112	585	19.10%
Special exhibitions/events during the annual OC Fair	285	585	48.70%
More ethnic food concessions during the annual OC Fair	258	585	44.10%
Special cultural days at the annual OC Fair	217	585	37.10%
Performances from specific cultural groups during the annual OC Fair	241	585	41.20%
None of these	85	585	14.50%
Other:	36	585	6.20%



10Av. Community Affairs Committee

Question 3:

Any other comments or suggestions for how OC Fair & Event Center can better celebrate all the cultures and communities in Orange County?

- 149 comments submitted for Question 3
- 54 additional comments received through email
- 28 public comments during January 20 Community Affairs Committee meeting



10B. Review of 2019 Audit and Vote on Whether or Not to Approve and File with CDFA

Lance, Soll & Lunghard (LSL) has completed the 2019 financial audit for the 32nd District Agricultural Association (32nd DAA), and the Finance Department has submitted the Management Discussion & Analysis (MD&A) to accompany the audit as recommended by LSL.

The audit is presented to the Board for review and approval. Once approved, the audit will be filed with the California Department of Food and Agriculture (CDFA).

RECOMMENDATION:

At the Board of Directors' discretion.



10C. Review of and Vote on Whether or Not to Approve the Write-Off of Past Due Items

Government Code Section 13943.2 authorizes the Board of Directors to discharge uncollectible accounts of \$500 or less once all means of collection have been exhausted.

Per the California Department of Food and Agriculture, Division of Fairs and Expositions Accounting Procedures Manual, Section 2.453, staff is requesting approval to write-off the following debts. The Finance Department has made numerous attempts to collect on these items without success.



10C. Review of and Vote on Whether or Not to Approve the Write-Off of Past Due Items

Dhoom Production	9/21/2017	Inv-8823	\$369.40
Javier Herrera Construction	7/29/2018	Inv-9588	\$70.00
Jim & Ann DiMartile	9/28/2017	Inv-8834	\$360.00
Julio Aranda	7/28/2018	Inv-9608	\$55.00
Lodestone Events	1/29/2020	Inv-10980	\$0.50
Total:			\$854.90

RECOMMENDATION:

At the Board of Directors' discretion.



10D. Introduction of and Vote on Whether or Not to Approve Appointment of Thomas Clark to the Heroes Hall Veterans Foundation Board of Directors

The Heroes Hall Veterans Foundation Board of Directors is pleased to present for the 32nd DAA Board's consideration the appointment of Thomas P. Clark, Jr. to the HHVF Board.

Thomas Clark served as a Marine Captain in Vietnam and is the recipient of the Distinguished Flying Cross. He is honored with a plaque at the Heroes Hall Walk of Honor.



10D. Introduction of and Vote on Whether or Not to Approve Appointment of Thomas Clark to the Heroes Hall Veterans Foundation Board of Directors

The plaque reads:

“The President of the United States presents the Distinguished Flying Cross to Captain Thomas P. Clark, Jr. for heroism and extraordinary achievement while serving with Marine Fighter/Attack Squadron 232, in the Republic of Vietnam. On August 17, 1969, Captain Clark, in the lead aircraft of a flight of two F-4 Phantom aircraft, was providing close air support for the helicopter resupply of a reconnaissance patrol engaged in combat with a hostile force after two other landing attempts by transport helicopters were aborted because of an overcast ceiling of 200 feet and extremely heavy volume of enemy automatic weapons fire. Captain Clark’s flight executed repeated bombing runs and delivered all of its ordinance upon the target with pinpoint accuracy. As a result, the transport helicopter was able to land, discharge its supplies, and depart from the area. Captain Clark’s courage, superior professionalism, and unwavering devotion to duty in the face of great personal danger were instrumental in the accomplishment of the hazardous mission and were in keeping with the highest traditions of the Marine Corps and the United States Naval Service.”

RECOMMENDATION:

At the Board of Directors’ discretion.



10E. Discussion and Vote on Whether or Not to Approve the Facilities Committee's Recommendation to Update the Enhanced Worker Safety Policy

The 32nd District Agricultural Association (32nd DAA) adopted the Enhanced Worker Safety Policy on September 27, 2012. This policy applies to all construction projects with a contract price in excess of \$25,000.

The trade unions and California Construction Authority have provided input to staff and the Facilities Committee regarding challenges in complying with the existing policy and have worked together with the Facilities Committee to recommend that the 32nd DAA adopt Public Contract Code Chapter 2.9 - Skilled and Trained Workforce Requirements [2600-2603] as its policy for construction projects with a contract price in excess of \$25,000.

RECOMMENDATION:

At the Board of Directors' discretion.



10F. Presentation of Leadership Committee Vision, Goals and Plan for the Equestrian Center Study and Vote on Whether or Not to Approve

At the request of the Board Chair, the Leadership Committee has launched a market study to understand details of how the Equestrian Center currently operates and to explore other operating models in comparison. The study will be conducted by Doug Lofstrom, former CEO of the OC Fair & Event Center, who has vast knowledge of the OCFEC facilities, experience overseeing the operation of the Equestrian Center and significant knowledge of equestrian operations in general.

The Leadership Committee has met with Mr. Lofstrom to outline a draft plan for the study. In addition, the committee is recommending that the Board discuss and agree on specific goals for the study and establish a vision for the Equestrian Center moving forward.



10F. Presentation of Leadership Committee Vision, Goals and Plan for the Equestrian Center Study and Vote on Whether or Not to Approve

The Leadership Committee is proposing the following goals for the market study:

- 1) A clear mission for the Equestrian Center in keeping with the overall mission of the 32nd District Agricultural Association.
- 2) Integration of the Equestrian Center into the OC Fair & Event Center portfolio. This would include programs offered at the annual OC Fair and Imaginology.
- 3) Enhance public access to the Equestrian Center that includes a variety of events and activities available to the general public.



10F. Presentation of Leadership Committee Vision, Goals and Plan for the Equestrian Center Study and Vote on Whether or Not to Approve

The proposed market study involves several key deliverables to the committee to help the Board make future decisions to support the above vision:

- Equestrian Center historical narrative
- Current Equestrian Center operating model details
- Other equestrian center operating models
- Equestrian Center programming opportunities

The market study process will include public input, feedback and comment sessions.

The Leadership Committee is seeking approval from the Board to move forward with the market study to achieve the goals and overall vision outlined above.

RECOMMENDATION:

At the Board of Directors' discretion.



10G. Discussion About the Use of Legislative Representation Services and Vote on Whether or Not to Continue the Service

In March, 2016 the 32nd District Agricultural Association entered into an agreement with Gonsalves & Sons to provide legislative representation services. The agreement is for a \$5,000 per month retainer (\$60,000 per year) and is set to expire at the end of next month.

During the term of the current contract, Gonsalves & Sons has provided excellent service in keeping the CEO and the Legislative Committee up-to-date on fair-related legislation, on coordinating meetings with elected state officials as requested, and advising on other legislative matters which impact the fair industry and the 32nd DAA.

As members of the Western Fairs Association (WFA) and having a Board seat on the California Fairs Alliance (CFA), the 32nd DAA has access to use the legislative representation services retained by WFA. And, having a seat on the Board of CFA provides the 32nd DAA regular updates on pending and upcoming legislation that may impact the organization and the fair industry.



10G. Discussion About the Use of Legislative Representation Services and Vote on Whether or Not to Continue the Service

As we assess the continued need to cut costs wherever possible, staff is recommending that we not move forward with issuing an RFP at the conclusion of the contract with Gonsalves & Sons, forego the use of our own representation firm, and instead utilize the services of the legislative representation firm retained by WFA.

The Board and staff cannot stress highly enough the professionalism and level of service provided by Gonsalves & Sons. This recommendation is based entirely on a financial perspective.

RECOMMENDATION:

At the Board of Directors' discretion.



10H. Presentation of Staff Recommendations Regarding 2021 OC Fair Admission Ticket Prices and Vote on Whether or Not to Approve

Each year, as part of the annual budget process, the Board of Directors approves the admission ticket prices for the OC Fair. Because of the uncertainty connected with fair planning last October when the 2021 budget was presented to the Board, a blended rate of \$9.33 was included in the budget as a placeholder. Staff agreed that as the potential for a 2021 OC Fair became clearer, more concrete admission ticket prices would be presented for the Board's approval. Staff is presenting the following recommendations for 2021:

Ticket Type	Weekdays Wednesday/Thursday	Weekends Friday/Sat/Sun
Adults (age 13-59)	\$12	\$14
Children (age 6-12)	\$7	\$7
Children (age 5 and younger)	Free	Free
Seniors (60+)	\$7	\$7



10H. Presentation of Staff Recommendations Regarding 2021 OC Fair Admission Ticket Prices and Vote on Whether or Not to Approve

The recommendations are based on the following assumptions:

- Weekends will now include Friday, along with Saturday and Sunday as recent trends indicate that demand for attendance on Friday is much higher than other weekdays.
- Although the Board indicated last year that it might reconsider a ticket price increase in 2021, staff is recommending that there be no price increase.
- Guests will be purchasing their tickets online in advance which will include Ticketmaster processing fees. Staff is proposing that the OC Fair & Event Center absorb these fees, allowing the ticket prices to remain unchanged for guests 2021.

RECOMMENDATION:

At the Board of Directors' discretion.



10I. Presentation on 2021 OC Fair Planning

INFORMATION ITEM:

Staff will present an update to the Board on planning for the 2021 OC Fair.



10I. Presentation on 2021 OC Fair Planning

- **Plan A:**

- “Modified +” Fair (if trend is not good by April, then...)

- **Plan B:**

- Move to Fall dates (if trend is not good by July, then...)

- **Plan C:**

- Pivot to a drive-thru fair experience



10I. Presentation on 2021 OC Fair Planning

- Dates: July 16 - August 15 (23 days; M/Tu dark)
- Hours: 10am to 11pm
- Ticket Pricing: W/Th: \$12/\$7 F/Sa/Su: \$14/\$7
- 45,000 per day attendance cap
- Tickets purchased in advance online
- No additional Super Pass sales
- Proof of vaccination required
- Masks strongly encouraged



10I. Presentation on 2021 OC Fair Planning

- Pacific Amphitheatre and Hangar at full capacity
- ASA not activated for programming purposes
- Pig races moving to Park Plaza
- No Explorium tent; kids programming will move
- Programming in buildings will shuffle
- Marketing/Communications will launch “How to Fair”



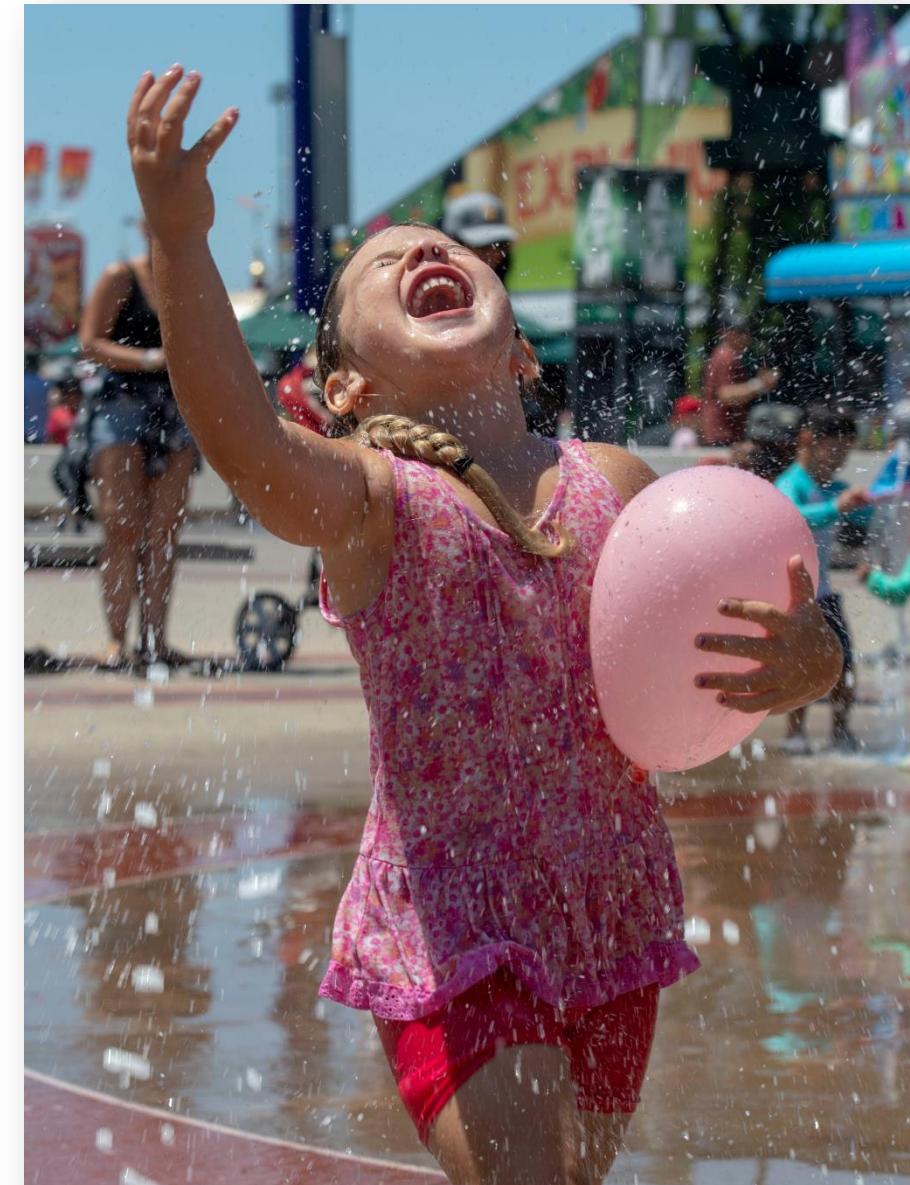
10I. Presentation on 2021 OC Fair Planning

- Concessionaires and merchants will be adjusted to fit new attendance levels
- Gate procedures will change with proof of vaccines and potential “Blade” equipment
- Parking on-site and at OCC
- ASA for back-of-house storage
- Overall layout changes



10I. Presentation on 2021 OC Fair Planning

- Confirmation on mandatory vaccinations and mask recommendations
- Limited on-site sales
- Community give-backs
- Budget reforecast
- Lots and lots of details!



5. Closed Session (continued)

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).]



11. Board of Directors' Matters of Information

Next Board Meeting

February 25, 2021





OC Fair & Event Center – Costa Mesa, California