

**MINUTES OF OCFEC BOARD OF DIRECTORS MEETING
HELD NOVEMBER 17, 2022**

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/2022/11/01101139/22_11_November_Transcript.pdf

1. CALL TO ORDER:

Chair Pham, called the meeting to order at 9:31 a.m.

Director La Belle introduced Ed Arnold, veteran, retired broadcaster/sportscaster and veterans supporter, who was instrumental in the relocation of the Skyhawk to the fairgrounds. Director La Belle, on behalf of the Heroes Hall Veterans Foundation, presented Mr. Arnold with the first print of the original Skyhawk painting by a local artist.

Mr. Arnold expressed his gratitude to the foundation and the fairgrounds for giving the Skyhawk a new home.

2. MISSION STATEMENT

- 3. PLEDGE OF ALLEGIANCE:** The Pledge of Allegiance was recited by Director Doug La Belle. Roll call was taken by Summer Angus.

4. DIRECTORS PRESENT:

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

DIRECTORS ABSENT/EXCUSED: None.

OTHERS PRESENT:

Michele Richards, OCFEC CEO; Ken Karns, OCFEC Chief Operating Officer; Joan Hamill, OCFEC Chief Business Development Officer; Summer Angus, OCFEC Executive Assistant; Jason Jacobsen, OCFEC Director of Planning & Production; Tyler Phillips, OCFEC; Evelyn Nunez, OCFEC; Josh Caplan, Office of the Attorney General; Charissa De La Torre, transcriptionist; Ed Arnold; Reggie Mundekis; David DL" Sesena; Greg Silva; Jeanine Robbins; Mike Robbins; Aileen Anderson; Leigh-Ann Kazolas; Brian Cummings; Sonia Jahn; Carolyn Beaver; Claudia Berglund; Gibran Stout; Lisa Sabo; Tom Conklin

5. MINUTES:

A. Board meeting held October 27, 2022

Action Item

Director Cervantes asked that her specific comments regarding Chair Pham's absences be documented in the minutes – six absences in 2021 and four absences in 2022.

ACTION: Director La Belle motioned and Director Ruiz seconded to approve the minutes from Board meeting held October 27, 2022 with an amendment to

document Chair Pham's absences for 2021 and 2022. **MOTION CARRIED.**
AYES: Chair Pham, Vice Chair Kovacevich, Director La Belle, Director Rubalcava-Garcia, Director Cervantes, Director Ruiz and Director Aitken.
NAYES: None. ABSTENTIONS: None.

6. MATTERS OF PUBLIC COMMENT

David "DL" Sesena, Original OC Swap Meet operator, discussed he started the new swap meet with the goal of it continuing to be a small business incubator. He alleged the price to hold his event has doubled and has hindered the events growth. He expressed his desire to negotiate a new price with fair staff to keep the event going, otherwise December will be the last event month. He announced November 26 event to celebrate Small Business Saturday.

Mike Robbins, forty-three year swap meet vendor, discussed the previous swap meet operation. He asserted the need for a solution on the cost for the new swap meet rent to incubate process and support small business, especially coming out of Covid. He asserted the swap meet is a community asset that needs to be retained.

Jeanine Robbins, forty-three year swap meet vendor, asserted the new swap meet event needs to continue. She discussed the previous swap meet event and the difficulties of the vendors due to the pandemic and litigation by the fairgrounds with the previous swap meet operator. She criticized staff, alleging non-cooperation and denial of set days for the event. She criticized the charge for parking for swap meet attendees and vendors.

Greg Silva, thirty-year swap meet vendor, asserted the swap meet attracts people from all over. He discussed difficulties and costs the current swap meet operator has and also criticized the charge for parking. He urged the Board to look into helping the operator.

Tom Conklin, first time swap meet vendor, criticized the current swap meet operator for not being communicative and not providing follow-through with new vendors.

7. CONSENT CALENDAR:

A. Standard Agreements: SA-006-23YR; SA-203-22SP

B. Rental Agreements: R-001-23; R-003-23; R-023-23; R-029-23; R-030-23; R-035-23; R-046-23; ~~R-150-22; R-151-22~~; R-155-22; R-164-22; R-165-22; R-166-22; R-167-22; R-169-22; R-170-22

C. Active Joint Powers Authority Agreements (New): 03222090; 03220085; 03222113; 03222114; 03222115

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 December agenda is December 2, 2022.

i. None.

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. 10/25/2022 F2022-07 Fairground and Community Resilience Centers Funding
- ii. 10/26/2022 F2022-08 Fair FY 22-23 Training Reimbursement
- iii. 10/28/2022 F2022-09 Application for State Rules
- iv. 11/04/2022 F2022-10 Proposition 12 Update Animal Care Exhibitions

- End of Consent Calendar -

CEO Richards pulled Rental Agreements R-150-22 and R-151-22 (OC Original Swap Meet) announcing the promoter is not ready to move forward at this time, that they may be back on the December Consent Calendar.

The following public comments are related to Standard Agreement SA-006-23YR for contractor Lopez Works Inc. (LWI) for horse feeding, box stall cleaning & arena maintenance.

Aileen Anderson, University of California Irvine, discussed her familiarity with contracting, bids and California code. She shared her concerns with the LWI bid for the EQC related to price and lack of experience of equestrian facilities and its maintenance. She discussed mark-ups in the bid, giving examples and argued the bid would be a financial burden on the OC FEC. She requested the Board cancel the bid, form a technical review committee and reset the bid to modify restrictive requirements and redistribute it to potential bidders.

Leigh-Ann Kazolas spoke in opposition of the proposed rates by LWI for feeding horses and the maintenance of the EQC, and gave examples. She discussed the process for feeding horses. She argued the rates being awarded are not close to industry standards and the per-task model does not work.

Brian Cummings, UC Irvine School of Medicine, spoke in opposition of the price structure in the bid. He also urged the Board to reset the bid.

Sonja Jahn, Lakewood Equestrian Center caretaker, discussed her experience and the offerings of the Lakewood EQC facility. She gave examples of costs, comparing the price structure in the LWI bid to the Lakewood facility. She spoke in opposition of the proposed bid.

Carolyn Beaver, non-profit Changing Strides Chair, urged the Board to remove the contract from the consent calendar for the Board to fully discuss, exercising their fiduciary duty. She asserted the Board needs to reject the contract in its current form and revise it to ensure accurate requirements that reflect industry standards of operation by experienced personnel with competitive costs.

Claudia Berglund, CPA and former horse show manager, shared her excitement for the prospect of horse show returning to the fairgrounds. She discussed her

twenty-five-year horse show management experience. She thanked the Board for considering the return of horse shows in the future.

Gibran Stout, EQC user, argued there was not sufficient communications with the equine experts available to staff regarding moving forward with the bid and LWI contract. She urged the Board to negotiate a temporary extension with the current EQC operator to continue operations to train the new Ag Director. She asserted the EQC users want to help and contribute their knowledge in the bid/contract process. She urged the Board to restore the Ad Hoc committee.

Lisa Sabo, EQC trainer and Orange County Fairgrounds Preservation Society (OCFPS) President, discussed the OCFPS origins during the stop the sale of the fairgrounds effort and the push to close the EQC. She argued there was a lot of logic presented for why the Board should remove the contract and restart. She argued the need to review, and hire professionals in the equine field, to do the contract right.

Reggie Mundekis corrected for the record that the OCFPS does not taken a position regarding the EQC as implied by the previous speaker. She spoke in opposition of previous speakers' request to extend the current EQC contract with the current operator. She argued the need to move forward with the LWI contract, that provisions can be made if needed. She asserted the need to move forward, to try to do the right thing to keep the EQC open.

Aileen Anderson discussed that California Code requires bids have to be both responsible and responsive, alleging that the LWI bid was deficient and does not meet the responsible requirement. She asserted the Board should not vote on the bid today, alleging the bidder is not a qualified bidder under the two criteria requirement under California State law.

Director Cervantes stated she is mind-boggled and there is no immediate urgency to make a decision on the proposed LWI contract. She argued the need for additional time for further review of the contract.

Per Director La Belle's request, CEO Richards summarized the work, research, bidding process and award that brought the contract to the consent calendar. CEO Richards shared her confidence in the contractor and clarified the contract is a not-to-exceed amount, that OCFEC will be billed for actual work done. She also stated the Finance Committee plans to highlight the EQC budget on a monthly basis when they report out. She further asserted that some monetary losses are expected the first year. That as staff gets their arms around the operation, and understand where revenue opportunities are, and where there are efficiencies in the operation, that expenses can be lowered. She announced there will be communication meetings, open houses, information sessions for the EQC users where concerns can be addressed.

ACTION: Director Bagneris motioned and Director Rubalcava-Garcia seconded to approve the Consent Calendar with agreements R-150-22 and R-151-22 removed. **MOTION CARRIED. AYES: Chair Pham, Vice Chair Kovacevich, Director La Belle, Director Rubalcava-Garcia, Director Cervantes, Director Ruiz, Director Bagneris and Director Aitken. NAYES: None. ABSTENTIONS: None.**

8. GOVERNANCE PROCESS

A. Draft Master Site Plan Presentation and Vote on Next Steps

Action Item

Director Ruiz, on behalf of the Facilities Committee, stated the committee met the previous day and shared his excitement for the full Board to see the presentation. Directors Ruiz and Aitken shared their excitement to receive feedback from the rest of the Board.

CEO Richards presented the MSP presentation for the project priorities and timeline. She presented staff's recommendations for prioritized phasing for Board's consideration and discussion as follows:

Rough Order of Magnitude Budget (for each phase)

• Phase 1 (Admin) -	\$ 23,895,048
• Phase 5 (Restrooms) -	\$ 7,725,962
• Phase 3A (Cent. Barn) -	\$ 3,687,762
• Phase 3B (Ed Center) -	\$ 10,953,797
• Phase 6 (Ex. Bldgs) -	\$ 3,055,534
• Phase 4A (Box Office) -	\$ 9,253,938
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	\$58,572,041
• Phase 4B (Pac Amp) -	\$ 13,395,394
• Phase 2A (Agriplex) -	\$ 86,601,932
• Phase 2B (ASA) -	\$ 2,992,451
• Phase 7 (Final) -	<u>\$ 67,695,423</u>
• Grand Total -	\$229,257,242

(above the "red line" indicates prioritized projects that can be completed with self-funding without incurring debt financing, while still complying with the liquidity requirement of twenty-five percent of operating expenses)

CEO Richards presented a concept for the Pacific Amphitheatre dressing room and green room upgrades "Pacific Amphitheatre back-of-house upgrades" (item is not included in the MSP – this would be a future capital expenditure)

Board and staff discussion on the presentation ensued, items discussed:

- Support for prioritizing the Pacific Amphitheatre back of house upgrades sooner rather than later to enhance revenue opportunities
- Debt financing
- Detailed financing plan for each phase to come back at the December or January Board meeting pending Board agreement on the order of the projects

Reggie Mundekis shared her support and enjoyment of the presentation. She agreed with the support of the Pacific Amphitheatre upgrades and spoke in support of the approximate order of the projects. She shared her concerns with debt financing.

Board and staff discussion continued, items discussed:

- Maintaining cash reserves

- Having the resources to manage the projects (CCA and staff)
- Support for moving forward with the projects above the redline
- Equestrian Center maintenance items

ACTION: Director La Belle motioned and Director Bagneris seconded to approve moving forward with the Master Site Plan project priorities and timeline (above the red) line as presented, as well as moving forward with the Pacific Amphitheatre back-of-house upgrades concept presented, and any required maintenance to support operations for the Equestrian Center. **MOTION CARRIED. AYES: Chair Pham, Vice Chair Kovacevich, Director La Belle, Director Rubalcava-Garcia, Director Cervantes, Director Ruiz, Director Bagneris and Director Aitken. NAYES: None. ABSTENTIONS: None.**

B. Presentation of the 2023 Budget and Vote on Whether or Not to Approve Action Item

CEO Richards presented the 2023 Budget. She presented six options for the Board to consider for approval of the budget. The follow options were presented:

1. Option #1 – Budget as presented
2. Option #2 – Increase year-round parking by \$2
3. Option #3 – Increase year-round and fair-time parking by \$2
4. Option #4 – Increase adult general admission by \$1
5. Option #5 – Increase senior and child admission by \$2
6. Option #6 – Includes all proposed increases (staff's recommendation):
 - Increase year-round and fair-time parking by \$2
 - Increase adult general admission by \$1
 - Increase senior and child admission by \$2

Board and staff discussion ensued regarding the budget line item for retaining a lobbyist, items discussed:

- Western Fairs Association lobby on behalf of their members (fairs)
- Lobbyist firm would provide monthly reports and access to people/agencies in Sacramento
- DAA's cannot engage in grass roots organizing/lobbying
- Issuing an RFP to retain the services of a lobbyist firm
- Engaging a lobbyist only when needed
- Concerns of redundancy - OCFEC pays dues to WFA that has a lobbyist that specializes in fairs

Director La Belle left the meeting at 11:50 a.m.

ACTION: Director Bagneris motioned and Director Rubalcava-Garcia seconded to approve the 2023 Budget adding the proposed increases presented in Option #6: increase year-round and fair-time parking by \$2; increase adult general admission by \$1; increase senior and child admission by \$2. **MOTION CARRIED. AYES: Chair Pham, Vice Chair Kovacevich, Director Rubalcava-Garcia, Director Cervantes, Director Ruiz, Director Bagneris and Director Aitken. NAYES: None. ABSTENTIONS: None.**

Director Rubalcava-Garcia left the meeting at 12:02 p.m.

C. 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 Pham, Committee Chair; Vice Chair Kovacevich)
- 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; Chair La Belle)
- vi. **Entertainment and Business Development Committee** (Director Rubalcava-Garcia, Committee Chair; Director Cervantes)
- vii. **Governmental Relations Committee** (Director Aitken, Committee Chair; Director Pham)
- viii. **Centennial Farm Foundation Liaison** (Director Ruiz)
- ix. **Heroes Hall Veterans Foundation Liaison** (Director Cervantes, Chair La Belle)

Chair Pham, on behalf of the Leadership Committee, reported:

- The committee is looking at changing some committee appointments

Director Rubalcava-Garcia left meeting at 12:00 p.m.

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

- The Committee met on November 14 and reviewed the October financials and discussed the 2023 Budget presentation
 - He presented the October financial summary

Director Bagneris, on behalf of the Community Affairs Committee recognized the celebration of Native American Heritage Month.

9. CLOSED SESSION (Closed to the Public)

The Board adjourned to closed session at 12:02 p.m. and resumed at 12:13 p.m.

Items to report out of closed session: NONE.

10. CEO'S OPERATIONAL ANNOUNCEMENTS AND UPDATES

CEO Richards reported the following:

- Boo Ha Ha event on Oct 29 was a success – approximately 4,000 people attended

- Groundbreaking ceremony for the Heroes Hall Serenity walk was held during the Veterans Day event on November 12
- Condolences to State Agriculture Secretary Karen Ross for the loss of her husband

CEO Richards presented the September financial statements and noted to check the website for upcoming events at OC FEC. She also invited everyone to attend her holiday open house immediately following the December Board meeting.

11. BOARD OF DIRECTORS MATTERS OF INFORMATION

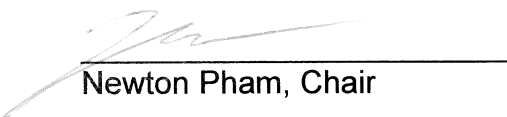
Board members made concluding comments:

- Congratulations to the Chair on his first meeting
- Happy Thanksgiving wishes
- Praise on the Master Site Plan and Budget presentations
- Praise and recognition of OC FEC in-house talent
- Congratulations to Director Aitken for her election as Anaheim Mayor and to Director Rubalcava-Garcia for her election to the Anaheim City Council

12. NEXT BOARD MEETING: DECEMBER 15, 2022

13. ADJOURNMENT

The meeting adjourned at 12:21 p.m.



Newton Pham, Chair



Michele Richards, Chief Executive Office