

**MINUTES OF OCFEC BOARD OF DIRECTORS MEETING
HELD May 27, 2021**

The following Minutes are a summary of Board action and proceedings. For a full transcript please click on the link below or visit the ocfair.com website.

https://s3.us-west-1.amazonaws.com/ocfair.com/wp-content/uploads/2021/05/10140103/21_05_May_Board_Transcript.pdf

1. CALL TO ORDER:

Chair Rubalcava-Garcia called the meeting to order at 9:00 a.m.

2. MISSION STATEMENT

3. PLEDGE OF ALLEGIANCE:

The Pledge of Allegiance was recited by Director Cervantes. Roll call was taken by Summer Angus.

4. DIRECTORS PRESENT (via Zoom):

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

Directors Pham and Bagneris joined the meeting during closed session.

DIRECTORS ABSENT/EXCUSED: Director Kovacevich.

OTHERS PRESENT:

(Via Zoom): Michele Richards, OCFEC CEO; Ken Karns, OCFEC Chief Operating Officer; Joan Hamill, OCFEC Chief Business Development Officer; Jason Jacobsen, OCFEC Director of Planning & Presentation; Terry Moore, OCFEC Director of Communications; Howard Sandler, OCFEC Director of Events; Nick Buffa, OCFEC Director of Security & Traffic; Summer Angus, OCFEC Executive Assistant; Josh Caplan, Office of the Attorney General; Patricia Garrido, transcriptionist; Doug Lofstrom; Reggie Mundekis; Carolyn Beaver; Gibran Stout; Jeanine Robbins; Leigh-Ann Kazolas

5. CLOSED SESSION:

The meeting adjourned to closed session at 9:04 a.m. and reconvened at 10:00 a.m.

Matters to report out of closed session: None.

6. MINUTES:

A. Board meeting held April 22, 2021

Action Item

ACTION: Director Cervantes motioned and Director Aitken seconded to approve the minutes from the Board meeting held April 22, 2021.

MOTION CARRIED. AYES: Chair Rubalcava-Garcia, Vice Chair La Belle, Director Cervantes, Director Bagneris and Director Aitken.

NAYES: None. ABSTENTIONS: None. Due to technical difficulties Directors Ruiz and Pham were absent for the vote.

7. MATTERS OF PUBLIC COMMENT

None.

8. CONSENT CALENDAR: (Policy 4.3.4)

A. Standard Agreements (New): SA-013-21SP; SA-014-21GE; SA-015-21GE; SA-016-21GE; SA-017-21GE; SA-018-21GE; SA-019-21GE; SA-020-21GE; SA-021-21GE; SA-022-21GE; SA-023-21GE; SA-024-21GE; SA-025-21GE; SA-026-21GE; SA-027-21SP; SA-027-21YR; SA-028-21FT; SA-029-21YR; SA-030-21FT; SA-031-21YR; SA-032-21YR; SA-033-21YR; SA-036-21YR; SA-037-21YR; SA-038-21YR; SA-040-21SP; SA-041-21SP; SA-042-21HB; SA-046-21HB; SA-050-21HB; SA-052-21FT

i. Standard Agreement Amendments (Exercise Option): SA-058-17FT (Amend. #4); SA-059-17FT (Amend. #6); SA-065-17FT (Amend. #4); SA-075-17FT (Amend. #5); SA-076-17FT (Amend. #4); SA-077-17FT (Amend. #3); SA-078-17FT (Amend. #3); SA-079-17FT (Amend. #4); SA-080-17FT (Amend. #4); SA-081-17FT (Amend. #3); SA-082-17FT (Amend. #4); SA-083-17FT (Amend. #5); SA-118-19YR (Amend. #1); SA-168-17FT (Amend. #3); SA-230-19FT (Amend. #2); SA-237-19YR (Amend. #3)

B. Rental Agreements: OCC-2101; OCC-2102; OCC-2103; OCC-2104; OCC-2105; OCC-2106; R-024-21; R-032-21; R-036-21; R-037-21; R-038-21; R-040-21; R-042-21

i. Rental Agreement Amendments: R-002-21 (Amend. #1); R-009-21 (Amend. #1B); R-026-21 (Amend. #2); R-032-21 (Amend. #1)

C. Active Joint Powers Authority Agreements (New): 03221019

D. Judging Agreements: CA-001-21; CA-002-21; CA-003-21; CA-004-21; CA-005-21; CA-006-21; CA-007-21; CA-008-21; CA-009-21; CA-010-21; CA-011-21; CA-012-21

E. Correspondence:

Communications to the Board from members of public related to OCFEC business are identified below and included with the Board materials (available on the OCFEC website). Note that this agenda item includes only those communication(s) that were sent to the entire Board and CEO before the publication of this month's agenda. *The deadline for correspondence to be included on the June agenda is June 11, 2021.*

i. None

F. CDFA Correspondence:

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

- i. 04/19/2021 F2021-04 Poultry Health Inspections for 2021 Fair Season
- ii. 05/12/2021 F2021-05 Fair and Livestock Show Guidance

-End of Consent Calendar-

CEO Richards pulled SA-037-21YR (sound monitoring) due to the contract being under protest.

ACTION: Director Cervantes motioned and Director Ruiz seconded to review and approve the Consent Calendar with agreement SA-037-21YR pulled due to the contract being under protest. **MOTION CARRIED. AYES: Chair Rubalcava-Garcia, Vice Chair La Belle, Director Cervantes, Director Ruiz, Director Bagneris, Director Aitken, and Director Pham. NAYES: None. ABSTENTIONS: None**

9. GOVERNANCE PROCESS

A. Consider Staff's 2021 OC Fair Planning Update and Provide Any Additional Direction

Action Item

CEO Richards presented the latest updates regarding the 2021 OC Fair.

Vice Chair La Belle shared his concern with the percentage rates of fully vaccinated (Covid) Californians and potential health and safety issues as it applies to the fair. He also shared his concerns with the close proximity patrons will sit in the Pacific Amphitheatre and stated his preference for vaccination verification for attendees.

Vice Chair La Belle motioned the following: That the Board has the ability to be more restrictive than the state and CDC requirements and recommend to provide staff support to communicate with the fair customers that masks will be mandated for all activities related to the fair. That masks be mandated for all attending the concerts at the Pacific Amphitheatre and no food or beverage be allowed inside the Pacific Amphitheatre (food/beverage consumption isolated to the adjacent concourse).

Director Bagneris seconded the motion to enable discussion on the item.

Board discussion ensued, items discussed:

- How to enforce mask requirement when not aligned with the state mandate
- If eighty percent of Pac Amp patrons are vaccinated, there will be approximately 1600 to 2000 people not vaccinated
- Enhance public safety aspects to require all individuals inside the Pac Amp and the fair to wear masks except when consuming food/beverages in designated areas with social distancing
- Concerns with enforcing requirements beyond the recommendation of the State Health Care Agency and putting staff and others at risk to enforce those requirements
- Current mask wearing requirements
- The new guidelines from the California Department of Public Health that go into effect June 15th:
 - Eliminating social distancing requirements, strongly recommend mask wearing for the unvaccinated, mask wearing not mandatory for those fully vaccinated, self-attestation for vaccination verification
- Concerns for different rules for different parts of the property – different requirements for the fair and the Pac Amp
- Following guidelines put forth by the state being that OCFEC is state property

Jeanine Robbins shared her concerns about RCS (carnival provider) and their employees, when they have spent time in Arizona and Texas at different events, and asked if vaccinations will be required of their employees.

Reggie Mundekis shared she echoes many of Vice Chair La Belle's concerns. She stated she will most likely not attend the fair this year due to many people having disease denial and refusal to get vaccinated in Orange County. She asserted the need to find ways to help staff deal with difficult people who challenge or don't abide by the requirements/restrictions, including giving staff counseling, health care and the tools to deal with those people. She also echoed Jeanine Robbins concerns regarding RCS and other people who are traveling to work the fair from out of state.

Board discussion ensued, items discussed:

- Having time to make a decision later
- Vote to give staff clear direction
- Ability to bring the item back in June

ACTION: Vice Chair La Belle motioned and Director Bagneris seconded the enforcement of the mask wearing requirement, regardless of state mandate, that masks be required at all times at the fair and in the Pacific Amphitheatre and that food and beverage consumption be isolated to designated areas separate from other activities. **MOTION FAILS. AYES: Vice Chair La Belle. NAYES:**

Chair Rubalcava-Garcia, Director Cervantes, Director Ruiz, Director Bagneris, Director Aitken, and Director Pham.
ABSTENTIONS: None

Director Pham stated that the topic is a fluid situation and that he would want to revisit at the next meeting.

B. Review and Discuss Initial Planning Documents for the Board of Directors Strategic Planning Session and Vote on Next Steps

Action Item

Chair Rubalcava-Garcia summarized that the Board approved to move forward with a three-year strategic plan and that the process would begin in September, after the fair. She discussed that the item is to get some pre-work done for the Board to consider topics that they might want to discuss.

CEO Richards presented a draft questionnaire for the Board to consider, discuss and provide input on the content of the questionnaire.

Vice Chair La Belle spoke in support of the questionnaire. He requested the Board review the previous plans/reports from 2014 and 2016 that have been forwarded to the Board.

Reggie Mundekis stated she appreciates the Board taking on the strategic plan process. She discussed the following points of the questionnaire:

- Asked who are the stakeholder groups
- Suggested changing the wording of the second statement to “which groups should input into our strategic plan process”
- To split revenue generation and revenue diversification into two separate items
- Clarify revenue diversification
- Review of the mission statement for possible change

ACTION: Director Cervantes motioned and Vice Chair La Belle seconded to move forward with the questionnaire as presented.
MOTION CARRIED. AYES: Chair Rubalcava-Garcia, Vice Chair La Belle, Director Cervantes, Director Ruiz, Director Bagneris, Director Aitken, and Director Pham. NAYES: None.
ABSTENTIONS: None

Chair Rubalcava-Garcia stated the comments made by the public regarding the questionnaire can be discussed at the August/September strategic planning session.

Chair Rubalcava-Garcia moved to the committee reports next (item 9F).

F. Committee / Ad Hoc Committee / Liaison Report

Information Item

To assure compliance with the Bagley-Keene Act, Committee reports are only for the purpose of the Committee chair, Ad Hoc Committee members or Liaison to provide a verbal update. Should the Board want to discuss any Committee work item not already on the agenda; those would need to be agendaized for a future Board meeting.

- i. 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)

Director Ruiz, on behalf of the Community Affairs Committee reported:

- The committee met on May 17th in a public meeting to discuss the proposed art piece project
 - One member of the public attended and gave a lot of great ideas and input
- The suggestion to put out a survey to gather more public participation and input
- 2021 Diversity calendar has been shared and posted to the website
- The month of May is Asian-American Pacific Islander heritage month – staff put together a presentation

Director Pham narrated the presentation celebrating Asian-American Pacific Islander heritage month and highlighting the AAIP community in Orange County.

Joan Hamill, on behalf of the Heroes Hall Veterans Foundation, reported:

- The foundation is looking to do some additional fundraising
 - Fundraising opportunity with the Newport Rib Company in Costa Mesa: a portion of the proceeds from the coming weekend will benefit the Heroes Hall Veterans Foundation

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

- The committee met with Doug Lofstrom on May 24th to review the final work product of the Equestrian Center Study (EQC)

Doug Lofstrom gave an overview of the EQC study. He discussed the following:

- He suggested three things to do in preparation for further discussion regarding the EQC study:
 - Read and digest the entire document and review the results of the surveys
 - Three important sections of the study document:
 - EQC operating model
 - Items to consider regarding the EQC operating models
 - Section review
 - Send questions to CEO Richards to prepare for the next discussion

CEO Richards stated the study is being presented in overview today and to be brought back to at another meeting, giving the Board ample time to digest all the information.

Carolyn Beaver commented that page 11 of the report gives background about Board action and stated that there was an important Board decision not included in the report. She asserted the report should be revised to include that the Board affirmed that the EQC would stay. She invited the Board to visit the EQC to see all the activities for themselves and why it is important to so many people. She asserted the need for more conversations with the users of the EQC that there was not enough input from those that frequent the facility in the study. She suggested there be some education for the people that use the facility that the facility is open to the public and to welcome the public while ensuring safety of the horses.

Leigh-Ann Kazolas shared her concerns with some confusion with the survey; with the delineation between equestrian center users and the public. She asserted that each person that comes to the EQC is a member of the public. She also invited the Board to come see that the EQC is teaming with public activity. She discussed how the facility is open to the public, how some issues have occurred in unsupervised areas creating safety and security concerns and some solutions to those issues.

Reggie Mundekis shared her appreciation for the EQC study report. She discussed the following:

- What is the appetite of staff to take on the management of the EQC
- Actual cost of participation for the different types of equestrian activities to help address public access, especially for lower to middle income residents
- Access for both passive (walking around the facility) and active (horse involved)
 - Qualify and quantify ongoing access programs
- Maintenance and repairs issues identified in the infrastructure analysis; per the current contract, the operator is responsible

- If the operator refuses to pay for repairs, if public money is used to pay for repairs, the public will want a higher level of commitment for low-cost access (for lower-income individuals) to programming

Gibran Stout shared her view, criticizing the report was based on interviews with five trainers and two members of the public. She stated she is looking forward to next steps hoping for more interactive discussion with the public to fill in the gaps in the report, asserting the public includes all users (passive, active) and boarders. She stated she is looking forward to the workshops and asserted the need for more discussion and inclusion. She encouraged the Board to look at the City of Lakewood's interactive workshop they are doing regarding their equestrian center. She asked for the Board to restore the Equestrian Center Committee enabling more time for comments and discussion.

Chair Rubalcava-Garcia stated that the intention of the EQC study process is to find the best path forward for operations of the facility. She stated the EQC study will be part of the strategic planning meetings. She requested CEO Richards agendize a review and discussion of the current EQC operating contract to the June agenda.

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

- The committee met with staff and reviewed the April financials
 - Revenue is favorable to budget – due to receipt of funds from the state under AB1499 of \$830,000 and a one-time funding state funding of \$1.56M
 - Staff update the committee on the 2020 STOP report
 - News from CFSA - no increase in general liability and workers comp insurance fees for 2021

Director Pham left the meeting.

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

- Storm Water Management project 100% complete
- Potential partnership with Verizon - Cell On Wheels Tower on grounds
 - Karns highlighted:
 - Revenue generating opportunity for placing a semi permeant/semi- portable cell tower on grounds inside Gate 5
 - Temporary installation - not a decorative type tower (decorative towers are permeant structures)
 - The contractor will get all applicable permits through the City of Costa Mesa

Director Aitken stated the committee's recommendation is to move forward with installation of the tower unless the Board wants to agendize it for further discussion. No one on the Board voiced their

desire to agendize the item allowing staff to move forward with the opportunity.

Vice Chair La Belle stated he will be abstaining from discussions regarding the Verizon cell tower.

Director Cervantes, on behalf of the Governance Committee, reported staff updated the committee on the following:

- SB 264 – This bill is making its way through the committee process. It has been amended to address gun shows on State property only. The original bill also included County property. If passed, the bill would prohibit gun shows at the OC Fair & Event Center and other State properties, essentially impacting over \$800,000 per year in revenue for OCFEC. Western Fairs Association has taken an “oppose” position on this bill.
- JPA – California Department of Food and Agriculture (CDFA) is working on the structure for a Joint Powers Authority that would create operating agreements with nonprofits for the operation of DAAs. CDFA has once again emphasized that the transition away from the State still remains optional for individual fairs.

Director Ruiz left the meeting.

C. Provide Direction to Staff on the Upcoming Carnival RFP Process Action Item

CEO Richards reported that during the 2021 budget presentation to the Board, staff recommended the Board appoint a committee to provide guidance regarding the Carnival Services RFP due to the complex nature and financial impact of this contract. She asked for the Board to provide staff with input and direction regarding the carnival RFP.

Vice Chair La Belle stated he once thought an independent midway operator may have some benefit but upon further research thinks that it would be a step back and not beneficial for the organization. He spoke in favor of having one master carnival provider keeping the midway, carnival and all related activities under one umbrella. He suggested having discussions to incorporate a mechanism where OCFEC could request the proposer participate in year-round activities in the draft RFP scope. He volunteered to be a part of the committee to advise on the RFP.

Reggie Mundekis spoke in support of staying with the current carnival contract model where one contractor manages and provides all the rides, games, food (in the carnival area), staffing and related services. She praised the OC Fair stating its the nicest fair in California compared to other California fairs. She urged the Board not to consider an independent midway and to work with staff and

stakeholders to write an RFP that maintains the same success as it has in recent years.

ACTION: Director Cervantes motioned and Director Aitken seconded to move forward with the carnival RFP process as the current model stands, using one master carnival provider. **MOTION CARRIED.**
AYES: Chair Rubalcava-Garcia, Vice Chair La Belle, Director Cervantes, Director Bagneris and Director Aitken. **NAYES:** None.
ABSTENTIONS: None

Chair Rubalcava-Garcia appointed the Finance and Audit Committee to work with staff on the carnival RFP process.

D. Consider Staff Proposal and Vote on Whether or Not to Approve the Unbudgeted Expense for New Gate Screening Technology
Action item

CEO Richards stated the item is an unbudgeted expense that was introduced to the Board during the 2021 budget process (pre-Covid) and has continued to be discussed with the Facilities Committee.

A video was played showing the gate screening technology called a Blade unit.

Karns described the technology where patrons walk through the unit at their own pace where the technology can detect differences between prohibited items (i.e. knife/gun) and other items such as a set of keys. He highlighted that the request is an unbudgeted operational budget, not a capital item of, \$263,700.00. He added before making a long-term capital investment in the equipment, staff is recommending a rental for this year's fair. He outlined the following:

- The technology would be installed at Blue, Green and the Pacific Amphitheatre gates
- Current magnetometers will be used for back-of-house operations to further safety improvements

Nick Buffa, OCFEC Director of Security & Traffic, discussed the following:

- Finding solutions to keep a safe and secure environment and reducing touch points (bag and personal item inspection) eliminating exposure to Covid or other health risk issues
- The technology eliminates bag checks and personal item inspection all together
- Blade equipment advantages:
 - No emptying of pockets, no setting down bags for inspection, no single file lines – walking through machine at a normal walking pace
 - Efficiency- reduce the number of entry lanes
 - Reduced staffing needs

Karns added that there will be a secondary lane that people will be directed to for further screening if indicated.

Vice Chair La Belle spoke in support of staff's recommendation and thanked staff for their thorough and hard work.

Director Bagneris spoke in support of the technology and believes it is a great investment. She thanked staff for their due diligence and great work.

ACTION: Director Cervantes motioned and Vice Chair La Belle seconded to approve the operational expense of \$263,700.00 for the Evolv Technology equipment lease and related costs for the 2021 annual OC Fair. **MOTION CARRIED. AYES: Chair Rubalcava-Garcia, Vice Chair La Belle, Director Cervantes, Director Bagneris, and Director Aitken. NAYES: None. ABSTENTIONS: None**

E. Discuss and Vote on the Amount of 2021 Fair General Admission Tickets and Parking Passes for Centennial Farm Foundation and Heroes Hall Veterans Foundation Board Members per Foundation MOUs

Action Item

CEO Richards presented the staff report and asked the Board to consider whether or not to grant a complimentary pass, additional complimentary passes, or an F Lot parking hang tag to each Foundation member for the 2021 OC Fair. Richards stated that management has cut back on the amount of complementary tickets this year due to the nature of the 2021 fair due to capacity and budgetary limits. She gave an example that year-round seasonal staff normally get twenty OC Fair tickets for one dollar each, and it was decided this year to reduce that number to 10 tickets at two dollars each.

The Board discussed the number of tickets and decided to mirror what seasonal staff is able to receive.

Director Cervantes stated that the non-profits raise money but agreed that adjustments need to be made.

ACTION: Director Aitken motioned and Director Bagneris seconded to limit the passes available to the Centennial Farm Foundation and the Heroes Hall Veterans Foundation to ten tickets at two dollars each with one parking pass. **MOTION CARRIED. AYES: Chair Rubalcava-Garcia, Vice Chair La Belle, Director Bagneris, and Director Aitken. NAYES: Director Cervantes. ABSTENTIONS: None.**

10. CEO'S OPERATIONAL UPDATE

Michele Richards, OCFEC CEO, reported the following:

- Emergency Food Distribution w/ Power of One has wrapped up
- County of Orange Covid testing site moved out April 30th
- OC Fair has teamed up with the OC Health Care Agency providing 25 family four packs of tickets to the OC Fair as an incentive to get vaccinated
- The Original OC Swap Meet debuts this Saturday
- OCFEC employees had a toy drive for the unaccompanied migrant children housed at LA County Fairplex
- Heroes Hall is currently accepting artwork created by California military veterans and active service members for a new exhibition which will open in October
- She attended a Knott's Berry Farm preview event
- A health and safety tour of Disneyland planned for Executive staff and Board members
- Goat kids born at Centennial Farm the previous day
- City of Costa Mesa just informed OCFEC of constructions starting on Fairview Road construction
- RCS carnival equipment starting to arrive at OCFEC in preparation of the fair

CEO Richards presented the April 2021 financial statements.

Joan Hamill, OCFEC Chief Business Development Officer, provided some statistics from the virtual Imaginology event and gave an update on current and upcoming events.

11. BOARD OF DIRECTORS MATTERS OF INFORMATION

Director Cervantes thanked the Chair for a great meeting and staff for their work and presentation.

Director Aitken shared that she participated in the Imaginology scavenger hunt with her children. She also shared she took her children to the opening day of the vaccination clinic (for those who are twelve years old) and up and encouraged everyone to make use of the community asset.

Vice Chair La Belle thanked staff for their diligence and hard work in preparation for the opening of the fair and the Pacific Amphitheatre and for the Chair's leadership.

Chair Rubalcava-Garcia thanked the members of the public who took time to contribute to the Board meeting. She thanked staff and the Board for their time, in their volunteer positions as Board members.

12. NEXT BOARD MEETING: MAY 27, 2021

13. ADJOURNMENT MOTION TO ADJOURN

The meeting adjourned at 12:30 p.m.

Natalie Rubalcava-Garcia, Chair

Michele Richards, Chief Executive Officer