

MINUTES OF OCFEC BOARD OF DIRECTORS MEETING HELD OCTOBER 28, 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/2021/10/12115403/21_10_October_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 Sandra 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, Director Pham, Director Kovacevich and Director Rafiei.

DIRECTORS ABSENT/EXCUSED: None.

Directors Ruiz, Bagneris, Pham and Kovacevich joined the meeting after roll call.

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; Summer Angus, OCFEC Executive Assistant; Josh Caplan, Office of the Attorney General; Kathy Swank, transcriptionist; Reggie Mundekis; Gibran Stout; Leigh-Ann Kazolas; Theresa Sears; Kim Stanford

5. MINUTES:

A. Board meeting held September 9, 2021

Action Item

B. Board meeting held September 13, 2021

Action Item

C. Board meeting held September 23, 2021

Action Item

ACTION: Director Cervantes motioned and Director Rafiei seconded to approve the minutes from the Board meetings held September 9, 2021, September 13, 2021 and September 23, 2021. **MOTION CARRIED.**

AYES: Chair Rubalcava-Garcia, Vice Chair La Belle, Director Cervantes, Director Aitken and Director Rafiei. **NAYES:** None. **ABSTENTIONS:** None.

6. MATTERS OF PUBLIC COMMENT

None.

7. CONSENT CALENDAR: (Policy 4.3.4)

A. Standard Agreements (New): SA-156-21YR; SA-155-21GE

- i. **Standard Agreement Amendments:** SA-272-18SP (Amend. #4)
- ii. **Standard Agreement Amendments (Exercise Option):** SA-281-18YR (Amend. #2)

B. Rental Agreements: R-021-21; R-041-21; R-047-21; R-055-21; R-058-21; R-066-21; R-072-21; R-073-21; R-075-21; R-077-21; R-078-21; R-079-21; R-080-21; R-082-21; R-083-21; R-084-21; R-085-21; R-001-22

- i. **Rental Agreement Amendments:** R-053-21 (Amend. #1)

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

D. 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 October agenda is October 15, 2021.*

- i. 9/17/2021 - California Rifle & Pistol Association Letter: Economic Impact to the Orange County Fairgrounds and Unlawful Threats from State Senator
- ii. 09/19/2021 - Reggie Mundekis Email: Sept 23, 2021 Board Meeting: Comments Regarding Agenda Items 8A & 8G(iii)
- iii. 10/4/2021 - Reggie Mundekis Email: Oct 12 Strategic Planning Meeting - Equestrian Center Discussion
- iv. 10/11/2021 – OC Vaulting Email: Strategic Planning Session Information
- v. 10/12/2021 - Leigh-Ann Kazolas Email: Strategic Planning Session Information

E. 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. 9/22/2021: F2021-08 Required Construction Inspections

CEO Richards pulled Rental Agreement R-084-21 (November Crossroads of the West Gun Show).

Kim Stanford, owner/operator Moonstone Riding Academy, stated the Equestrian Center (EQC) is a full capacity with a waiting list and is starting to burst at the seams with the services that it provides for the public. She asserted the nonprofits on site are providing services for lots of kids in the community in need of outdoor activities. She commented on a successful Halloween event at the EQC which was attended by seniors from the local assisted living center. She shared a story of a family that enjoys watching the activities at the EQC and views the EQC as an extension of the park across the street.

ACTION: Vice Chair La Belle motioned and Director Aitken seconded to approve the Consent Calendar with Rental Agreement R-084-21 (Crossroads of the West Gun Show) pulled for discussion. **MOTION CARRIED.** **AYES:** Chair Rubalcava-Garcia, Vice Chair La Belle, Director Cervantes, Director Aitken, and Director Rafiei. **NAYES:** None. **ABSTENTIONS:** None.

CEO Richards reported the contract was pre-booked earlier in the year, prior to SB264 (banning gun shows on OCFEC property) being passed and signed into law (effective date 01/01/2022).

Vice Chair La Belle expressed his concerns regarding the gun show and the sale of "ghost gun" parts. He discussed an LA Times article related to "ghost guns."

Director Ruiz joined the meeting.

ACTION: Vice Chair La Belle motioned and Director Ruiz seconded to approve Rental Agreement R-084-21 (Crossroads of the West Gun Show) of the Consent Calendar. **MOTION CARRIED.** **AYES:** Chair Rubalcava-Garcia, Vice Chair La Belle, Director Cervantes, Director Ruiz and Director Pham. **NAYES:** None. **ABSTENTIONS:** Director Aitken and Director Rafiei.

8. GOVERNANCE PROCESS

A. Discussion and Vote on Facilities Committee Recommendation for 12-Month Standard Agreement with Current Equestrian Center Operator

Action Item

Director Ruiz, on behalf of the Facilities Committee, reported the committee met with staff and the current operator and completed a

thorough review of the current LOU for operations of the EQC. He stated the committee's recommendation is to enter into a twelve month standard agreement with the current operator to formalize the current LOU, giving the Board time to develop strategic direction for the EQC.

Director Aitken clarified that the current agreement has been in place for the last eight years and is on a month-to-month basis with some of the terms no longer relevant to what occurs on the property. She reiterated the committee would like move from month-to-month to a one year.

Reggie Mundekis stated she wants to make sure that this is a twelve month, temporary contract - not to be extended, and there will be an RFP issued and a contract within said twelve months. She asserted the need to look at issues such as animal and student welfare within the RFP and eventual contract. She emphasized the need to be best in breed in animal welfare practices/facilities and in the treatment of youth from abuses in the equestrian sports community. She asserted the need for true public programming and spoke in opposition of student work in exchange for lesson/training. She discussed the need to address the revenues from the EQC. She shared she looks forward to an update/report on what repairs are being made at the EQC.

Gibran Stout shared her excitement, as a daily user of the EQC, for this item moving forward. She asserted there is a lot of public programming currently at the EQC. She asked that the committee take special note of four areas critical to the safety and welfare of the public users and requested those areas be included in the new twelve-month contract (communication, emergency plan, price adjustments and perimeter security). She suggested staff do an assessment of the EQC of things expected to be remedied by the operator by the twelve month period. She requested a study session with the Facilities Committee for daily users and industry professionals to provide input for the RFP.

Director Bagneris joined the meeting.

ACTION: Director Rafiei motioned and Director Ruiz seconded to approve the development of a 12-Month Standard Agreement with Current Equestrian Center Operator. **MOTION CARRIED. AYES:** **Chair Rubalcava-Garcia, Vice Chair La Belle, Director Cervantes, Director Ruiz, Director Bagneris, Director Aitken, and Director Rafiei.** **NAYES:** None. **ABSTENTIONS:** None.

B. Discussion and Vote on Community Affairs Committee Recommendation to Create a Public Art Piece Celebrating Diversity Using Lighting on Plaza Pacifica and Include \$50,000 in the 2022 Budget for the Project

Action Item

Director Bagneris, on behalf of the Community Affairs Committee, reported the committee met and reviewed the public survey results taken from the 2021 OC Fair and also reviewed the public Community Affairs Committee public meeting held on May 17, 2021. She continued that after reviewing the feedback and viewing the presentation and discussion the committee recommends using lighting and light towers in Plaza Pacifica to display a message of diversity, equity and inclusion to the community, as well adding a \$50K budget line item for the 2022 budget for the project and for the use of in-house staff for the design of the project.

Director Ruiz and Vice Chair La Belle spoke in support of the committee and the recommendation.

CEO Richards confirmed for Director Aitken that the committee is recommending using OCFEC in-house creative staff and resources for the project.

Director Aitken asked if outside fundraising (for ideas outside the \$50K budget to supplement) is allowed. CEO Richards confirmed that fundraising is allowed, however it is not tax deductible to the donor.

Director Kovacevich joined the meeting.

ACTION: Director Ruiz motioned and Vice Chair La Belle seconded to approve the use of lighting and the light towers surrounding Plaza Pacifica to create a welcoming and positive message to the community about the diversity of the people the OC Fair & Event Center serves and the organization's commitment to equity and inclusion, as well a \$50K budget line item for the 2022 budget for the project and utilizing the creative team and resources on staff at OCFEC to design and execute the project. **MOTION CARRIED.** **AYES:** Chair Rubalcava-Garcia, Vice Chair La Belle, Director Cervantes, Director Ruiz, Director Bagneris, Director Aitken, Director Kovacevich and Director Rafiei. **NAYES:** None. **ABSTENTIONS:** None.

Chair Rubalcava-Garcia spoke in support of the Board's decision to use in-house staff for the project.

C. Discussion and Agreement on 2022 Board Meeting Schedule Action Item

CEO Richards presented the staff report.

Chair Rubalcava-Garcia recommended not having the August 25, 2022 meeting due to the proximity to the OC Fair. She asserted that if the need arises, an August meeting can be scheduled.

Director Ruiz asked the Board to consider having an afternoon meeting once a quarter.

Board discussion ensued regarding the meeting time of day.

Chair Rubalcava-Garcia recommended approving the meeting dates presented, with the exception of excluding the August 25, 2022 meeting date. She recommended the new Board Chair work with CEO Richards to identify a few meeting dates that could potentially be afternoon meeting times.

Gibran Stout spoke in support of alternate meeting times and suggested late morning or lunchtime meeting times as well as alternating even and odd month's meeting times (morning and afternoon).

ACTION: Vice Chair La Belle motioned and Director Cervantes seconded to approve the 2022 meeting dates (occurring on Thursdays): January 27, 2022; February 24, 2022; March 24, 2022; April 28, 2022; May 26, 2022; June 23, 2022; September 22, 2022; October 27, 2022; November 17, 2022; December 15, 2022. **MOTION CARRIED.** **AYES:** Chair Rubalcava-Garcia, Vice Chair La Belle, Director Cervantes, Director Ruiz, Director Bagneris, Director Aitken, Director Kovacevich and Director Rafiei. **NAYES:** None. **ABSTENTIONS:** None.

Chair Rubalcava-Garcia shared she anticipates more in-person meetings in 2022 and to keep that in mind for scheduling meeting times in the future.

D. Vote on Whether or Not to Approve Out-of-State Travel Request for Staff to Attend the 2022 Western Fairs Association Annual Convention in Reno, NV

Action Item

CEO Richards presented the staff report. She reported Director Ruiz has indicated he would like to attend the convention.

Chair Rubalcava-Garcia encouraged the Board members to attend the convention if possible.

Director Cervantes indicated that she would like to attend the convention.

ACTION: Director Cervantes motioned and Director Aitken seconded to approve out-of-state travel request for staff to attend the 2022 Western Fairs Association annual convention in Reno, NV. **MOTION CARRIED.** **AYES:** Chair Rubalcava-Garcia, Vice Chair La Belle,

Director Cervantes, Director Ruiz, Director Bagneris, Director Aitken, Director Pham, Director Kovacevich and Director Rafiei.
NAYES: None. ABSTENTIONS: None.

E. Review of and Vote on Inclusion of Strategic Planning Programming Goals for Equestrian Center and Annual OC Fair in Draft 2022-2024 Strategic Plan

Action Item

CEO Richards presented the Board's draft goals for the Equestrian Center (from the previous strategic planning session discussions) for the draft strategic plan:

1. OC Fair & Event Center's equestrian center will serve as a true public asset to ensure greater access to a broader group of constituents throughout Orange County. It will be operated as a "best in breed" equine venue with the highest standard of care for boarded horses and animals in need of shelter during emergencies.
2. OC Fair & Event Center staff will operate the equestrian center, planning and executing programming to the maximum benefit of the public. The programming will be focused on equine education and entertainment for the public.
3. The equestrian center programming will be integrated into other OC Fair & Event Center activities throughout the year including the annual OC Fair and Imaginology.
4. The business model for the equestrian center will balance the requirement to operate as a public benefit venue with the need to be financially sound.

Leigh-Ann Kazolas discussed the EQC's annual Halloween costume contest that occurred the previous weekend and thanked the OCFEC staff and city council member who participated in judging the contest. She shared her excitement that the Board strategic planning has indicated more OCFEC involvement in the programming/events of the EQC for the public for more public access. She reported a docent guided tour program is forthcoming to the EQC. She spoke in support of the new LOU and management RFP of the EQC and encouraged the Board to reach out to the equestrians for input. She spoke in support of the Board's draft goal for public/private partnerships to expand access to the fair and encouraged the Board to do the same for the EQC.

Reggie Mundekis spoke in support of the Board's strategic planning process and the draft goals for the EQC and the annual fair. She spoke in support of the Board's efforts to create more public access and the effort to include those in the changing demographics and economics of Orange County.

Gibran Stout spoke in support of the strategic planning process and the direction it is going. She shared the equestrians look forward to collaborating with OCFEC for public programing. She shared the equestrians would love to make a presentation showing what is currently happening at the EQC.

Theresa Sears welcomed new Director Rafiei and congratulated her on the appointment to the Board and offered to share OCFEC history with her. She shared her concerns with the confusion of the term "best in breed" in the draft statement. She also shared her concern with using "entertainment for the public," stating its ambiguity. She offered herself as a resource.

Board discussion ensued regarding the draft statements. Items discussed:

- Including members of the public
- Discussion regarding "the term best in breed"
 - "best in breed" meaning quality or best in class
 - State of the art facilities
- Concern regarding "entertainment for the public"
 - Re-wording to make more clear - meaning horse show type activities
- Animal welfare and welfare of the students

ACTION: Director Rafiei motioned and Director Bagneris seconded to approve the draft strategic planning programming goals for Equestrian Center. **MOTION CARRIED.** **AYES:** Chair Rubalcava-Garcia, Vice Chair La Belle, Director Cervantes, Director Ruiz, Director Bagneris, Director Aitken, Director Pham, Director Kovacevich and Director Rafiei. **NAYES:** None. **ABSTENTIONS:** None.

CEO presented draft goals for the annual OC Fair for the draft strategic plan:

1. The annual OC Fair will establish public/private partnerships designed to benefit and increase accessibility to lower income residents of Orange County so that all are provided a full fair experience.
2. The annual OC Fair will create an opportunity each year for increased local business participation for merchants and concessionaires.
3. Marketing and advertising plans will focus on promoting and highlighting free of charge programming at the annual OC Fair in order to become the #1 destination of choice for family activities each summer. The OC Fair will be "a place where you can break out with your family without breaking the bank."
4. The OC Fair will be the #1 fair in the State of California and in the Top Five in the U.S. for providing an exceptional guest experience to include educational offerings, exhibits that

highlight the community and activities that promote traditions and family connections.

ACTION: Director Rafiei motioned and Director Bagneris seconded to approve the draft strategic planning programming goals for the annual OC Fair. **MOTION CARRIED.** **AYES:** Chair Rubalcava-Garcia, Vice Chair La Belle, Director Cervantes, Director Ruiz, Director Bagneris, Director Aitken, Director Pham, Director Kovacevich and Director Rafiei. **NAYES:** None. **ABSTENTIONS:** None.

F. Consideration of and Vote on the Board of Directors Nominating Task Force Recommendation and Election of Board Officers
Action Item

Director Aitken, on behalf of the Nominating Task Force, announced the committee is recommending Vice Chair La Belle as Chair and Director Pham as Vice Chair of the Board of Directors for the next term. She also discussed the Board to potentially consider agendizing for a future meeting a discussion on whether the board chair position should be a two year position.

Director Cervantes shared her concerns with Director Pham's attendance in regards to the recommendation for the Vice Chair position.

Director Bagneris reported as process, the committee spoke with the nominees and Director Pham conveyed his understanding and commitment of the position.

Director Pham asserted his commitment to the position and to the Board.

ACTION: Director Bagneris motioned and Director Rafiei seconded to approve Director La Belle as Chair and Director Pham as Vice Chair of the Board of Directors for the 2021-2022 term. **MOTION CARRIED.** **AYES:** Chair Rubalcava-Garcia, Vice Chair La Belle, Director Cervantes, Director Ruiz, Director Bagneris, Director Aitken, Director Pham, Director Kovacevich and Director Rafiei. **NAYES:** None. **ABSTENTIONS:** None.

On behalf of the Board, CEO Richards presented a plaque of recognition to Chair Rubalcava-Garcia for her term as Board Chair.

The Board thanked Chair Rubalcava-Garcia for her leadership and congratulated Directors La Belle and Pham on their new positions as chair and vice chair.

G. 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 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 Ruiz, Committee Chair; Director Aitken)
- iv. Governance Committee (Director Cervantes, Committee Chair; Chair Rubalcava-Garcia)
- v. Community Affairs Committee (Director Bagneris, Committee Chair; Director Rafiei)
- vi. Centennial Farm Foundation Liaison (Director Cervantes, Director Kovacevich)
- vii. Heroes Hall Veterans Foundation Liaison (Vice Chair La Belle, Director Cervantes)

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

- The committee met with staff and reviewed the September financial reports
 - Favorable to budget \$23.6M
 - Funds from AB1499 and state grant money
- The committee reviewed the Carnival RFP - RFP was released on October 18th

Director Bagneris added proceeds are favorable to budget and the investment account is higher than pre-pandemic numbers. She also reported the 2020 financial audit has been completed.

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

- The committee met and focused on the EQC contract already discussed
- The committee discussed the 2022 Cap X projects list – committee report and Cap X list posted with the meeting materials

CEO Richards, on behalf of the Community Affairs Committee, reported:

- October is Global Diversity Awareness Month
 - She presented a racial and ethnic diversity index by state chart (from the 2020 US census)
- Excitement to move forward with the public art piece celebrating diversity at OCFEC that Board just approved

Director Cervantes, on behalf of the Centennial Farm Foundation, reported:

- The foundation board met to discuss a proposal by a consulting service for a full service, month-to-month subscription to include grant writing, website management and social media management
 - The firm specializes in small businesses, small to mid-sized non-profits and government agencies
- The foundation board is also conducting ongoing research for a spring fundraiser
- The foundation board also discussed making a request to revise the current MOU to reduce its annual financial contribution to the OC Fair & Event Center due to difficulties in fundraising due to the pandemic
- Next meeting will be on November 18th

Vice Chair La Belle, on behalf of the Heroes Hall Veterans Foundation, reported:

- The foundation continues to send letters to potential donors
- Continued fundraising

Director Cervantes added:

- The new exhibit opened at Heroes Hall museum - "Through Their Eyes" on Oct 16th
- "Celebrating Veterans" event at Heroes Hall on will be Veterans Day, November 11th from 11a.m. – 2 p.m.
 - The All American boys Chorus will be performing

9. CLOSED SESSION (Closed to the Public)

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., United States District Court, Central District of California, Case No. 8:20-cv-02049-CJC-JDE.

iv. To confer with counsel, discuss, and consider the following pending litigation to which the 32nd DAA is a party. Adam Carleton v. 32nd District Agricultural Association, et al., Orange County Superior Court, Case No. 30-2020-01174951-CU-OE-CJC

B. Personnel: The Board will meet in closed session to consider the evaluation of performance of the General Manager / CEO. [Gov. Code, § 11126, subd. (a.)]

The meeting adjourned to closed session at 10:47 a.m. and reconvened at 11:43 a.m.

Matters to report out of closed session: None.

Director Kovacevich left the meeting at the conclusion of closed session.

10. CEO'S OPERATIONAL ANNOUNCEMENTS AND UPDATES

CEO Richards reported the following:

- Pacific Amphitheatre ranked third for ticket sales worldwide and The Hangar ranked fourth (during the OC Fair)
- "Through Their Eyes" exhibit opened for the public at Heroes Hall on October 17th
- Centennial Farm tours resumed on September 7th
 - Discovery days are set to open in early November
- Newport Beach Film Festival showed a documentary about table setting competition that was filmed during the 2019 OC Fair
- Assemblywoman Cottie Petrie-Norris will be hosting her Veteran of the Year event on November 3rd at American Legion Post 291
 - OCFEC employee, Kimberly Millet to be honored as Newport Beach's Veteran of the Year

CEO Richards presented the September financials statements.

Ken Karns, OCFEC Chief Operating Officer reported the following:

- The Pacific Amphitheatre berm project is going well
 - Next phase to begin – the animals will go back to their respective homes and the berm will be hydro seeded
 - Knitty the llama and Herb the donkey will stay at Centennial Farm

Joan Hamill, Chief Business Development Officer, provided an overview of upcoming events at OCFEC.

11. BOARD OF DIRECTORS MATTERS OF INFORMATION

12. NEXT BOARD MEETING: NOVEMBER 18, 2021

13. ADJOURNMENT

The meeting adjourned at 11:53 a.m.



Natalie Rubalcava-Garcia, Chair



Michele Richards, Chief Executive Officer