



BOARD OF DIRECTORS AGENDA REPORT

MEETING DATE: **FEBRUARY 23, 2022** ITEM: **8A**

SUBJECT: **Annual Board Governance Policy Review by Governance Committee and Vote on Whether or Not to Adopt Recommended Updates**

DATE: February 17, 2022

FROM: Governance Committee: Directors Cervantes and Rubalcava-Garcia

PRESENTATION BY: Governance Committee: Directors Cervantes and Rubalcava-Garcia

Action Item

BACKGROUND

Per Board Policy 1.01, the Governance Committee met for an annual review of the current Board policies and is recommending, along with staff, the following amendments:

Policy #	Title	Amendment
0.0	Introduction	Change the mission statement in the second paragraph to reflect OCFEC's current mission statement.
1.01	Policy Framework and Definitions	Under the definitions for CEO Direct Reports and Executives, change the executive titles to Chief Operating Officer, Chief Business Development Officer and Chief Administrative Officer.
3.03	Board Member Code of Conduct	Under section 2b, add the new requirement from CDFA that "newly appointed Board Members may not start serving until all required training is completed."
3.04	Board Member Conflict Resolution	Clarify the third paragraph by adding, "Such action may include formal or informal censure or recommendation for removal by the Board Chair or the Board. Only the Governor has the authority to remove a Board Member."

3.05	Board Meetings and Agendas	In addition to July, add that there will not be a regular meeting in August unless specifically requested and approved by the Board. Change the start time of the annual meeting to 9:30a.m.
3.06	Board Member Orientation and Training	Change the title of "Bullying and Violence in the Workplace" training to "Maintaining a Respectful Workplace," and add a new mandated training title of "Protecting Privacy in State Government."
4.01	General Responsibilities	Change the name of the Financial Monitoring Committee to "Financial Monitoring & Audit Committee."
4.02	Authority and Accountability	Change the name of the Financial Monitoring Committee to "Financial Monitoring & Audit Committee."
4.04	Board Planning	Change the title of "Bullying and Violence in the Workplace" training to "Maintaining a Respectful Workplace," and add a new mandated training title of "Protecting Privacy in State Government."
4.05	Financial Stewardship	Change all references to Director of Finance to "Chief Administrative Officer" and every reference to Financial Monitoring Committee to "Financial Monitoring & Audit Committee."
4.06	Risk Management	Delete the "Responsibilities of the Audit & Compliance Committee" subtitle and change all references to Financial Monitoring Committee to "Financial Monitoring & Audit Committee."
4.09	Community Relations and Advocacy	Change Legislative Monitoring Committee to "Governance Committee."
4.10	Sponsorships	<p>In the 9th bullet after Cannabis or CBD products, add "that contain more than 0.3% THC."</p> <p>Under the Sponsorship Approval and Agreements heading, add "not" so the statement reads: "The CEO, or other designated executive staff member, may <u>not</u> sign any sponsorship agreement that does not meet the criteria identified above."</p>

5.03	Delegation of Authority	<p>Add the following new bullet: "Ensuring that unencumbered cash and cash equivalents do not drop below a minimum 25% of annualized operating expenditures."</p>
5.04	CEO Compensation and Benefits	<p>Change "Secretary-Manager III" in the second paragraph to "Secretary Manager I-VII" per current State classifications for DAA fair CEOs.</p>
6.04	High Profile Event	<p>Amend the description of a High Profile Event to read as follows:</p> <ul style="list-style-type: none"> • The event will require a high level of coordination and collaboration with law enforcement including Costa Mesa Police Department and/or Orange County Sheriff's Department. • The event has the potential to have a significant negative impact on the surrounding neighborhoods, including but not limited to noise, lighting, traffic congestion, and public safety. • The event will require significant communication with area stakeholders including the Board of Directors, City of Costa Mesa officials, Orange County officials, area businesses, other event promoters and/or neighbors. • The complex nature of the event may impede operational event execution including, without limitation, effective crowd control and public safety measures for guests and staff. • The event has the potential of attracting substantial regional and/or national media attention. <p>Change the minimum days' notice from 10 to 30.</p>
6.05	Cannabis Events	<p>Add the following language to update the Board's most recent amendment: "The OC Fair & Event Center also permits the sale, promotion, sponsorship and display of independently tested/regulated CBD products on the fairgrounds that contain no more than 0.3% THC, and the sale of glass pipes and smoking devices on the fairgrounds."</p>

RECOMMENDATION

It is the recommendation of the Governance Committee to approve all recommended policy amendments as presented, and to discuss staff's recommendation for amending the High Profile Event policy minimum number of days' notice.

32nd District Agricultural Association

Board Policies

Introduction

The 32nd District Agricultural Association (the 32nd DAA) is a California state institution that is organized in accordance with the California Food and Agricultural Code (the Code).

The 32nd DAA's purposes under the Code are (1) to hold fairs, expositions and exhibitions in Orange County to exhibit the industries and industrial enterprises, resources, and products of every kind or nature of the state, with a view toward improving, exploiting, encouraging, and stimulating them; and (2) to construct, maintain, and operate recreational and cultural facilities of general public interest in Orange County. The 32nd DAA has adopted a mission statement to effectuate these purposes, which is **the celebration of Orange County's communities, interests, agriculture and heritage; creating equitable community access to agriculture, entertainment, cultural and educational experiences.**

Currently, the 32nd DAA does business under of the name of the OC Fair & Event Center. The 32nd DAA operates a 150-acre fairgrounds in Costa Mesa, California, and produces the Orange County Fair each summer. The 32nd DAA also ~~operates~~ a veterans museum and education center (Heroes Hall), a three-acre working farm (Centennial Farm), one of the top-rated concert venues in the country (the Pacific Amphitheatre), and an equestrian center. Two tax-exempt nonprofit corporations are also controlled by the 32nd DAA and raise funds to support certain of its programs: Heroes Hall Veterans Foundation and Centennial Farm Foundation.

In accordance with Section 3965(b) of the Code, a nine-person Board of Directors (the Board) manages the affairs of the 32nd DAA and guides its strategic direction. Board Members are state officers appointed by the Governor of California. In accordance with the Code, the Board delegates certain powers and responsibilities for managing the affairs of the 32nd DAA to the Chief Executive Officer (the CEO) and other designated employees. This delegation is subject to the 32nd DAA's Bylaws as well as the Board Policies set forth in this manual.

Board Policies set forth the framework for how Board Members, the CEO, and other 32nd DAA employees are to carry out their individual and shared responsibilities as they work together to serve the community. These policies formalize:

- The core institutional values and ethical framework of the 32nd DAA;
- The responsibilities and authority of the Board as a body and of its members individually;
- The responsibilities and authority of the 32nd DAA's employees, including the CEO;
- The relationship between the Board, the CEO, and other employees of the 32nd DAA; and
- The general principles that guide the Board's governance practices.

32nd District Agricultural Association

Board Policies

Board Policy 1.01: Policy Framework and Definitions

Date Adopted/Last Revised: November 19, 2020

Should any provision in this policy contradict any provision of California law, California law shall control.

Purpose

In order to promote consistency and clarity of information, this policy establishes a framework for all 32nd DAA policies. This policy applies to all 32nd DAA policies, regardless of their date of adoption.

Policy

To be an official 32nd DAA policy, a policy must either be approved by the Board or issued by the CEO or other Executives as delegated by the CEO. The 32nd DAA is responsible for ensuring that policies are up to date, so policies may change at any time. In the event of a conflict between a Bylaw and a Board Policy, the Bylaw will supersede. In the event of a conflict between a Board Policy and any other organizational policy, the Board Policy will supersede. Board Policies are to be understood in conjunction with, and incorporate, all applicable laws, regulations, and policies. All 32nd DAA Personnel are expected and required to know and act in accordance with all Board Policies.

The 32nd DAA's policies and related documents can be categorized as follows:

- **Board Bylaws:** The 32nd DAA's Bylaws outline the organizational framework of the 32nd DAA and set forth rules for how the 32nd DAA's Board governs the 32nd DAA. The Board is responsible for amending the Bylaws, as necessary (see Bylaws for relevant procedural details).
- **Board Policies:** The 32nd DAA's Board Policies set forth requirements that the Board has adopted regarding ~~to~~—how the Board, the CEO, and other 32nd DAA employees carry out their individual and shared responsibilities as they work together to serve the

community. The Board is responsible for periodically evaluating and updating these policies. These policies must be adhered to by all 32nd DAA Personnel.

- **Management Policies:** The Board has delegated responsibility to the CEO to establish, approve, and maintain policies with respect to operational matters that are not addressed in Board Policies. These are referred to as Management Policies. At their core, all Management Policies arise from the authority of the Board and therefore must align with the framework and strategies approved by the Board and be consistent with all Board Policies. The CEO is responsible for periodically evaluating the Management Policies and should develop a schedule for policy review to ensure they remain current. All Management Policies must be adhered to by all 32nd DAA Employees.
- **Procedures:** Procedures provide step-by-step instructions for carrying out policies. The Board is responsible for establishing, approving, and maintaining any procedures for Board-related activities or the implementation of Board Policies. The Board may ask the CEO for assistance in developing procedures related to the implementation of Board Policies. The CEO—along with Executives, the Human Resources Director, and process owners—is responsible for establishing, approving, and maintaining related procedure documentation for Management Policies and for any management action items needed to follow or assist the Board in following Board Policies.

Definitions of Capitalized Terms Used in Board Policies

The definitions of capitalized terms used throughout the Board Policies are set forth below. Each individual Board Policy may have additional defined terms.

- **32nd DAA:** 32nd District Agricultural Association, doing business as OC Fair & Event Center
- **32nd DAA Personnel:** all Board Members and all employees of the 32nd DAA
- **Attorney General:** the Attorney General of the State of California, or his/her authorized designee
- **Board:** the Board of Directors of the 32nd DAA
- **Board Chair:** the Board Member elected by the Board to serve as President of the 32nd DAA and as chair of the Board (This position is sometimes referred to in California Food and Agriculture Code as “President”)
- **Board Member:** an individual appointed by the Governor of California to serve as a member of the Board
- **Board Policy:** a policy adopted by the Board

- **Board Vice Chair:** the Board Member elected by the Board to serve as vice chair of the Board; serves as the Board Chair in his/her absence
- **CDFA:** California Department of Food & Agriculture
- **CEO:** an individual appointed by and responsible to the Board to hold all of the following offices: chief executive officer, general manager, secretary, and treasurer; the highest ranking employee of the 32nd DAA (This position is sometimes referred to in California Food and Agriculture Code as “Fair Manager” or “Manager”)
- **Code:** California Food and Agricultural Code
- **CEO Direct Report:** any employee who reports directly to the CEO (as of the date this Introduction was ~~adopted~~updated, the following positions reported directly to the CEO: ~~Vice President for Business Development, Vice President for Finance and Administration, Vice President for Operations, Human Resources Director, Chief Operating Officer, Chief Business Development Officer, Chief Administrative Officer~~, and Executive Assistant to the CEO)
- **Executives:** the CEO, ~~Vice President for Business Development, Vice President for Finance and Administration, and Vice President for Operations~~Chief Operating Officer, Chief Business Development Officer and Chief Administrative Officer.
- **External Stakeholders:** customers, guests, neighbors, tenants, contractors, other government agencies, the public at large, and all other stakeholders of the 32nd DAA who are not 32nd DAA Personnel

32nd District Agricultural Association

Board Policies

3.03 Board Member Code of Conduct

Date Adopted/Last Revised: November 19, 2020

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.

Purpose

Board Members are expected to conduct themselves in a manner that cultivates a spirit of cooperative decision-making, shared goals and collective ownership of decisions of the Board of Directors. In addition to the guidelines provided in the Organizational Values, Code of Ethics, and Conflicts of Interest policies, this policy outlines a specific Code of Conduct that applies to all Board Members.

Policy

The Board commits itself and each Board Member to professional and respectful conduct, including proper use of authority and appropriate decorum when acting as Board Members. Accordingly, Board Members are expected to embrace and support the following principles:

1. **Group Responsibility:** The Board of Directors will cultivate a sense of group responsibility. The Board may use the expertise of individual Board Members to enhance the Board's understanding of issues, but will not substitute such expertise for the collective judgment of the Board.
2. **Preparation and Participation:** Board Members are accountable for discharging their duties honestly and in good faith. Board Members shall exercise the degree of care, diligence and skill that a reasonably prudent person would use in similar circumstances.
 - a. *Preparation:* Board Members will review agenda materials in advance of public Board meetings and committee meetings, and will participate productively in discussions.

b. *Ethics Training:* All Board Members are required to participate in training regarding the Bagley-Keene Open Meeting Act, ethics, conflict of interest, public records requests and Board Policies. In addition, all Board Members must timely complete all trainings required by the State and California Department of Food & Agriculture. Training should take place as part of the initial onboarding process for new Board Members. In addition, all Board Members should review relevant material on an ongoing basis. Newly appointed Board Members may not start serving until all required training is completed.

3. **Respect for Roles:** Board Members will not attempt to exercise individual authority over the 32nd DAA.

- Interaction with CEO/Staff:* Board Members' interaction with the CEO or with staff should respect the appropriate reporting lines and recognize the lack of authority vested in individuals except when explicitly Board authorized (see Policy 5.02 CEO Accountability).
- Interaction with Public:* Board Members' interaction with public, media or other entities must recognize this limitation and Board Members should not speak for the CEO, or speak for the Board except to communicate explicitly stated Board decisions (see Policy 4.09 Community Representation and Advocacy).
- Board and CEO Relationship:* The CEO is accountable to the Board as a whole, and not to individual Board Members. Therefore, the relationship between the CEO and individual Board Members, including the Board Chair, is collegial, not hierarchical (see Policy 5.02 CEO Accountability).
- Volunteering:* As the CEO is responsible for operational activities and results, Board Members that decide to volunteer in operational capacities (those for which the Board holds the CEO accountable) are subject to the direct supervision of the CEO or responsible staff person.
- CEO/Employee Performance:* Except for participation in Board deliberation related to the employment of the CEO (including but not limited to CEO performance evaluation (see Policy 5.05 CEO Evaluation)), Board members will not publicly express individual judgments of performance of employees or the CEO.

4. **Commitment to Board Decisions:** Board Members will support the legitimacy and authority of the final determination of the Board on any matter, irrespective of the Board

Member's personal position on the issue.

5. **Event Attendance and Support:** In addition to attendance at Board meetings, Board Members are encouraged to attend the following 32nd DAA events and functions:
 - a. Opening Day of the annual OC Fair
 - b. Awards presentations
 - c. Other special events as determined by the Board or requested by the CEO
6. **Discipline:** The Board will enforce upon itself whatever discipline is needed and appropriate to govern with excellence. Discipline will apply to matters such as attendance, preparation for meetings, policymaking principles, respect of roles and ensuring the continual development of governance capability.

32nd District Agricultural Association

Board Policies

3.04 Board Member Conflict Resolution

Date Adopted/Last Revised: November 19, 2020

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.

Purpose

Board Members are commonly appointed to bring diverse views on issues to the decision-making process. Constructive disagreements between Board Members are encouraged. However, in the heat of debate, disagreements sometimes degenerate into serious conflict on issues or between or among personalities. The purpose of this policy is to outline how conflict between Board Members should be resolved.

Policy

If disputes among Board Members begin to interfere with the ability of the Board to effectively carry out its business, the Governance Committee is responsible for managing and resolving those conflicts. If the Board Chair is party to a conflict, the Board Vice Chair will take on this responsibility. If the Board Vice Chair is party to the conflict, a neutral Board Member will be selected to fulfill this roll by the Board of Directors during a public meeting in accordance with the Bagley-Keene Open Meeting Act.

The Board Chair will review any disputes, and provide an opportunity for the Board Members concerned to represent their positions. Every attempt should be made to resolve such matters expeditiously and fairly. Any recommendations regarding resolution of such matters shall be brought to the Board for approval, and the ruling of the Board shall be made during a public meeting and shall be deemed final. Should any Board Member refuse to abide by the ruling, the Board may table the matter pending determination of disciplinary action. Such action may include formal or informal censure or recommendation for removal by the Board Chair or the Board. Only the Governor has the authority to remove a Board Member.

Procedure

Managing Issues-Based Conflict

The Board Chair, or other delegated representative, will use the following techniques when reviewing issue-based conflicts during Board Meetings between or among Board Members:

1. Acknowledge the value and importance of divergent views in informing decision-making.
2. Practice and encourage good listening skills, understanding and respect. Clarify the ground rules for effective communication: confidentiality of discussions, allowing others to have their say, listening to understand, group ownership of problems and solutions, focus on issues rather than personalities or personal attacks.
3. Assist the parties in defining the issue. State what you understand to be the substance of the issue and seek agreement between them on a clear definition of the issue.
4. Seek agreement on the objectives, outcomes, or decisions sought by placing this item on the board agenda.
5. Assist the parties to identify and expand points of agreement.
6. Assist the parties in identifying why this issue is important to them rather than encouraging more debate on who has the best solution or idea.
7. Paraphrase or summarize the discussions repeatedly until they have reached consensus on points of agreement and disagreement.
8. Encourage both parties to suggest options for resolution or compromises. Seek agreement on a compromise.
9. If a resolution is identified, check with both parties to see if it is acceptable and will allow them to resolve the matter. Consensus around the issue may not always be possible, but should be a goal.

32nd District Agricultural Association

Board Policies

3.05 Board Meetings and Agendas

Date Adopted/Last Revised: November 19, 2020

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.

Purpose

The purpose of this policy is to outline meeting and agenda-setting requirements, including compliance with regulations.

Policy

To support transparent communication, and in alignment with the Bagley-Keene Open Meeting Act, it is the policy of the 32nd DAA that its work will be conducted openly so that the public may remain informed and involved in the decision-making process. As such, the actions of the Board are conducted in compliance with all pertinent statutes, including – but not limited to – the Bagley-Keene Open Meeting Act.

Notices of Meetings

All meetings will be noticed in accordance with the Bagley-Keene Open Meeting Act.

Regular Meetings

Regular meetings of the Board of Directors will be held monthly on the fourth Thursday or at the discretion of the Board Chair, for no less than eight months per year, with the exception of the November meeting which will be held on the third Thursday or at the discretion of the Board Chair. The December regular meeting date will remain at the Board Chair's discretion. Because the 32nd DAA hosts the annual OC Fair from mid-July to mid-August, there will not be a July or August Board meeting unless specifically requested and approved by the Board.

Via a resolution, the Board may select the time and place within Orange County, California, to hold its regular meetings.

Except when the Board convenes to closed session, in accordance with the Bagley-Keene Open Meeting Act, Board meetings are open to the public. Board meetings will follow Robert's Rules of Order unless the Board Bylaws explicitly substitutes an alternative procedure. Committee meetings are not open to the public unless required by law or otherwise requested by Board committee members.

Special Meetings

“Special Meetings” of the Board of Directors may be called at any time in accordance with Government Code section 11125.4.

Emergency Meetings

“Emergency Meetings” of the Board of Directors may be called at any time in accordance with Government Code section 11125.5.

Annual Meeting

The annual meeting of the Board of Directors will be held at the office of the 32nd DAA (or via teleconference or videoconference in accordance with California law) at 9:300 a.m. on the fourth Thursday of October of each year. If that date is a legal holiday, then the annual meeting shall be held, at the discretion of the Board of Directors, on the preceding or next succeeding business day.

Closed Sessions

Closed sessions of the Board shall be noticed in accordance with the requirements of the Bagley-Keene Open Meeting Act.

Recessed and Adjourned Meetings

Any meeting may be recessed or adjourned until a stated later date and hour. In the absence of a quorum, a majority of the Board Members present at the meeting may adjourn any meeting.

Decision-Making Process

Decisions of the Board are made as a group at Board meetings at which a quorum of the Board (50% plus one) is present. A quorum is required for the transaction of any business of the 32nd DAA. Decisions will ideally be made through a consensus development process leading to a formal vote to record the decision. This process is intended to encourage full discussion and development of a decision that all, or at least the largest possible majority of, board members can support, prior to a vote. Where disagreements continue to exist, dissenting members may request that their objections be recorded in the minutes. A favorable vote of a majority of the members present, regardless of abstentions, is required for approval. Board Members have the right to discuss questions before the Board and make their decisions in an uninhibited atmosphere.

Agenda

As stated in policy 3.01 Board Composition and Officers, the Board Chair will set the agendas for Board meetings, with input from Board Members and assistance of the CEO. The Board Chair will ensure that discussions at Board meetings are confined to those issues properly agendized and that clearly fall within the Board's authority according to its policies. Deliberation on issues during Board meetings will be timely, fair, orderly, thorough, and efficient.

32nd District Agricultural Association

Board Policies

3.06 Board Member Orientation and Training

Date Adopted/Last Revised: November 19, 2020

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.

Purpose

The 32nd DAA works to actively develop and maintain a high quality, engaged, and effective Board~~of Directors~~. This policy outlines the responsibility of the Board~~of Directors~~ to orient and train its members.

Policy

New Board Member Orientation

The 32nd DAA will provide a welcoming and comprehensive orientation process to encourage new Board Members to become informed and engaged. Within 30 days of appointment, each new Board Member will receive a thorough orientation to their position by the CEO. Orientation should include, but not be limited to:

- The history, mission, and values of the 32nd DAA
- The Board Bylaws and all Board Policies
- An organizational chart
- An overview of funding sources
- Calendar of meetings and events
- A tour of facilities and introduction to key staff

Continuing Education

To build an informed and engaged Board of Directors, the 32nd DAA provides ongoing education, including:

- Sexual harassment prevention training (in accordance with policy 2.04), completed within six months after appointment, and every two years thereafter.
- Completion of State-mandated training courses including, but not limited to:
 - Sexual Harassment Prevention (every two years)
 - SANS Security Awareness (annually)
 - ~~Bullying and Violence in the Workplace~~Maintaining a Respectful Workplace (every two years)
 - Ethics Orientation for State Officials (every two years)
 - Protecting Privacy in State Government (annually)
- Bagley-Keene Open Meeting Act training

Whenever possible, the Board should consider participating in the above required training as a group during a publicly noticed meeting to foster discussion.

Procedure

On an annual basis, the Board Chair, in collaboration with the CEO, will determine the continuing education schedule and opportunities for the year. As part of this process, the Board Chair, in collaboration with the CEO, will ensure that all Board Members have the opportunity to attend and complete all required trainings.

32nd District Agricultural Association

Board Policies

4.01 General Responsibilities

Date Adopted/Last Revised: October 22, 2020

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.

Purpose

The purpose of this policy is to outline the core responsibilities of the 32nd DAA's Board.

Policy

At the highest level, the Board has the authority to manage the affairs of and make all necessary bylaws, rules, and regulations for the government of the 32nd DAA, a California state institution. The Board is responsible for:

Providing vision and strategic guidance

- Safeguarding and championing the organization's mission
- Guiding the organization's strategic direction and objectives
- Establishing organization-wide policies

Ensuring the stability and performance of the organization

- Ensuring the proper and prudent management of the organization
- Selecting, evaluating, and providing support to the CEO
- Ensuring that the Board has adequate information to monitor major areas of CEO and 32nd DAA performance
- Being accountable to the organization's stakeholders for the performance of the 32nd DAA

Overseeing the 32nd DAA's finances

- Providing due diligence to oversee the management of the 32nd DAA's finances
- Ensuring the proper and adequate discharge of this duty through its Financial Monitoring & Audit Committee, acting on behalf of and reporting to the Board

Championing the 32nd DAA within the community

- Serving as ambassadors for the 32nd DAA by building connections and relationships to generate positive outcomes for the community and the organization.

32nd District Agricultural Association

Board Policies

4.02 Authority and Accountability

Date Adopted/Last Revised: October 22, 2020

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.

Purpose

The purpose of this policy is to outline the general authority and accountability of the 32nd DAA Board Members.

Policy

Authority

Individual members of the Board are appointed by the Governor under Section 3959 of the California Food and Agricultural Code. As such, all Board Members are state officers and obligated to act in the overall best interests of the 32nd DAA.

As a group, the Board retains all authority to guide the direction and actions of the 32nd DAA in accordance with the California Food and Agricultural Code. Individual Board Directors have no authority to act on behalf of the 32nd DAA, bind the 32nd DAA, or give direction individually to 32nd DAA employees unless provided otherwise by these policies or by resolution of the Board. The Board may delegate, as it may deem advisable, to its officers, employees, or Board committees any of the powers that are vested in the Board under Section 3965 of the California Food and Agricultural Code. The Board may revoke any delegation of power at any time.

Accountability

The Board is accountable to exercise good stewardship of the 32nd DAA on behalf of the trust placed in it by the general public, staff, volunteers and other stakeholders. The Board will account to the 32nd DAA's stakeholders through:

- Annual and periodic Financial Monitoring & Audit Committee reports on the activities and finances of the 32nd DAA presented at monthly Board meetings
- Annual audited financial statements
- Minutes of Board meetings
- Receiving representations from and consulting with key stakeholders in partnership with the CEO
- Operating in an open and transparent manner
- Ensuring CEO is effectively fulfilling the mission of the 32nd DAA.

32nd District Agricultural Association

Board Policies

4.04 Board Planning

Date Adopted/Last Revised: October 22, 2020

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.

Purpose

The purpose of this policy is to outline the responsibilities related to developing an annual Board work plan.

Policy

The Board will prepare and follow an annual work plan that focuses on fulfilling the major responsibilities of the Board and achieves continual improvement of Board performance through education, outside input, and deliberation.

Procedure

The Board's annual planning cycle will conclude each year on the last day of September so that administrative planning and budgeting can be based on accomplishing a one-year segment of the Board's most recent statement of strategic priorities. The cycle will start in October with the Board's development of its work plan for the next year.

The Board Chair is responsible to prepare and present a tentative agenda plan for the following year's meetings and activities at the start of the Board's annual planning cycle.

The following activities will be determined and arranged in the first quarter, but may take place over the course of the year:

- Consultations or gaining input from stakeholders and/or staff
- Board education related to the mission and work of the 32nd DAA
- Board education related to effective governance processes
- Any planned review of the Board Policies. Policies should be reviewed at least once every three years.
- Completion of State-mandated training courses including, but not limited to:
 - Sexual Harassment Prevention (every two years)
 - SANS Security Awareness (annually)
 - Bullying and Violence in the WorkplaceMaintaining a Respectful Workplace (every two years)
 - Ethics Orientation for State Officials (every two years)
 - Protecting Privacy in State Government (annually)

While the Board Chair is ultimately responsible for reviewing and approving the agenda for any particular meeting, Board Members may request agenda items by submitting the topic to the Board Chair at least 12 days in advance of the relevant Board meeting. If the Board Chair determines the matter is not appropriate for the agenda, the Board Chair shall communicate via email or by phone with the requesting Board Member to discuss any issues prior to the notice period. For additional guidance on agenda setting, refer to Policy 3.05.

32nd District Agricultural Association

Board Policies

4.05 Financial Stewardship

Date Adopted/Last Revised: October 22, 2020

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.

Purpose

The purpose of this policy is to establish guidelines and expectations for the Board and CEO related to financial stewardship of the 32nd DAA. Areas of focus include budget development and review, signature delegation and authority, and travel and expenses.

4.05.01 Budget Development and Review Process

Policy

This policy is designed to establish the process for developing, reviewing, and monitoring the organization's annual operating budget. It is the policy of the 32nd DAA that the Board is responsible for approving and overseeing the organization's budget to ensure that it is:

- Aligned with and supports the organization's mission, values, and strategic priorities
- Financially sustainable, responsible, and compliant with all applicable laws and regulations

The CEO, in coordination with the ~~Director of Finance~~Chief Administrative Officer, is responsible for planning, coordinating, analyzing, preparing, and reviewing the budget in consultation with the Financial Monitoring & Audit Committee.

The CEO, in coordination with the ~~Director of Finance~~Chief Administrative Officer and 32nd DAA staff, is responsible for making the final recommendation of the proposed budget before it is submitted for approval to the Board.

Procedure

Budget Development

The 32nd DAA must have a budget for each fiscal year—which runs between January 1 and December 31. As such, the Board must adopt a new budget on an annual basis.

In September each year, the ~~Director of Finance~~Chief Administrative Officer, working with the staff and CEO, starts preparing the budget estimates for the next fiscal year. The process includes:

- Considering operational costs
- Coordinating payroll costs with HR
- Estimating revenue
- Developing a capital/special projects list and costs

Initial budget estimates are based on the current expenditure projections to end of year, along with information like projected staff salary increases and operating expense increases related to planned goals and projects for the following fiscal year. In addition, the budget document provides for the following:

- Revenue and expense assumptions upon which the budget is based.
- Number of budgeted full-time equivalent employees.
- Mission, strategic priorities, impact, and performance measures of each operating department.
- Prior year actual, current year budgeted, new year recommended expenditures and revenues by department.
- Descriptions of significant expenditure and revenue changes, and related operational impacts by department.

The CEO and ~~Director of Finance~~Chief Administrative Officer will present the draft budget for discussion at a Financial Monitoring & Audit Committee meeting. The Financial Monitoring & Audit Committee may accept the estimates as presented or may request variations. A detailed report denoting reasons for decisions should be attached to the draft budget for discussion.

The Financial Monitoring & Audit Committee, along with the CEO and staff, will conduct a public budget study session in November of each year to provide the public an opportunity to review and comment on the draft budget.

The CEO and Director of FinanceChief Administrative Officer will then revise the draft with direction from the Financial Monitoring Committee and present the amended draft budget at the next available Board meeting, usually in November.

Once adopted by the Board, this becomes the 32nd DAA's official operating budget for the following fiscal year, and all Board members and employees must work within the financial limits stated or implied by this document.

Monitoring the Budget

The Director of FinanceChief Administrative Officer will monitor the 32nd DAA's revenue and expenditures, compare actual and budgeted amounts, and report on the progress.

The Director of FinanceChief Administrative Officer will prepare financial reports each month showing the year-to-date revenue and expenditures and variation from budget estimates, indicating any significant deviations. A detailed commentary should be attached to Board reports detailing reasons for variations and recommendations for corrective action should that be required. The Director of FinanceChief Administrative Officer will indicate what effect any variations will have on the budget projections and provide this information to the CEO and the Board.

A mid-year budget review will be conducted by the CEO and Director of FinanceChief Administrative Officer and presented first to the Financial Monitoring & Audit Committee for review, then to the full Board in June.

Reviewing the Budget and Reforecasting

The budget is a flexible document that provides a comprehensive framework of resource allocations for implementation of the 32nd DAA's strategic goals for the fiscal year. The CEO and the Director of FinanceChief Administrative Officer will present a mid-year budget review and reforecast in June of each year first to the Financial Monitoring & Audit Committee and then to the full Board.

4.05.02 Contracting and Signature Authority

Policy

This policy establishes the individuals authorized to commit organizational resources by entering into contracts on behalf of the 32nd DAA. The policy applies to all 32nd DAA Board Members and staff, including the CEO, and covers the creation, revision, amendment, or renewal of 32nd DAA contracts.

Within this policy, a 32nd DAA contract is defined as any agreement between the 32nd DAA and a third party that involves a commitment on the part of the 32nd DAA. An agreement is a document that has a legal effect, regardless of whether it is called a contract. A contract may involve a commitment of 32nd DAA funds, facilities, employees or other resources, and/or the use of the 32nd DAA's name.

Only the CEO, Chief Operations Officer, Chief Business Development Officer, Chief Administrative Officer and Board Chair (or Vice Chair in the Chair's absence) may sign contracts on behalf of the organization. Contracts signed by unauthorized agents are not valid. Individuals who are not authorized via a written delegation of authority to sign a contract or agreement may be held personally responsible for documents they sign. Such individuals also may be subject to disciplinary action, up to and including termination.

Contract Signature Authority of the Board

The Board Bylaws authorize the Board Chair and Vice Chair (in the Board Chair's absence) to conduct business in the name of the 32nd DAA, including signing contracts.

Delegation of Contract Signature Authority

In accordance with Board Bylaws Article VI, the Board may authorize any officer or agent of the 32nd DAA to enter into any contract on behalf of the 32nd DAA. Within this context, the Board authorizes the CEO contract signature authority to execute a check or purchase commitment of \$50,000 or less. Notwithstanding the foregoing, the Board authorizes the CEO contract signature authority to execute talent guarantees of \$400,000 or less. Splitting expenses or orders to avoid these limits is not acceptable.

Exclusions from this Contracting and Signing Authority Policy include commitments that have been separately authorized by the Board via the “Over \$50,000 Expenditure Budget Schedule,” which is submitted with each annual budget or an approved contract, LOU or rental agreement or is payment for utilities, Cal Card expenditures, insurance, payroll or State mandated employee services.

For expenses related to emergencies or construction change orders that exceed the delegated \$50,000 limit, approval for such expenses requires dual approval of the CEO and Chair of the Board. In the absence of the Chair, the Vice Chair can approve such an expense. Any expense approved by the CEO and the Chair shall be reported to the full Board at the next Board meeting. Splitting expenses or orders to avoid this \$50,000 limit is not acceptable.

In addition, the Board authorizes the CEO to further delegate their signature authority authorizing individuals to conduct business on behalf of the 32nd DAA only when the CEO will be absent. The delegating officer retains responsibilities for actions taken by individuals exercising delegated authority.

For expenses below the \$50,000 limit, the CEO is responsible to develop and maintain operating policies that define signatory authority levels by position.

Procedure

CEO Sub-Delegation of Authority

When delegating authority, the CEO must provide a written document that:

- Is signed by the delegating individual.
- Specifies a specific 32nd DAA employee, referring to the employee by their name and title. Delegations cease when the employee no longer holds the position and must be resought by the subsequent incumbent.
- States the scope of the delegation, including the type of contracts the employee is being authorized to sign, and any dollar limit. The scope must be within the authority of the delegating individual.
- Specifies whether sub-delegations may be made as well as any conditions or restrictions upon such delegation.
- Specifies a limited timeframe with specific start and end dates.

4.05.03 Travel and Expense Policy

Policy

The purpose of this policy is to establish travel and expense reimbursement guidelines that are fair, accountable, and transparent. This policy applies to all 32nd DAA Board Members and the CEO.

It is the policy of the 32nd DAA that the organization will pay for reasonable and customary expenses related to the accomplishment of organizational activities required by the Board Members' or CEO's position. These expenses must be pre-approved in writing by the Board Chair or Vice Chair.

Authorized Expenses

The organization will pay or reimburse costs for the following:

Travel

- Transportation by airplane, train, bus, vehicle rental, and/or taxi service
- Meals
- Lodging
- Personal vehicle mileage when directly related to organization business
- Parking expenses
- Registration fees for conventions, conferences, training and tuition

Non-travel

- Meals or light refreshments while working (either in meetings or where the duties preclude traditional access to personal meals)
- Mileage reimbursement, tolls, or parking fees for attending meetings

Non-Allowable

The organization will not pay or reimburse costs for the following:

- First class or business class airfare, if cheaper economy or coach fares are available
- Alcoholic beverages
- Theft, loss, or damage to personal property
- Fines, forfeitures, tickets, or penalties

- Expenses of spouse, family, or other persons not authorized to receive reimbursement under this policy
- Travel insurance
- Travel prohibited by California Assembly Bill 1887 (prohibition on state-funded travel and state-sponsored travel to states with discriminatory laws)

Transportation

The organization pays for mileage when a personal vehicle is used to travel to required Board-related events. The 32nd DAA uses the IRS standard mileage rate in effect at the time of travel. When traveling via taxis services, tips will be reimbursed up to \$2 or 20% of the total transportation cost, whichever is higher.

Meals and Lodging

The organization pays a per diem rate for meal expenses. The organization will use the rates for meal expenses outlined in the CalHR Manual Section 2201 (Travel and Relocation Policy), Section 2202 (Mileage Reimbursement) and Section 2203 (Allowances and Travel Reimbursement).

The organization pays lodging expenses when the travel destination is in excess of 50 miles. The organization will use the rates for lodging expenses outlined in the CalHR Manual Section 2201 (Travel and Relocation Policy), Section 2202 (Mileage Reimbursement) and Section 2203 (Allowances and Travel Reimbursement).

Procedure

Required Documentation

Board members must complete and submit an itemized expense report no later than 30 days after the date the expense occurs. Expense reports must include itemized receipts for all non-per diem expenses over \$25.

Review and Reimbursement

The 32nd DAA requires approval of itemized expense report by:

- Board Chair for CEO Expenses
- Board Chair for Board members
- Vice Chair for Board Chair

Approvers of expenses will exercise due diligence to ensure that all expenses are reasonable and necessary for the conduct of organization business; within budgetary limits; and in compliance with this policy.

Reimbursements will be made available no later than 30 days after the original expense report is submitted.

32nd District Agricultural Association

Board Policies

4.06 Risk Management

Date Adopted/Last Revised: October 22, 2020

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.

Purpose

The purpose of this policy is to outline the responsibilities of the 32nd DAA Board and Staff members in relation to organizational risk management.

Policy

Risk Management Philosophy

As part of the 32nd DAA's foundational value of Safety, protecting the health, safety, and security of staff and customers is integral to all organizational activities. In keeping with this philosophy, the 32nd DAA's Board Members and staff are expected to carry out their work with a high degree of safety and attention to potential risks.

The 32nd DAA seeks to involve appropriate personnel at all levels of the organization to identify risks and create practical strategies to ensure that its risk management approach considers diverse perspectives and that its staff understands their roles in protecting the mission and assets of the organization.

General Principles

- The 32nd DAA strives at all times to operate in compliance with local, state, and federal laws and regulations.
- The 32nd DAA bears responsibility for the health, safety, and security of its staff and customers. This is a primary responsibility of the Board, the CEO, and all program staff.

- Safety and risk management activities are multi-faceted and include:
 - Creating and enforcing policies, standards, guidelines, and procedures related to safety, financial security and risk mitigation.
 - Maintaining safe and secure facilities.
 - Establishing procedures to be followed in the event of an emergency.
 - Maintaining clear communication channels.
 - Purchasing insurance coverage as a financial mechanism for certain risks, while still recognizing that insurance is not a substitute for vigilance in planning and implementing services, programs, and events.
 - Creating and maintaining a crisis communication plan to be implemented in the event of an emergency.
 - Assessing safety risks and taking actions to minimize risk to life and property.

Responsibilities of the Financial Monitoring & Audit Committee

The Financial Monitoring & Audit Committee plays a major role in ensuring financial sustainability and mitigating risk. As such, the committee is responsible for:

- Developing and/or reviewing the organization's risk management plan on an annual basis
- Conducting annual public budget workshop to ensure transparency
- Adopting annual budgets with risk management in mind
- Reviewing operational reports to determine compliance
- Adopting and establishing risk-related policies and standards
- Reviewing the organization's insurance program periodically

Responsibilities of the Audit and Compliance Committee

The Financial Monitoring & Audit and Compliance Committee plays a major role in mitigating risk. As such, it is responsible for:

- Working with the CEO and approved auditing agency to ensure annual audit of the 32nd DAA is conducted within a timely manner.
- Maintaining communication with the auditing agency to ensure 32nd DAA is responsive and in compliance with auditing process.
- Responding in writing to address any issues identified by auditing agency management report.
- Reviewing operational reports to determine compliance

- Ensuring compliance with policies and standards imposed by accrediting/auditing organizations.
- Adopting and establishing risk-related policies and standards

32nd District Agricultural Association

Board Policies

4.09 Community Relations and Advocacy

Date Adopted/Last Revised: October 22, 2020

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.

Purpose

The purpose of this policy is to outline the community relations and advocacy responsibilities of the Board and the CEO.

Policy

It is the policy of the 32nd DAA that the Board represent the organization positively to the community, fairly represent member and community perspectives to the organization, ensure consideration of member and community input in its planning, and advocate for resources and support to help fulfill the 32nd DAA's mission and not the interests or objectives of any individual.

Community and Public Relations

The Board Chair and the CEO have the authority to speak on behalf of the 32nd DAA. In general, the Board Chair will represent the 32nd DAA on matters of policy and strategy, and the CEO will represent the 32nd DAA on operational issues. The Board Chair and CEO will coordinate with each other before the release of any public statement. The CEO or Board Chair can delegate this authority to another 32nd DAA employee or Board Member with special knowledge or competence in relation to a given topic.

Advocacy

Board Members serve as advocates for the 32nd DAA. As an effective advocate, each Board Member will take every opportunity to champion the 32nd DAA by educating policymakers and opinion leaders at all levels about the transformative mission of the 32nd DAA.

Any major advocacy-related statements must be consistent with the general parameters of Board-approved policies or positions. While this policy is not intended to inhibit private expression of personal or professional opinions, Board Members should distinguish personal opinions from 32nd DAA positions when engaging with the public, including policymakers and opinion leaders.

Board Members must speak with one voice, not as individuals, and always reflect the collective position of the full Board.

Board Members should coordinate all communication with the media through the CEO and the Communications Department when possible.

Board Members are also expected to avoid making public statements that might undercut or obscure the messages conveyed by the 32nd DAA's approved spokespersons. Board Members who hold elected public office concurrent with their membership on the Board are expected to be particularly judicious about this since their public profile may deflect attention away from messages conveyed by the official spokespersons.

Legislative Monitoring Governance Committee

Responsible for monitoring and reporting to the Board all pending state legislation that impacts the operations or interest of the 32nd DAA.

32nd District Agricultural Association

Board Policies

4.10 Sponsorships

Date Adopted/Last Revised: October 22, 2020

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.

Purpose

To forward its mission, and in accordance with Section 4051.1 of the California Food and Agricultural Code, the 32nd DAA may solicit and enter into agreements to secure sponsorships for events, programs and services. The purpose of this policy is to establish criteria for selecting 32nd DAA sponsorships.

Policy

It is the policy of the 32nd DAA that sponsorships will be used to support and further the mission of the organization. Within this context, a sponsorship is defined as a mutually beneficial exchange whereby the sponsor receives value in return for cash, goods, or services-in-kind provided to the 32nd DAA.

Sponsorship Guidelines

- The 32nd DAA selects which sponsorships it wishes to accept and reserves the right to reject any sponsorship offer.
- The 32nd DAA does not endorse—either explicitly or implicitly—any of its sponsors, nor does it endorse those sponsors’ products, services, or ideas.
- The 32nd DAA will avoid any real or perceived conflicts of interest related to sponsorship agreements (see Policy 2.03). As such, 32nd DAA Board Members and staff

must not receive any substantial benefit from sponsorship including gifts or financial rewards or benefits.

- There must not be preferential treatment for a business, organization, or individual as a result of sponsorship. For example, there must not be an expectation that a company will get favored treatment by the 32nd DAA over a competitor due to their sponsorship status.
- The 32nd DAA retains full control of the content of its programs, projects, and services. Sponsors do not have authority over the operation of what they have sponsored.
- The 32nd DAA retains the right to review and approve all communications in regard to a sponsorship. This includes—but is not limited to—announcements, advertising and marketing materials, articles, and press releases about the sponsorship.
- The 32nd DAA will not enter into sponsorship agreements with businesses, organizations, or individuals that do not align with the 32nd DAA’s mission, values, or ethics. The 32nd DAA’s long term reputation and credibility always takes precedent over short-term monetary needs.
- While each potential sponsorship agreement will be considered on its merits, and judgement and discretion will characterize the decision making, the following questions will always be addressed:
 - Does the sponsorship align with the 32nd DAA’s mission, values, and ethics?
 - Does the sponsorship suit the 32nd DAA’s overall strategy?
 - Will the sponsorship help the 32nd DAA realize its strategic priorities or objectives?
- To be consistent with the 32nd DAA’s family-friendly focus, sponsorships in the following categories are not permitted:
 - Tobacco or vaping products
 - Cannabis or CBD products that contain more than 0.3% THC
 - Hard liquor or spirits

- To ensure that the 32nd DAA is perceived as a welcoming and inclusive organization, the 32nd DAA will not enter into sponsorship discussions with organizations that have a primary focus on:
 - Party politics
 - Religious organizations and/or activities

Procedure

Sponsorship Approval and Agreements

The Board must approve any sponsorship agreement that (1) exceeds 5% of the overall revenue budget for the year, (2) includes a term that exceeds three years, or (3) includes naming rights. Sponsorship agreements that meet these criteria will be placed on the next available Board agenda as a non-consent item. The CEO, or other designated executive staff member, may not sign any sponsorship agreement that does not meet the criteria identified above.

Staff will prepare an agreement consistent with the size and the scope of the sponsorship. All agreements shall include a clarification of the all sponsor benefits, process for marketing material approval in advance of publication, and the statement the 32nd DAA does not endorse sponsor's products or services.

All sponsorship agreements will be confirmed through a written contract. In addition to the items stated above, the contract will clarify relevant aspects of:

- When the sponsor will provide payment, or make promised in kind goods or services available.
- Who the main contacts will be for each party.
- Any interim or final reporting agreed upon, how the agreement will be monitored and reviewed.
- When the agreement terminates, and how early termination is handled.
- Any minimum or maximum amount, and how that will be determined, and any exclusivity commitment.
- How any failure to meet commitments will be handled (e.g. what happens if the event is cancelled).

32nd District Agricultural Association

Board Policies

5.03 Delegation of Executive Authority

Date Adopted/Last Revised: November 19, 2020

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.

Purpose

The Board delegates authority to the CEO for the daily management and administration of the 32nd DAA. This policy sets out key parameters for the CEO's authority.

Policy

The Board directs the CEO through written policies that outline the organization's mission, values, and strategic priorities. Within this context, the Board delegates to the CEO the authority to execute those policies and manage the day-to-day operations of the 32nd DAA.

General Responsibilities

Other than as expressly provided in these Board Policy documents, all matters not specifically reserved for the Board and necessary for the day-to-day management of the organization are delegated to the CEO. In turn, the CEO may delegate where appropriate. In general, the CEO is responsible for:

- Overseeing the successful implementation of the Board's policies and strategic priorities within the resources and fiscal limits set by the Board.
- Ensuring that the organization's daily operations are carried out in accordance with all legal and regulatory requirements, 32nd DAA Bylaws, and Board policies, along with the values and ethics of the organization.

- Ensuring that the organization's policies, practices, and decisions are undertaken in a manner that is responsible, equitable, and consistent with commonly accepted state agency and business practices.
- Maintaining a strong working relationship with the Board by sharing relevant information in a timely manner—including all specified reports, meeting notices and agenda packets, decision information, and notification of any current or anticipated actions that may threaten the organization.
- Ensuring that the organization's assets are adequately protected, maintained, and not placed at unnecessary risk.
- Ensuring that unencumbered cash and cash equivalents do not drop below a minimum 25% of annualized operating expenditures.
- Ensuring that the 32nd DAA's budgeting is based on generally accepted accounting principles and that budgets are balanced.
- Ensuring that the 32nd DAA is financially sound by guiding efforts to increase revenue and maintain a balanced operating budget.
- Promoting a healthy work environment for staff that is consistent with the organization's values.
- Managing and approving all staffing, organizational structure, and personnel decisions, including hiring, discipline, terminations, classifications, and salary ranges.
- Representing the organization to the community, media, and other stakeholders in a way that enhances the public image and credibility of the organization.

Reporting to the Board

The CEO is required to provide the Board with the information it requires to govern effectively, make informed decisions, and monitor the overall performance of the 32nd DAA. As part of this work, the CEO will report to the Board, on at least a monthly basis, of all significant actions the CEO has taken within the parameters of the CEO's delegated authority. Reports from the CEO, or selected management representatives, will cover areas including organizational performance toward goals, financial performance, human resources issues, or other major items related to organizational operations. In addition, the CEO is expected to provide advice to the Board on policy and program/service issues that affect the services provided by the 32nd DAA.

Other Responsibilities

In addition to the general responsibilities outlined above, specific responsibilities are described in the CEO's job description and in the following Board Policies:

- Chapter 2: Ethics of the Organization
 - All policies
- Chapter 4: Board Responsibilities
 - Planning as outlined in 4.03 Organizational Planning
 - Financial Stewardship as outlined in 4.05 Financial Stewardship
 - Risk Management as outlined in 4.06 Risk management
 - Records Management as outlined in 4.07 Records Management
 - Personnel Management as outlined in 4.09 Personnel Policy
 - Community representation as outlined in 4.10 Community Representation and Advocacy
- Chapter 5: Board-Management Relationship
 - All policies

Emergency Situations

In emergency situations involving operational matters upon which prompt action is necessary, the CEO will have the authority to act on matters not expressly within this delegation, provided:

- The action is, in the CEO's judgment, necessary to protect the 32nd DAA, its employees and members of the public from loss or harm that is reasonably likely to occur if action is delayed for the scheduling of a noticed meeting of the Board; and
- The CEO promptly reports to the Board the emergency action taken, and the reasons why the CEO determined action was immediately necessary.

32nd District Agricultural Association

Board Policies

5.04 CEO Compensation and Benefits

Date Adopted/Last Revised: November 19, 2020

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.

Purpose

The CEO is a principle representative of the 32nd DAA and is responsible for the effective operation of the organization. The purpose of this policy is to ensure that the CEO is provided with fair and reasonable compensation for the execution of their critical role.

Policy

The California Department of Human Resources (CalHR) designates district agricultural association CEOs as Secretary-Manager ~~III-I-VII~~ positions and sets the annual compensation (salary and benefits) range for this role.

Under the authority of Article IV in the Board Bylaws, the Board has the responsibility to determine the compensation of the CEO within the range established by the CalHR. The 32nd DAA's philosophy on executive compensation is based on the intent to recruit and retain a high-quality and experienced leader who can effectively execute on the 32nd DAA's mission and strategic priorities. Executive compensation is determined by three factors:

1. Individual qualifications (if the CEO is new to the position)
2. Individual and organizational performance based on the CEO evaluation
3. 32nd DAA budget and financial condition

It is the policy of the 32nd DAA that the Board will review the CEO's compensation on an annual basis.

Retention Differential

In alignment with CalHR's Exempt Salary Schedule, the Board may grant a retention differential to the CEO, if it determines that they have achieved expected performance objectives and that such a bonus is necessary for retention purposes.

Independence

All Board Members, including the Board Chair, will operate independently without undue influence from the CEO. No member of the Board who is involved in setting compensation can be a relative of the CEO or have any relationship with the CEO that could present a conflict of interest.

Procedure

Executive compensation is determined based on the factors described above, and must be confirmed in writing. This determination takes place in the first quarter of the fiscal year, with any changes to salary effective upon CalHR confirmation.

Concurrent Documentation

To approve the compensation for the CEO, the Board must document how it reached its decisions, including the data on which it relied, in minutes of the meeting during which the compensation was approved. Documentation will include:

- A description of the compensation and the date it was approved;
- Board Members who were present during the discussion about compensation, and the results of the vote;
- Any actions taken (such as abstaining from discussion and vote) with respect to consideration of the compensation by any Board Member who has a conflict of interest with respect to the decision on the compensation and benefits.

32nd District Agricultural Association
Board Policies

Board Policy 6.04: High Profile Event Policy

Date Adopted/Last Revised: March 24, 2022

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.

Purpose

This policy governs High Profile Events at the OC Fair & Event Center (OCFEC). A High Profile Event is defined as an event that meets one or more of the following criteria, as determined by OCFEC in its sole and absolute discretion:

- The event will require a high level of coordination and collaboration with law enforcement including Costa Mesa Police Department and/or Orange County Sheriff's Department.
- The event has the potential to have a significant negative impact on the surrounding neighborhoods, including but not limited to noise, lighting, traffic congestion, and public safety.
- The event will require significant communication with area stakeholders including the Board of Directors, City of Costa Mesa officials, Orange County officials, area businesses, other event promoters and/or neighbors.
- The complex nature of the event may impede operational event execution including, without limitation, effective crowd control and public safety measures for guests and staff.
- The event has the potential of attracting substantial regional and/or national media attention.

Policy

In order to allow the OCFEC adequate time to assess and plan for High Profile events, the following policy will be implemented:

1. OCFEC must have at least thirty (30) days' notice prior to the High Profile Event to adequately assess and plan the event, and coordinate with all relevant internal operations functions and appropriate external partners. The assessment process will include the same considerations as with all other events, including:

- a. Available space – Is the desired space available without negatively impacting other users/uses of the property?
- b. Available dates – Is the desired date(s) available without negatively impacting other users/uses of the property?
- c. Scope of High Profile Event – Can the event be supported by available infrastructure and operational resources, and is it within the mission and values of OCFEC?
- d. Competing events – Does the event compete with a similar or like event within the date range designated in the Competing Events Policy?
- e. Safety concerns – Are there any safety risks and liabilities that may be caused by the event? If so, are such risks manageable?
- f. Renter experience – What is the event experience desired by Renter?
- g. Venue references – What is the past experience of the Renter’s event at other venues?
- h. Bank and financial institutions references – provide three current references.
- i. Provide three venue references in which renter has held previous events and if possible, references for events similar in size and scope to current event being considered by OCFEC.
- j. High Profile Event business plan – What is the Renter’s proposed business plan for the event?
- k. Financial return to OCFEC – What is the proposed net financial gain from the event?

- 2. Before an OCFEC contract for a High Profile Event is executed, OCFEC staff and CEO, along with Renter’s representative(s) if applicable, will meet with area stakeholders including, but not limited to, the Chair and Vice-Chair of the OCFEC Board of Directors, the City of Costa Mesa, the Costa Mesa Police Department, Cal Fire, the OC Sheriff’s Department, Orange Coast College, Vanguard University, and the Newport Mesa School District to discuss and assess the potential impact on the surrounding neighborhoods.
- 3. The Renter is required to pay 100% of the estimated event expenses, including the facility rental, in advance via certified check or wire transfer.
- 4. A security plan for the High Profile Event will be developed by OCFEC staff in conjunction with area law enforcement. The Renter must approve the security plan, agree and pay in advance the full costs associated with this plan to all appropriate agencies involved in providing services to the event, including OCFEC. Satisfactory payment arrangements must be made directly with the security/third party vendor before an OCFEC contract will be executed.

5. The Renter is required to provide an additional payment in the form of a minimum deposit of 50% of the total estimated event expenses to cover any additional costs that may be incurred as a result of the event. A certified check or credit card is required for this deposit and must be submitted 24 hours prior to the start of the event. If a credit card is presented as payment for this deposit, 50% of the total estimated costs will be charged to the credit card 24 hours prior to the start of the event. Within five business days of the conclusion of the event, OCFEC staff will present the Renter with a final event expense invoice and refund any overages.
6. The Renter may not issue tickets, vouchers or passes to the event (whether paid or complimentary) in excess of the State Fire Marshal's maximum capacity for the venue.
7. Due to the nature of High Profile events and the potential risk for OCFEC and surrounding areas, the Renter must provide a certificate of insurance for an amount not less than \$2 million in general liability coverage per occurrence. Upon concluding a risk assessment, OCFEC in its sole and absolute discretion reserves the right to increase the general liability coverage in an amount determined over the \$2 million minimum requirement.
8. Once the High Profile Event contract is signed, OCFEC will immediately begin communicating through a variety of channels to the public, stakeholders and surrounding neighbors regarding the event.

32nd District Agricultural Association
Board Policies

Board Policy 6.05: Cannabis Event Policy

Date Adopted/Last Revised: April 28, 2022

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.

The OC Fair & Event Center also permits the sale, promotion, sponsorship and display of independently tested/regulated CBD products on the fairgrounds that contain no more than 0.3% THC, and the sale of glass pipes and smoking devices on the fairgrounds.

During the 32nd District Agricultural Association's April 28, 2022 Board Meeting, the Board of Directors approved (1) the sale, promotion, sponsorship and display of independently tested/regulated CBD products on the fairgrounds that contain no more than 0.3% THC, and (2) the sale of glass pipes and smoking devices on the fairgrounds.



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