



Board of Directors Meeting

April 28, 2022

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 silence your cell phones

The Mission of OCFEC is...

Creating equitable community access to
agriculture, entertainment, cultural and
educational experiences





5. Minutes

A. Board meeting held March 24, 2022

Action Item



6. Matters of Public Comment

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. Speakers are requested to sign in prior to the start of the meeting and are limited to three minutes.

Comments will be accepted on all other Agenda items at the time each item is listed on the Agenda. 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.



7. Consent Calendar

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.



8A. Presentation of A-4M Skyhawk Painting Donation to 32nd DAA from Heroes Hall Veterans Foundation

INFORMATION ITEM:

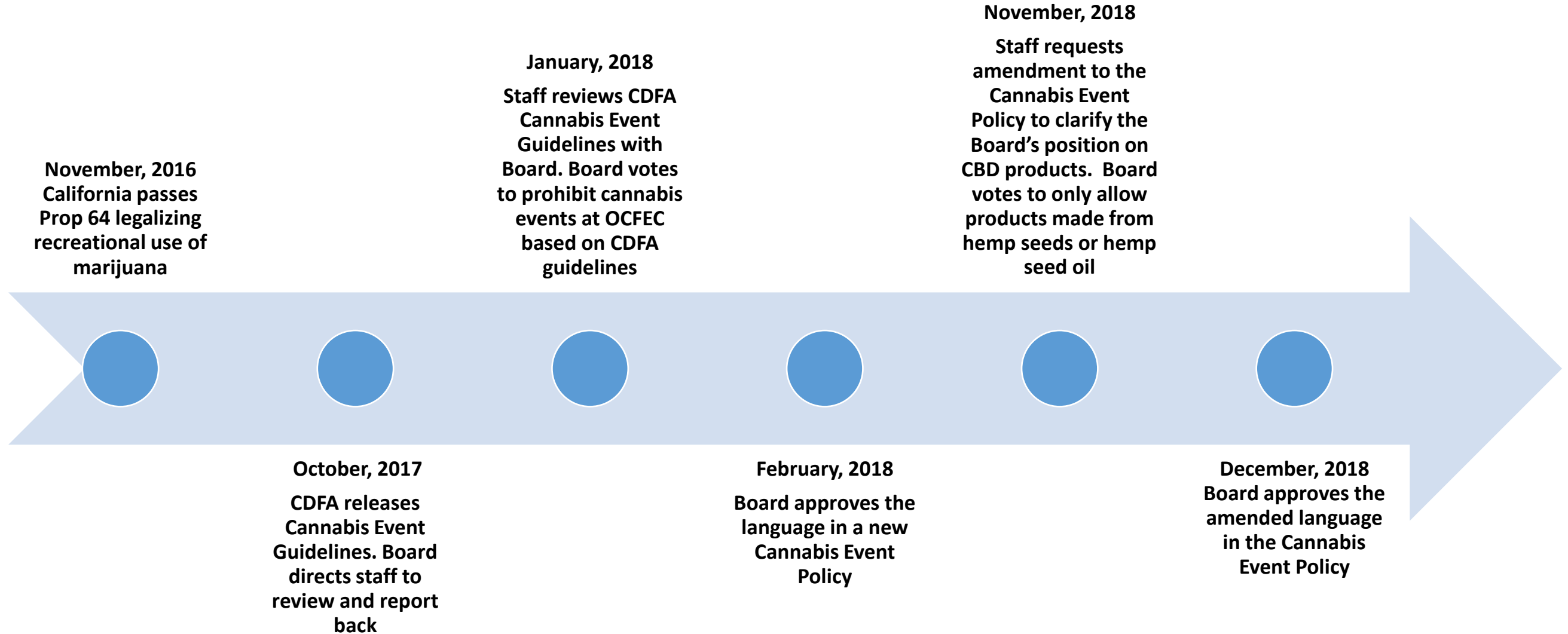
Jeff La Belle, son of Bonnie and Doug La Belle, has donated a painting he created of the A-4M Skyhawk at Heroes Hall to the Heroes Hall Veterans Foundation which the Foundation can use for fundraising purposes.

The original painting is being donated by the Foundation to the 32nd DAA for display at Heroes Hall.

The Foundation President, Nick Berardino, will unveil the painting and make the presentation to the District Board of Directors.



8B. Review of Current Cannabis Event Policy and Vote on Whether or Not to Amend



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32nd District Agricultural Association

Board Policies

Board Policy 6.05: Cannabis Event Policy

Date Adopted/Last Revised: November 15, 2018

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

Policy

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.



8B. Review of Current Cannabis Event Policy and Vote on Whether or Not to Amend

According to CDFA direction, fair Boards were asked to consider the following:

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

What has changed since the Board approved the Cannabis Event Policy 6.05?



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8B. Review of Current Cannabis Event Policy and Vote on Whether or Not to Amend

- Measure X passed in Costa Mesa in November, 2016
 - Allows medical marijuana research, manufacturing and wholesale distribution in certain industrial zones
- Measure Q passed in Costa Mesa in November, 2020
 - Amended Measure X to allow by permit storefront cannabis in the commercial zone, and cannabis delivery businesses in the commercial and Green Zone.
 - Yes: 65.17%; No: 34.83%
- To-date, six Conditional Use Permits (CUPs) for non-storefront delivery businesses have been approved by the City of Costa Mesa
- There are currently 65 applications pending with the City for cannabis retail businesses
- Scott Drapkin, Assistant Director of Development Services, City of Costa Mesa



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Marijuana remains federally illegal. (The U.S. House of Representatives voted April 1 to decriminalize marijuana, removing it from the federal list of controlled substances.)



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8B. Review of Current Cannabis Event Policy and Vote on Whether or Not to Amend

Recent Cannabis Events at other California Fairgrounds:

- National Orange Show (San Bernardino) – hosted a cannabis event in 2017
- Sonoma County Fairgrounds – hosted the “Harvest Ball” cannabis and musical festival held Dec. 11-12, 2021
- 46th DAA (Southern California Fair, Lake Perris) – hosted “Loud Lands” cannabis festival on April 16, 2022
- 38th DAA (Stanislaus County Fair, Turlock) – will host the “Dazed on the Green” cannabis and music festival scheduled on Sept. 17-18, 2022
- California State Fair (Cal Expo, Sacramento) – hosted Cannabis Cup in 2018 and will feature a cannabis competition at the 2022 California State Fair in July



8B. Review of Current Cannabis Event Policy and Vote on Whether or Not to Amend

The Board will discuss the current Cannabis Event Policy and give direction to staff on any amendments.

RECOMMENDATION:

Staff and Governance Committee recommend:

- approving the sale, promotion, sponsorship and display of independently tested/regulated CBD products on the fairgrounds that contain no more than 0.3% THC.
- the Board discuss and provide further direction on:
 - cannabis-related sponsorships
 - sale of glass pipes and smoking devices
 - cannabis-related events



9. 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. 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. [Govt. Code, § 11126, subd. (a).]



8C. Review of Reporting Wrongdoing Policy 2.05 and Vote on Recommended Amendment

The Reporting Wrongdoing Policy 2.05 was adopted by the Board of Directors on February 27, 2020. The purpose of the policy is to provide clear guidance to the 32nd DAA Personnel about their responsibility to report any unethical behavior or wrongdoing related to the 32nd DAA.

The policy not only includes information and procedures for filing a complaint of wrongdoing using the State of California Whistleblower Hotline, but also calls for the establishment of a separate Ethics Hotline administered by an independent third party and overseen by the Board. This policy was adopted right before the pandemic shut down operations at OCFEC and the separate Ethics Hotline was never set up.



8C. Review of Reporting Wrongdoing Policy 2.05 and Vote on Recommended Amendment

During its annual review of Board Governance Policies, the Governance Committee, along with staff, noted that including a separate Ethics Hotline actually duplicates the purpose and process of the State Whistleblower Hotline and may present a conflict of interest by being overseen by the Board of Directors.

In order to avoid this potential conflict of interest, and eliminate the costly and inefficient duplication of the State Whistleblower Hotline, the committee and staff are recommending the elimination of the separate Ethics Hotline in the policy.

RECOMMENDATION:

The Governance Committee and staff recommend amending the Reporting Wrongdoing Policy 2.05 to eliminate the separate Ethics Hotline.



8D. Presentation on SB1383 (California's Short-Lived Climate Pollutant Reduction Law) and Requirements for the 32nd DAA

INFORMATION ITEM:

California's Short-Lived Climate Pollutant Reduction Law (SB1383) was signed into law in September 2016 by then Governor Brown. This year and beyond, certain requirements of SB1383 will impact operations at the OC Fair & Event Center.

Some of these requirements include:

- Prohibiting the sale, procurement or distribution of Expanded Polystyrene Foam (EPS)/Styrofoam
- Eliminating plastic straws
- Decreasing the amount of material going into our landfills
- Increasing the amount of material that is composted or recycled
- Increasing the quantity of recyclable and compostable materials that are diverted from our landfills



8D. Presentation on SB1383 (California's Short-Lived Climate Pollutant Reduction Law) and Requirements for the 32nd DAA

Jerry Eldridge, Director of Facilities, will make a presentation about OC FEC's commitment to these requirements and will explain what the organization is doing together with our fair concessionaires, merchants and year-round promoters to gather as much organic waste as possible by:

- Providing 35-gallon totes for pre-consumer organic waste
- Distributing green post-consumer organic waste containers next to our blue recycle bins and trash cans
- Replacing all plastic utensils and serving containers with recyclable and compostable products
- Purchasing a Bio-Digester to compost 350 tons of organic waste per year
- Placing signage throughout the grounds
- Monitoring compliance



SB 1383: Short-lived Climate Pollutant Diversion / Reduction in Landfills





SB 1383 Requirements

2020 - 50% REDUCTION IN LANDFILLED ORGANIC WASTE

2022 - REGULATIONS TAKE EFFECT

2025 - 75% REDUCTION IN LANDFILLED ORGANIC WASTE



Why is California mandating this?

- Organic waste in our landfills creates methane gas
- In order to reduce the amount of organic waste sent to landfills
- Landfills are responsible for 21% of the State's methane gas emissions
- Landfills are the third largest producer of methane gas in the US

How will California accomplish the reduction

- Prohibit the sale, procurement or distribution of Expanded Polystyrene Foam (EPS)/Styrofoam
- Decrease the amount of material going into our landfills
- Increase the amount of material that is composted or recycled
- Increase the quantity of recyclable and compostable materials that are diverted from our landfills

What is organic waste

- Food waste
- Green waste
- Nonhazardous wood waste
- Food-soiled paper waste
- Fibers such as paper and cardboard
- Animal bedding / Manure

What does this mean for the OC Fair & Event Center

Year round the OC Fair & Event Center will gather as much organic waste possible by:

- Providing 35 gallon totes for pre-consumer organic waste
- Distributing green post-consumer organic waste containers next to our blue recycle bins and trash cans
- Replacing all plastic utensils and serving containers with recyclable and compostable products
- Purchasing a Bio-Digester to compost 350 tons of organic waste per year
- Placing signage throughout the grounds
- Monitoring compliance

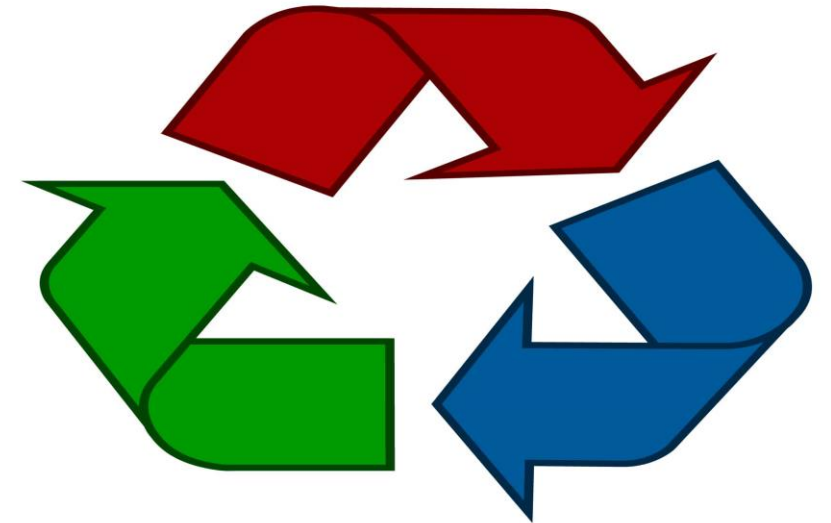
Materials also diverted from landfill by the OCFEC

- Plastic 27,000 pounds
- Aluminum 4,000 pounds
- Glass 2,400 pounds
- Metal / Wire 8,000 pounds
- Pallets 1,500
- Used cooking oil 6,300 gallons

Together we can

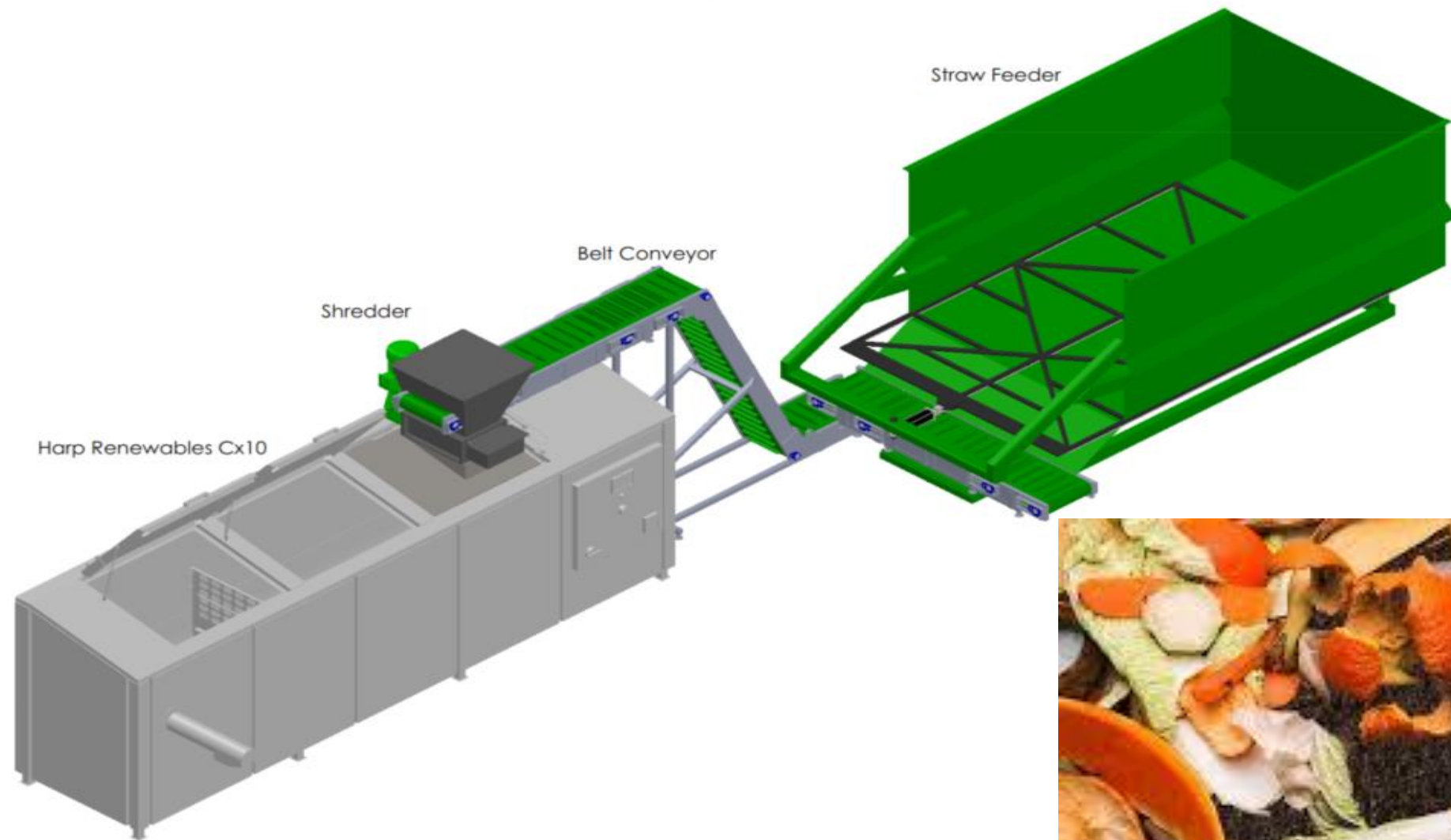
- Focus on waste reduction, product redesign and elimination of wasteful practices
- Reduce, Reuse, and Recycle

Recycling Trilogy
Reduce Reuse Recycle



Powered by Recycling.com

Harp Bio-Digester Cx10



Signage & Product used





QUESTIONS?

8E. Report on Public Feedback of 3-Year Strategic Plan and Vote on Whether or Not to Give Final Approval

Following approval of the draft 3-Year Strategic Plan document at the March 24, 2022 Board meeting, staff posted the document on the ocfair.com web site main page with an electronic form to solicit feedback from the public.

After five weeks of gathering feedback, staff will summarize comments from the public and present to the Board for consideration.

RECOMMENDATION:

It is staff's recommendation for the Board to consider the feedback from the public on the 3-Year Strategic Plan document, make any amendments at the Board's discretion, and give final approval on the plan.



8F. Recap of 2022 Imaginology

INFORMATION ITEM:

Imaginology 2022 was held on Saturday-Sunday, April 9-10. Joan Hamill, Chief Business Development Officer, will share highlights and results from the event with the Board of Directors and public.





IMAGINOLOGY

⚙ POWER YOUR ⚙
IMAGINATION

APRIL 9 - 10, 2022

IMAGINOLOGY IS PROUDLY SPONSORED BY





“I loved getting to be a part of such an amazing hands-on expo for kids that sparks new adventure.”

“Thank you for having us at Imaginology this year.... when it was all over we all had a warm and fuzzy feeling that we did something special for 2 days. Another thing we noticed was that there were no bad vibes anywhere. Every last person seemed to be smiling and having a good time.”



“I just want to take a moment to say thank you to you and all the folks at Imaginology... Please know what a positive impact this event makes for our school and that we truly appreciate all of you.”

8G. 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 La Belle, Committee Chair; Vice Chair Pham)
- ii. **Financial Monitoring and Audit Committee** (Director Kovacevich, Committee Chair; Director Bagneris)
- iii. **Facilities Committee** (Director Ruiz, Committee Chair; Director Aitken)
- iv. **Governance Committee** (Director Cervantes, Committee Chair; Director Rubalcava-Garcia)
- v. **Community Affairs Committee** (Director Bagneris, Committee Chair; Director Rafiei)
- vi. **Entertainment and Business Development Committee** (Director Rubalcava-Garcia, Committee Chair; Director Cervantes)
- vii. **Governmental Relations Committee** (Director Aitken, Committee Chair; Vice Chair Pham)
- viii. **Centennial Farm Foundation Liaison** (Director Rafiei, Director Ruiz)
- ix. **Heroes Hall Veterans Foundation Liaison** (Director Cervantes, Vice Chair La Belle)



10. CEO's Operational Announcements & Updates

**Employee Earth Day
Beach Clean-Up**



**Spring Has Sprung at
Centennial Farm**



**OC Business Council
Annual Dinner**



10. CEO's Operational Announcements & Updates



ORANGE
COAST
COLLEGE



Orange Coast College
Community Partner of the Year

It's Beginning to Look
a Lot Like Fair



June 4

Joint Job Fair with City of Costa Mesa



For the Month Ended March 31, 2022

	Actual	Budget	Variance Favorable (Unfavorable)
YTD Revenue	\$ 1,491,158	\$ 1,228,650	\$ 262,508
YTD Expenses	<u>\$ 5,739,525</u>	<u>\$ 7,554,529</u>	<u>\$ 1,815,004</u>
YTD Net Proceeds (Deficit)	<u>\$(4,248,367)</u>	<u>\$(6,325,879)</u>	<u>\$2,077,512</u>



Cash and Cash Equivalents

	<u>March 31, 2022</u>	<u>March 31, 2021</u>
Cash on Hand	\$ 1,803,547	\$ 1,189,208
Investments	<u>\$58,995,326</u>	<u>\$ 37,860,911</u>
Total Cash and Cash Equivalents	<u>\$60,798,873</u>	<u>\$ 39,050,119</u>
Year over Year Increase	<u>\$21,748,754</u>	
Year over Year % Increase	55.7%	



EVENTS UPDATE



Apr 29 – May 1



May 5



May 6 – 8
May 13 - 15



May 7



May 7



May 13 - 15



May 14



May 19



May 21



May 21



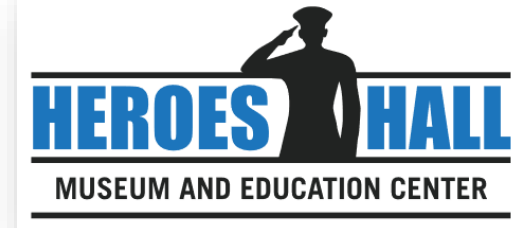
Mon - Fri



Thursdays



EVENTS UPDATE



Speaker Series



May 7, 11am

Shane Sato & Robert Horsting

Go For Broke Spirit:

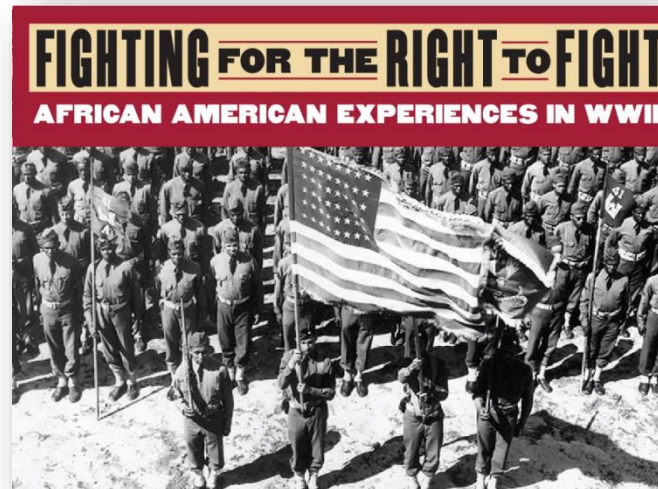
Portraits of Japanese Americans

Nisei WWII Veterans 1999- 2019



Summer Salads

May 14



Gifts from the Kitchen

Escabeche

May 21



11. Board of Directors Matters of Information

Next Board Meeting

May 26, 2022

