

**MINUTES OF OCFEC BOARD OF DIRECTORS MEETING
HELD JANUARY 26, 2023**

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/2023/01/17103514/23_01_January_Transcript.pdf

1. CALL TO ORDER:

Chair Pham, called the meeting to order at 9:35 a.m.

CEO Richards introduced the newest member of the Executive Team, Melissa Au-Yeung, Chief Administrative Officer.

A \$5,000 grant check from the California Dairy Council was presented to help fund nutrition educational programs at Centennial Farm.

2. MISSION STATEMENT

3. **PLEDGE OF ALLEGIANCE:** The Pledge of Allegiance was recited by Director Ashleigh Aitken. Roll call was taken by Summer Angus.

4. DIRECTORS PRESENT:

Chair Pham, Vice Chair Kovacevich, Director La Belle, Director Rubalcava-Garcia (via Zoom), Director Cervantes (via Zoom), Director Bagneris (via Zoom) and Director Aitken.

DIRECTORS ABSENT/EXCUSED: Director Ruiz.

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; Evy Young, OCFEC Director of Agriculture Programs; Josh Caplan, Office of the Attorney General; Charissa De La Torre, transcriptionist; Reggie Mundekis; Nick Berardino; Jeanine Robbins; Mike Robbins; DL Sesena

5. MINUTES:

A. Board meeting held December 15, 2022

Action Item

ACTION: Director La Belle motioned and Vice Chair Kovacevich seconded to approve the minutes from Board meeting held December 15, 2022. **MOTION CARRIED. AYES:** Chair Pham, Vice Chair Kovacevich, Director La Belle, Director Rubalcava-Garcia, Director Cervantes, Director Bagneris and Director Aitken. **NAYES:** None. **ABSTENTIONS:** None.

6. MATTERS OF PUBLIC COMMENT

None.

7. CONSENT CALENDAR:

- A. Standard Agreements:** SA-005-23PA; SA-009-23PA; SA-010-23HB; SA-011-23HB; SA-012-23HB; SA-013-23HB; SA-014-23SP; SA-016-23FT; SA-017-23HB; SA-018-23GE; SA-019-23GE; SA-020-23GE; SA-021-23GE; SA-022-23HB; SA-025-23YR
- i. Standard Agreement Amendments (Exercise Option):** SA-115-19YR (Amend. #3); SA-062-20YR (Amend. #2); SA-110-20YR (Amend. #2); SA-129-20FT (Amend. #2); SA-130-20FT (Amend. #2); SA-134-20FT (Amend. #2); SA-008-21YR (Amend. #1); SA-012-21YR (Amend. #2)
- B. Rental Agreements:** R-007-23; R-013-23; R-016-23; R-031-23; R-032-23; R-036-23; R-037-23; R-040-23; R-041-23; R-045-23; R-049-23; R-050-23; R-051-23; R-052-23; R-053-23; R-055-23; R-056-23; R-057-23; R-058-23; R-059-23; R-060-23
- i. Rental Agreement Amendments:** R-048-23 (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 February 2023 agenda is February 10, 2023.
- 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. None.**

- End of Consent Calendar –

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

8. GOVERNANCE PROCESS

- A. Review of New Order of Priority for Master Site Plan Projects and Proposed Finance Plan**
Information Item

CEO Richard presented the new order of the Master Site Plan (MSP) projects and the finance plan as follows:

- Phase 1 (Admin Bldg) \$ 23,895,048
- Phase 2 (Restrooms) \$ 7,725,962

| | |
|----------------------------------|----------------------|
| • Phase 3A (Century Barn) | \$ 3,687,762 |
| • Phase 3B (Ed. Center) | \$ 10,953,797 |
| • Phase 4 (Exhbt Bldgs) | \$ 3,055,534 |
| • Phase 5A (Box Office) | \$ 9,253,938 |
| • Phase 5B (Pac Amp) | \$ 13,395,394 |
| • Phase 6 (ASA) | \$ 2,992,451 |
| -----('red line') | |
| • Phase 7 (Agridplex) | \$ 86,601,932 |
| • <u>Phase 8 (Prop Upgrades)</u> | <u>\$ 67,695,423</u> |
| Grand Total | <u>\$229,257,242</u> |

CEO Richards also presented the ten-year finance plan as follows:

- The first eight projects can be self-funded with reserves (phases above the red line)
 - Each phase of the project would come back to the Board to approve funding
- Phases 7 and 8 (below the red line) the Board will need to discuss and consider finance options for the projects when the time comes

Reggie Mundekis spoke in support of the plan stating the need to remain competitive in the market. She cautioned that project budget costs will go up over the ten-year plan timeline. She also asserted the need for making good decisions on quality materials that will last overtime.

Director La Belle shared his desire for the following:

- for the Pacific Amphitheatre and Action Sports Arena phases to move up in the project order as the facilities are revenue generating
- moving up the Pacific Amphitheatre back-of-house project (not a MSP project) to 2023 instead of 2024
- have staff notify future acts of the impending improvements at the venues
- to look for outside endowment/grant funding to help with the MSP projects

Director Cervantes also spoke in support of moving up the Pacific Amphitheatre phase and the back-of-house upgrades timeline to phase one to attract artists.

Chair Pham shared he doesn't suggest pursuing financing options at this point.

B. Presentation of Master Site Plan Project #1 (Administration Building Expansion) and Vote on Whether or Not to Approve Funding

Action Item

CEO Richards presented Phase 1, the expansion of the Administration Building and shared the Facilities Committee and staff's recommendation to approve \$25M for the project.

Reggie Mundekis spoke in support of the project to consolidate staff into one building. She also spoke in support of the sally port portion of the project to expand support of security and cash handling.

Director La Belle asserted the need to monitor project add-on costs to try and stay within the \$25M budget and to make sure staff has the resources they need to monitor the process.

ACTION: Chair Pham motioned and Director Aitken seconded to approve \$25M for the funding for the Administration Building expansion. **MOTION CARRIED. AYES:** Chair Pham, Vice Chair Kovacevich, Director La Belle, Director Rubalcava-Garcia, Director Cervantes, Director Bagneris and Director Aitken. **NAYES:** None. **ABSTENTIONS:** None.

C. Presentation of Serenity Walk Project Bid and Vote on Whether or Not to Approve Facilities Committee Recommendation
Action Item

CEO Richards presented the Serenity Walk Project bid (“base bid”). The Board had previously approved \$500,000 for the project. The base project bid came in at \$588,772 (\$88,772 balance over the \$500,000 previously approved). The bid also included six add alternate options:

1. Pavers
2. Low decorative walls
3. Plant upsize from 1-gallon to 5-gallons
4. Five additional tall monuments
5. Six monument fence columns
6. Four monument fence columns

CEO Richards reported the Facilities Committee and staff recommend approving the base bid plus adding alternate options #1 and #2 (pavers and decorative walls) thus approving in total an additional \$317,000 to the \$500,000 previously approved for the project.

Director La Belle reported that Director Ruiz was able to secure a donation of pavers for the project to use instead of decompressed granite (as in the base bid). He reiterated the Facilities Committee recommends adding alternate options #1 and #2. Director La Belle also discussed fundraising for benches.

Reggie Mundekis spoke in support of the project.

Nick Berardino, Heroes Hall Veterans Foundation President, stated the foundation and other veteran organizations support the project and thanked the Board and staff.

Board and staff discussion ensued regarding a motion to approve only the base bid and whether or not to amend the motion to also approve add alternates #1 and #2 (installation of pavers and decorative wall); items discussed:

- Support for the project
- Support for fundraising to garner donations to fund additions to the project
- Gratitude to Director Ruiz for acquiring the donation of pavers for the project
- Concern about project bids coming in higher than approved amounts

- Urgency to make a decision on approving additions all together for cost and project efficiencies – if added later would equal double work and double cost

Gibran Stout criticized that the Board just approved \$25M for expansion of the administration building and are now arguing the funds for the add alternatives for the project.

Further Board discussion ensued regarding amending the motion to add alternates #1 and #2:

- Support for add alternate #1 and adding alternate #2 due to the minimal cost of add alternate #2

ACTION: Director Bagneris motioned and Director Rubalcava-Garcia seconded to approve an additional \$317,000 to the Serenity Walk project above the \$500,000 already approved (base bid balance of \$88,772 plus add alternate #1 and #2 - \$228,230). **MOTION CARRIED. AYES: Chair Pham, Vice Chair Kovacevich, Director La Belle, Director Rubalcava-Garcia, Director Cervantes, Director Bagneris and Director Aitken. NAYES: None. ABSTENTIONS: None.**

Director Rubalcava-Garcia left the meeting.

D. Review of Progress on Year 1 Strategic Plan Initiatives and Overview of Year 2 Initiatives Information Item

CEO Richards made the presentation of how year one initiatives of the strategic plan were achieved. She presented the year two initiatives:

- **Annual OC Fair**
 - Continue Board-directed admission ticket donations
 - Develop a pop-up concessions operation for local restaurants
 - Use identified metrics to measure impact of “affordable family fun”
 - Conduct post-fair focus group to measure guest experience
- **Year-Round Events**
 - Introduce a new self-produced event focused on agriculture education
 - Book 2-3 Pacific Amphitheatre concerts outside of 2023 fair dates
 - Book 4-5 mid-week business event opportunities
- **Educational Assets**
 - Introduce a nutrition component to the Jr. Farmer tours at Centennial Farm beginning in the Fall
 - Work with both Foundations to identify fundraising opportunities to increase funding
 - Work with OC Department of Education to host at least 5 high school tours of Heroes Hall
 - Launch a speaking tour focused on OCFEC’s contributions to the community, targeting at least 5 opportunities for both the CEO and Board members
- **Equestrian Center**
 - Start development of a public tour program led by volunteer docents with educational components and hands-on activities

- Develop a revenue generating horse show program for the public at the end of 2023
- Develop a detailed P&L to determine true operational performance
- **Community Support**
 - Conduct an annual review of emergency response plans and add new funding as required to meet the Governor's requirements to serve as an emergency resiliency center
 - Re-introduce the Community Engagement Program and employee review panel to allow local nonprofits and community groups to apply for rental fee waivers and discounts

Director La Belle shared his desire for the return of the fair pre-view breakfast event wherein the Fair would invite OC Cities' officials. He also shared his desire for staff to contact local restaurants to see if there is interest in participating in the fair.

E. Presentation by Professor Fred Smoller on the Orange County Sustainability Decathlon Event at OC FEC
Information Item

Professor Fred Smoller made a presentation regarding the Sustainability Decathlon that will take place at OC FEC in October 2023 (an educational event on sustainability with a college student competition building sustainable homes).

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 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 La Belle)
- iv. **Governance Committee** (Director Cervantes, Committee Chair; Director Rubalcava-Garcia)
- v. **Community Affairs Committee** (Director Bagneris, Committee Chair; Chair Pham)
- vi. **Entertainment and Business Development Committee** (Director Rubalcava-Garcia, Committee Chair; Director Cervantes)

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

- The Committee met and discussed the January Board agenda and staff's report on the Western Fairs Association convention

Director Kovacevich, on behalf of the Financial Monitoring and Audit Committee, presented the December financial reports and reported:

- The Committee met on January 20 and discussed the following:
 - The December financial reports
 - Review of the Master Site Plan cash flow finance plan
 - Unpaid overtime checks to seasonal employees to go out next pay period

Director La Belle, on behalf of the Facilities Committee, reported:

- The next committee meeting will be February 2

CEO Richards, on behalf of the Entertainment Committee, reported:

- More than \$1M in ticket sales for the 2023 Pacific Amphitheatre concert series have been sold
- Performance bookings continue for the concert/arena venues

Jeanine Robbins, swap meet vendor, asserted the swap meet is a community event. She thanked staff and the Board Community Affairs Committee for meeting with the new swap meet operator. She spoke in opposition of the parking charges for vendors and guests.

Mike Robbins also thanked staff and the Board Community Affairs Committee for meeting with for meeting with new swap meet operator.

Patty Fredrickson echoed the thanks for the meeting with the swap meet operator. She discussed she took over a swap meet business that was forty years old. She spoke in opposition of the increased parking fees asserting it hurts small business. She asked for the opportunity to allow the swap meet to rebuild. She requested the fairgrounds work with the swap meet operator and vendors and lower the price for parking for swap meet customers.

Jason Mercado shared the importance of the swap meet to himself and to small business. He asserted the need to work with the small businesses of the swap meet to give them the opportunity to improve the swap meet.

DL Sesena thanked staff and the Board Community Affairs Committee for meeting with him this week and shared his hopes for continued dialog. He shared his hopes for the swap meet's growth in vendors. He stated he is trying to continue the long-time event.

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

- The Committee met on January 10th for their committee meeting and discussed:
 - Public art project and possibly incorporating a competition with OC students
 - Chicano Heritage Month and programming during the fair
 - Martin Luther King Jr. day as a holiday of service
 - Black history month starts February 1 and the fairgrounds will hang the Pan African Flag

- The Committee also met with the swap meet operator last week and will give a complete update at next month's meeting
 - More meetings with the swap meet operator are planned to address concerns expressed in the Board meetings and clear up inaccuracies stated

9. CLOSED SESSION (Closed to the Public)

The Board adjourned to closed session at 11:33 a.m. and resumed at 11:50 a.m.

Items to report out of closed session: None.

10. CEO'S OPERATIONAL ANNOUNCEMENTS AND UPDATES

CEO Richards reported the following:

- The first phase of the PSPS project was completed by CCA and OCFEC received reimbursement
- Board meetings soon to go paperless with the iPads instead of binders – testing new equipment at next month's Board meeting
- Welcome and introduction of Allen Mesick as the new Centennial Farm Supervisor
- A new year-round revenue generating contract with Verizon for the installation of a temporary cell tower near the Action Sports Arena
- OCFEC won fourteen achievement awards at the annual WFA convention

Joan Hamill, Chief Business Development Officer, gave update on upcoming events at OCFEC.

11. BOARD OF DIRECTORS MATTERS OF INFORMATION

Director Aitken announced her resignation from the Board to pursue her role as Mayor of Anaheim. She read her resignation letter that will be sent to the Governor's Office.

Board members made concluding comments:

- Congratulations and shared excitement for Director Aitken in her new role as Mayor Anaheim
- Appreciation and memories shared regarding the contributions of Director Aitken as an OCFEC Board member
- Director Bagneris winner of Director La Belle's chicken man photo contest
- Excitement for the projects coming in 2023 and beyond

Staff presented a photo slide show highlighting Director Aitken time at OCFEC.

12. NEXT BOARD MEETING: JANUARY 26, 2023

13. ADJOURNMENT

The meeting adjourned at 12:19 p.m.

Nick Kovacevich, Vice Chair

Michele Richards, Chief Executive Officer