

## OCFEC Board Meeting 11/16/23

Nick Kovacevich All right. Good morning, everyone. I will start to call the meeting to order. First, I'll read the mission statement. The mission of OC FEC is creating equitable community access to agriculture, entertainment, cultural and educational experiences. And now I'll ask my colleague, Director Labelle to lead us in the pledge.

Michele Richards I pledge allegiance to the United States of America and to the republic for which it stands, one nation under God, indivisible, with liberty and justice for all.

Nick Kovacevich Thank you, Director Le Belle. Summer would we be able to take a roll call now.

Summer Angus Chair Kovacevich?

Nick Kovacevich Here.

Summer Angus Vice Chair of Bagneris?

Barbera Bagneres Here.

Summer Angus Director Pham?

Newton Pham Here.

Summer Angus Director LaBelle?

Doug Le Belle Here.

Summer Angus Director Rubalcava-Garcia, Director, Ruiz, Director Bilezikjian?

Tanya Bilezikjian Here.

Summer Angus And Director Jackson?

Dimitria Jackson Here.

Summer Angus Thank you.

Nick Kovacevich Thank you. Item number five. We'll review or we'll talk about the minutes from last meeting. Does anyone have a motion to approve the minutes? So move?

Barbera Bagneres Director Bagneris second.

Nick Kovacevich All right. We have a motion in a second summer. Please do a roll call.

Summer Angus Chair Kovacevich?

Nick Kovacevich Yes.

Summer Angus Vice Chair Bagneris?

Barbera Bagneres Yes.

Summer Angus Director Pham?

Newton Pham Yes.

Summer Angus Director LaBelle?

Doug Le Belle Yes.

Summer Angus Director Bilezikjian?

Tanya Bilezikjian Yes.

Summer Angus And Director Jackson.

Dimitria Jackson Yes.

Summer Angus Thank you.

Nick Kovacevich Thank you. Agenda Item number six matters of public comment. Public comment is allowed on issues not on the current agenda. However, no debate by the Board shall be permitted on such public comments and no action will be taken on such public comment items at this time. As law requires formal public notice prior to any action on an agenda item, speakers are requested to fill out and submit a comment card to the meeting Secretary prior to the start of the meeting, and are limited to three minutes. comments will be accepted on all other agenda items. At the time each item is listed on the agenda speakers wishing to address the board on items on the agenda are requested to fill out and submit a comment card at the meeting Secretary prior to the start of the meeting and identify the agenda items on which you desire to dress the board. Speakers are again, limited to three minutes. Okay, so we do have some public comment cards. We'll start with Roy Englebrecht.

Roy Englebrecht Thank you. I'm Ryan Albrecht. I promote Fight Club. OC. Four weeks from tonight we finish our 13th year of holding Fight Club OC combative sports shows in the hangar at the OC fair Event Center. And a matter of fact, our October show was our 75th Bike Club OC show here on the

property. And we're also on an 18 show sellout streak. So as Michelle said, so many years is the most fun you can have on a Thursday night in Orange County. And by our sellouts, we certainly believe that. And for the new board members, our success is not in a vacuum. And I've said this a dozen times here at the board meeting over 13 years. This is a great team that Michelle and Joan and can have here. We love working with the staff at the OC fair and Event Center. And we hope it will continue. We already have our six days for 2024. So again, we'll sell you the whole seat. But you'll only need the edge. Happy Thanksgiving.

Nick Kovacevich    Thank you Next we have Katherine Walters.

Katherine Walters    Good morning, everybody. Might be a little emotional. But how do you tell a miracle story in three minutes. My daughter Sasha is 25. She's autistic. And we've been writing here for seven years with Sarah khlifa and cheval. And at home Sasha cannot do three things in a row. So she can't come home, take her dirty boots off, put them away, take off her dirty clothes, put them in the laundry and take a shower, she walks in the door, pops everything down in the shower out of the shower. That's it here was Sarah's guidance and, and I don't know how she does it. And with her horse Denver, Sasha comes here takes Denver out that's one puts him on the cross ties. That's to get your grooming kit from inside the barn. That's three Grooms and fully that's four goes back into the bar gets his pat his pad which is five, his saddle, which is six, and his reign, which is 7, 1, 2, 3 puts them on. Right so it gives them a circle tightens his girth, so the fat of saddle fits correctly. scuze me I'm so nervous, hops on and I don't know how to describe it. You could never you would never believe that she has issues that she has. When we first started, she really wasn't making eye contact with anybody. If she if she answered it was very gruff, because Sasha is very, you know, that's part of who she is. And now and before she had no friends and wasn't able to make or keep them, because she's hyper focused on horses. That's all she lives for. And here, she has had friends all these years younger and older, that she can hold a conversation with and she's learned to also be able to receive a conversation while making eye contact. After her lessons are over, she'll hack around with new girlfriends. And in her lessons. Sarah is so sweet. Sasha doesn't such as great difficulty with learning right to left, and you know, there's something she's never going to get. And so it's so sweet. And she's writing with Sarah and Sarah is like, okay, Sasha, we're gonna go right now. And Sasha will head left and she's Oh, Sasha your other right? And especially like her, or vice versa. Okay, we're gonna go left and if Sasha starts to go, right, she'll say, Oh, your other left and Sasha gets it. Like this. This is a miracle for my daughter because in all the occupational socialization that we did before we came here is absolutely nothing compared to what she does here. She's independent here. Am I almost out of time, please let me know I'm trying to Okay. You Oh, she's independent here and her love for horses

his blossom. Thanks to Sarah, and this this community. So please. Thank you. Thank you.

Nick Kovacevich Thank you, Katherine. Next we have Gibran Stout.

Gibran Stout Thank You. Good morning. You all know me. I'm here speaking today for public comment. Because I'm, I'm frustrated. And I think that all of you board members are very smart people. And I think you're all compassionate people. And I think that you all took the oath for this office to do the right thing. And the agricultural code says that there's two purposes for this board and for this property, and it's holding fairs, but it's exempt for the purpose of exhibiting all of the industries and industrial enterprises, resources and products of every kind, with a view towards exploiting encouraging and stimulating them. The second one is constructing and maintaining and operating recreational and cultural facilities for the public. You've all heard me come up here, us, LeAnn every month, we're here we want to help. We want to help we have information. We email board members, and we don't get a reply. We get promises of workshops. Doesn't happen. There's public workshops for works of art. There's public workshops, for flags, but we don't get any. So we email, we don't get a reply, or we get a reply from staff on your behalf. We ask staff to give you information and they say, oh, no, it's the public's job to give it to you. We asked to come to committee meetings. And we're told no, because they're to member. So to member committee gives you more flexibility, not less, it doesn't mean that the public can attend. What it does mean is you aren't held to a strict a publication notice as you are through Bagley King through the agricultural code, you have more flexibility in only doing 24 hour notice and not having to do an agenda. So how do we interact with you guys? How do we have a conversation? A meaningful two way conversation? Not three minutes of blue? And as trying to figure out for weeks, how can we craft what we need to say to you? How can we have a conversation? Please, I didn't even make a speech because I've done it so many times. So many times. I'm speaking from the heart. And we all want the same thing, don't we? Why can't we have a conversation? Why can't we find the solutions that are there? There's so many solutions for everything.

Please, can we please have some two way communication somehow? Give us vehicle some way to communicate two way with you guys, please. Thank you. As an example, this is 2017 2018 the workshops that were done publicly. This is all the notes that I've taken. So you guys have done it. It just hasn't happened since 2018. Thank you.

Nick Kovacevich Thank you given next we have Mackey.

Nick Kovacevich Okay, and last we have Dixie

Dixie Good morning everyone. My name is Dixie salmon Yoga and I'm here on behalf of Orange County Supervisor Katrina Foley. She represents the fifth district in Orange County, which runs from Costa Mesa all the way down to San Clemente. Our office sent over a public comment letter that the board of directors should have received yesterday. If not, please contact me. I can leave my business card as well and make sure that we got that for you. I'm here to talk about Agenda Item 8C on behalf of supervisor...

Nick Kovacevich Excuse me,. I think if we're going to talk about 8C we should move the public comment to Okay perfect.

Dixie Okay. Yeah, that's fine. Thank you.

Nick Kovacevich Okay, great. I will refile this under 8C Okay, I think that concludes the general matters of public comment. Next, we'll move on to item number seven. The consent calendar. All matters is listed under consent calendar operational matters about which the board has governing policies, implementation of which is delegated to the CEO. They will be enacted in one motion, there will be no motion, there will be no discussion of these items prior to the Board of Directors votes on the motion unless members of the Board staff Republic request specific items to be discussed separately and or removed from the session. Any member of the public who wishes to discuss Consent Calendar items should notify the chair of the board at the time requested and be recognized by invitation of the chair to address the board. shall do we have anyconsent items up...

Michele Richards No, staff does not have anything to pull this month.

Nick Kovacevich Within the pool. Board. Do we have anything to discuss?

Doug Le Belle Move to approve.

Barbera Bagneres Director Bagneris a second.

Nick Kovacevich Okay.Motion a second summer please call roll.

Summer Angus Director Kovacevich?

Nick Kovacevich Yes.

Summer Angus Vice Chair Bagneris?

Barbera Bagneres Yes.

Summer Angus Director Pham?

Newton Pham	Yes.
Summer Angus	Director LaBelle?
Doug Le Belle	Yes.
Summer Angus	Director Bilezikjian?
Tanya Bilezikjian	Yes.

Summer Angus	And Director Jackson?
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Nick Kovacevich	<p>Okay, thank you. Next, we'll move on to item number eight. A, which is the presentation of the 2024 budget, and a vote on whether or not to approve this is an action items. First, before we begin, and I'll have Michelle do a presentation. But I do want to recap that we did do a budget study session. Last week. I think it was on Tuesday, the seventh on election day. And it was a great session. And thank you to the board members that were able to make it some in person and some via zoom. Also, members, a lot of members of staff are here that, you know, own this budget. And I think we're really well prepared to discuss any individual component of the budget, which was very helpful for the committee. And I think we were able to get a lot of questions answered that we had and we were able to make significant progress in terms of as a committee, getting to where we feel very good about the budget. So let's first do the presentation and then we can recap sort of where we landed as a committee</p>
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Michele Richards	<p>Very good. Okay, as chair Kovacevich said the we did a public budget study session on November 7, we reviewed with the public and the board members that were present, our budget development process, which runs are, according to our fiscal year, January through December. Those budgets are created annually for each separate department and then consolidated into an organization wide budget which was presented to the board and and public. We have 51 departmental budgets that are overseen by 18 members of our management staff. They were all present at the November 7 budget study session. Many of them are here today are on zoom as well and available for questions. And then we monitor the budget very carefully. As you all know, we go over those monthly financial reports with the Finance, Financial monitoring and Audit Committee, as well as with the public and the full board. So let's jump right in here. We talked about the economic factors that are affecting this budget in 2024. So each year, we begin by building our budget for the following year, and we turn to several economic forecast data sources to help us in that respect. Two of the best sources are doctors and Neil Puri and Dr. Mira</p>
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Farka. They're with the work wood center for economic analysis and forecasting at Cal State Fullerton. The finance committee joined staff this year at the Orange County Business Council economic forecasts conference, and we thank you for for being there. And we learned a lot. We certainly learned a lot. So the forecast for this year was actually very similar to last year's forecast. So it's a mix of both good and bad news. So while real GDP growth posted solid gains in the first half of this year, gross domestic income fell. The good and the bad. Consumer Sentiment did improve from 2022. But it's still far below average. Good and bad, and yet real consumption spending is growing. So a lot of mixed signals. Their corporate earnings fell For the third for three, three straight quarters, and yet the s&p 500 Rose 20% In the first half of 2023. So it's a real mixed bag, but very similar to last year, most economists agree that the rate of inflation is expected to decline, although it still has a grip on our economy. And that is really affecting GDP growth, it's only expected to be about 1.9%. In 2024, job growth is slow is slowing, which actually is a positive in a way for us because it makes their time hiring a little bit easier. And most economists agree that by late 2024, so soon after the 2024 fair, that we most likely will have a recession, what they disagree on is whether it'll be a soft landing or a garden variety recession. So there was a quote from the from the conference that we thought was pretty meaningful. One of the the economist said, our outlook calls for a normal recession, not the carnage of 22,007 2008, or 2020, but a garden variety type akin to the early 1990s or early 2000s, likely in the second half of 2024. So we also look at local Orange County Economic data as well, because as we all know, Orange County can differ greatly from the rest of the country. But economists agree that it will generally mirror the overall forecast for the rest of the nation, unemployment is expected to climb to four and a half percent in 2024. Again, inflation is the biggest concern, the Orange County business executive survey, which is something that's done by Chapman University every year, most of those business executives 40.7%, are calling for a mild recession added with another 33.3% who are calling for a soft landing. So it seems like we're going to have more of the same in 2024. So all of that to say that we are proceeding like we have the last couple of years, cautiously but optimistically into 2020, for some of the assumptions that we directed our staff to, to use in building the budget, and that is that we will use the same controlled attendance model in 2024 that we did in 2023. We will have controlled ticket sales. Now the last two years, it's been at 45,000. The committee is recommending where we can, and where it makes sense operationally, to increase that to 50,000 per day with our advanced online ticket sales. We are not budgeting for any increase in fare admission pricing. I'll talk about another recommendation that the Board may or the committee made in a few minutes. We're budgeting for 30 shows in the Pacific amphitheater both on the revenue side and the expense side. But that doesn't mean our team is going to stop at 30 shows if it makes sense to add more and there's the ability to do that.

We certainly will and that'll just reflect as a, an upside for the budget. This year, we are budgeting for overtime for our part time seasonal employees. That was not a requirement when we built the 2023 budget, but it did go into effect. So we're we're budgeting accordingly. This year. The budget includes two unasked for two additional serve civil service headcount, a parking coordinator and a security guard. And I'll talk about that in a little, a little more detail in a minute. We're budgeting for another feature exhibit our art of music exhibit was a huge hit this year. And we'll be bringing back something similar to entice our guests. We're planning for a two day in person imagine ology event just like we did last year, and we are continuing the Equestrian Center revenue and expenses through June. We don't know what the outcome of the RFP is going to be. So we wanted to budget prudently through June, and then our CapEx program will be at 3.25 million this year.

Okay, a little bit more on the labor side, our total labor is 24 point million. That's a \$1.9 million increase from last year's budget. Minimum wage is increasing to \$16. And as you No, we hire hundreds and hundreds about 1500 employees just to work the fair. So that has a big impact. We are budgeting for wage increases across the board for fair time staff positions in order to be competitive with other part time employers like, you know retailers and fast food, or companies that are lowest wage on the fairgrounds during the fair will be 1650. So 50 cents above, above minimum, we did include overtime for our seasonal employees. Our benefits costs have all gone gone up, including the contribution that we make to the Public Employees Retirement System. Our civil service employees will all have a 3% wage increase. And those are labor union increases that are negotiated at the state level. So it'll be 3%.

This year. And as I said, we're we're asking to add two new civil service headcount a parking coordinator, we actually want to take two part time positions, and combine them into one full time position to share administrative duties between our parking operations department and our parking sales department for for better efficiency, and then adding another full time security guard. That's part of our continuing effort to replace part time temps with our own full time staff year round. we've relied on part time temps a lot in our security department. And given the world situation, we think we want to strengthen our year round security force. We did a department by department review. During the November 7 budget study session, I think we're gonna forego the detail in the interest of time. But if there are any specific department questions, we're certainly happy to answer those. But we did consolidate the major shifts in revenue and expenses as a summary. So these numbers reflect the difference in the budget up or down between 2023 and 2024. So on the revenue side, the good news is our interest rates have gone up significantly since last year. I think we're currently at about 3.7%. For our lathe account, we're budgeting



on the conservative side of 3.25. So that's a an uptick in the revenue of 479,000. Year over year. As the board knows, we just as completed an RFP process a few months ago for our ticketing service, and we chose e tix as the winner of that competitive bid process, there's a signing bonus that we're entitled to as part of that contract. So that results in 843,000.

As I mentioned previously, the recommendation of the committee was to where we could and where it made sense operationally to increase ticket sales from 45,000 to 50,000 per day, we estimate that to be an \$828,000 increase. The committee is also recommending that because our parking continues to be in very high demand, particularly during the fair that we would raise the parking rate only during the fair from \$12 to \$15. And operationally that makes it so much easier to manage the line in terms of giving, giving away change as well. So going from 12 to 15, during fair time only will result in 648,000 More, we do have a revenue revenue share component built into our E tix contract. That's a \$67,000 increase. The as we do each year, we take a very minimal increase in our Merchant rental rates during the fair as well as our year round building rental rates for our year round events, basically to say stay competitive in the market. Very small increases there but it's more about keeping up with the market then the additional revenue. We found an error in last year's budget.

The fair admission free fair admission that is included. When you buy a concert ticket in the Pacific amphitheater was I'm inadvertently included in two different budgets this year. So we've corrected that mistake in in this year's budget. Again, the Equestrian Center revenue runs through June 30. So the final year, half of the year was not accounted for. And that's a \$704,000 decrease. And then we looked at our actual sales last year for our everyday passport and base the revenue projections of that product in 2023. So that's \$161,000, less than last year. So I think I'll stop there to see if the board has any questions at all. Nope, hearing none, let's look at those merchant rates that I talked about. So we we do this to remain competitive in the market with other event venues. And also to reflect the value of our our rental options. So for our year round event building rentals. So this is for event promoters, like Roy, like the piece go on now. So depending on the size and location of the building, or the the area of the fairgrounds, it'll increase anywhere between 50 to \$75 per day, very minimal. And then the merchant space fees, those are the fees that vendors pay to be part of the fair, that will be increasing between 25 and \$125, depending on the size and location, and that's for the entire run affair. So again, a very minimal increase about 1.9%.

Doug Le Belle

Michelle, I do have a quick question. These rates are set on on the basis of market would other similar venues charge for similar, you know, size?

Michele Richards Yes.

Doug Le Belle areas? So it's all it's market driven? It's to respond to whatever the market is correct?

Michele Richards Yes. And we do a survey every year to make sure that we understand what other Southern California fairs are charging and other venues in the area, too. Thank you. Okay. All right. Let's look at the changes year over year in expenditures. So we already know that our Orange County Sheriff's Department agreement, the agreement that we have with the sheriff's is resulting in an additional \$185,000 in expenses. We're only budgeting for 30 Pack cam shows. So last year, we budgeted for 40. So those expenses are coming down. But again, if we have the opportunity, which we're absolutely moving toward adding where we can more shows than 30. Obviously that will result in more expenses, but also more revenue to offset those expenses. other questions?

Doug Le Belle Yeah. We obviously have a very good director of entertainment, Dan, and we have a consultant that has been with us for many years. That does all the bookings along with Dan, the objective obviously is to have net revenues. What What were the net revenues this year? Give or take \$1 to pack camp?

Michele Richards More than 5 million. Okay. Yeah. But I'll get you an exact figure.

Doug Le Belle Thats good. I just just wanted to the reason why we do it, those revenues then go back into programs that we provide, ie at Centennial Farms or heroes hall or whatever else, and help offset the cost of imagine ology which we also produce. Yes. But that's a giveback, that we, as a district do to the community. Right.

Michele Richards Right. That's a free event for the community. You're right. We are bringing back a mobile Patrol team security team that we used to have prior to the pandemic. We're adding 15 Part time security personnel who will be on on bike patrol of our parking lots to ensure that we don't have any issues in any safety or security issues in our parking lot during the fair. So that's an additional \$105,000 expense.

Dimitria Jackson Michelle, will they be on patrol during the start to the finish or just in the evening?

Michele Richards Good question. I'm assuming and I know Canada's not here today. We know any staff? No, my understanding is during the whole run of the day. Okay. Yeah. Mainly at night. However, you Yeah EQC expenses. Obviously, we they run through June, we did not include expenses for the last part of 2024. So that's a \$1.3 million decrease in expenses over the year two year budget. We did include overtime costs for our seasonal part

time employees, that's \$178,000 additional expense. media and advertising costs have gone up substantially. That will result in \$130,000 increase, all of our service contracts have increased due to inflation. Thankfully, it's leveling off a little bit from what we saw in 20, and 21. But we're expecting 584,000 in additional expenses for all of our service contracts, the addition of the two new civil service positions 261,000 That's not just wages, that includes all the the taxes, benefits, etc. And then, of course, wage increases for our temporary part time staff is about an additional 333,000.

Tanya Bilezikjian Michelle, temporary part time seasonal employees, they're not eligible for PERS contributions and all that.

Michele Richards They are not. Yeah, we do have a there's a separate program through the state PST program for part time seasonal and temporary employees. So a small percentage of their wages goes into a savings program. They can elect to keep it there or when they terminate their employment, they can they can get all of that back. The state wants to help in people, you know, saving their money. Right. Okay. Okay, let's talk about the capital program. There's one carryover project from 2023. Included in next year's capex program. It's the roof replacement at for the Pacific amphitheater kitchen. It's in need of repair. That's about \$70,000. This is a detailed list of the capex projects that are slated for 2024. I won't go into detail, but certainly I can take any questions about it. That totals a little under 1.5 million for capex. On the major expenditure side, these are major projects but they don't necessarily qualify as a CapEx program. And you can see what what those are 452,000 and then there is a lot of equipment that we either need to replace or add. Specifically, I pointed out in the budget study session, you'll see about five lines down a forklift that needs to be replaced. Some of our equipment does not currently meet a qmD standards. So that equipment has to be replaced. And you'll see a water truck replacement as well. Sure.

Good, okay. So we're 1.135 million in equipment. And when we roll it all up together, capital expenditures major projects, equipment, we add 100,000 for contingency. And that's \$70,000 roof replacement. That gets us at the 3.25 million for for capex. There are two projects that are part of the Master Site Plan that we wanted to point out. The next project in in the list of Master Site Plan projects is the designing and building of two additional restrooms, which go right to the guest experience. preliminary budget is 10 million to two build those two restrooms. That includes the 200,000 design and development fee through CCA and then the Pacific amphitheater dressing rooms, which is a project that will be brought back to the board preliminary budget on that is 3.5 million. So that's part of the Master Site Plan. All right. We reviewed in the the study session, the our travel budget for the year. Thankfully, the travel ban has been lifted. So

there are lots of conferences and conventions that our our staff has not been able to attend for networking and training. So we're making up for it this year. These are the conferences and conventions that staff will be attending the training and learning opportunities and then visits to to other fairs. So we're not only including the dollars in the budget, but by approving the budget, the board is also approving this out of state travel, which has been our practice as well. Okay, board policy 4.0502 authorizes the CEO to sign for purchase commitments of \$50,000 or less, and to execute talent guarantees for the Pacific amphitheater of \$600,000 or less exempt from the policy, our payments or regular payments for utilities, Cal card expenditures, insurance, payroll, or state mandated services or anything else the board authorizes as part of the annual budget. So this is a list of other expenses that we project may go over my signing authority of 50,000. But they are required, nonetheless, this year at clewd include sales and use tax, state fire marshal fees, attorneys fees, California non resident withholding remittance, remittance or unemployment fees. So again, by approving the budget, the board is giving me authority to sign for though any of those invoices even if they exceed 50,000.

Okay. So, here we go. There's the budget roll up. So let me go through this real quickly. There are three columns. The first one is the original budget as presented in the the budget study session last week, the middle column is integrating those budget recommendations that the Finance Committee is making, which is increasing fair time parking from 12 to \$15. And then building in that additional attendance capacity where it makes sense. And you can see the difference between the two. The third column includes \$100,000 contingency that the committee is also recommending, and we don't typically do that. But the committee suggested that having a contingency for you know any unknown expenses that come up would probably be a good idea. So on the right hand column is with that \$100,000 contingency built in. I do want to make a note that the Governmental Accounting Standards Board Gatsby, in Gatsby 68, it requires that government agencies like like ours, include our net pension liability on our annual stock report our statement of operations, so this amount for the 32nd DAA is approximately 5 million. And while it is reflected in our stock report that goes to to the state, it's not a cash related entry, and therefore we it's not reflected in the budget. But you can see that depreciation is so. So I'll stop there.

Nick Kovacevich Great. Thank you, Michelle, we, before the board was...

Michele Richards Excuse me, I was gonna stop for questions, or you got a couple more things.

Nick Kovacevich Actually, just one question, just to confirm the non operating expenses does have all of the capex items?

Michele Richards Yeah no, capex is separate.

Nick Kovacevich Just the major projects?

Michele Richards Major projects.

Nick Kovacevich That's all those like the million dollars that we need to spend for all this stuff. Camp?

Michele Richards No, no, no, that does not include the Master Site Plan stuff at all. Yeah, that's that's a completely separate budget.

Nick Kovacevich Got it.

Michele Richards Okay. This is a look at our budgeted fair p&l, again, first column originally presented, and then the third second column over it, sorry, the column on the right is integrating the increase in parking expenses and the increase in in the attendance cap. It doesn't include the contingency because that really wouldn't be reflected in the that would be reflective in the total budget not not the PNL. This is just to summarize, no increase in fair admission but the increase in in fair parking So I'll kind of finish on this slide, which looks at the difference between what was originally presented at the budget study session with the \$45,000. Cap, and then the 50,000 up into 50,000.

Nick Kovacevich That's it. Okay. Yeah. Thank you. Michelle. Do you have a couple of public comments before the board goes into discussion on this? First up, we have Leigh-Anne Kazolas.

Leigh-Anne Kazolas Thank you so much. So as the District prepares the Equestrian Center for success under a new operator, I'm concerned about the lack of funding for the deferred maintenance and actually the current neglected repairs. Maybe it's in the budget, maybe it's somewhere and I'm missing it. But since the district has taken over this year, there are many things that are actually in worse condition now and have remained unrepaired since the takeover things like broken arena fencing, broken gates, dilapidated and dangerous bleacher seating for the public that's incredibly unsafe to use, and so much more. So I'm just wondering if there's an existing budget item for these repairs, or if one could be added. I've seen in my research that CDFA has a special fund for districts that they can apply for deferred maintenance funding. So is that maybe something that district can apply for or a new operator could apply for and again, I'm not seeing in the spreadsheet anywhere, but another concern is the budget for the annual equestrian center footing overhaul. It's something that happens at the beginning of every year, involves laser leveling, base repair and adding

new footing for the safety of the horses and riders. It was budgeted for in the staffs, equestrian center budgeting scenarios and as an annual recurring expense, but I don't see that anywhere here again, I'm hoping that's going to happen, but I don't see it listed. Regarding public programs, I didn't hear a lot in the budget workshop about public programming. I noticed that the Equestrian Center didn't host any programs this year, and I'm wondering if there's a budget for public programs at the Equestrian Center in other venues. Gibbon facilitated a great meeting between the CHE center which is one of the largest equine therapy providers in Orange County and heroes hall staff, and to discuss a veteran's equine therapy program on site. And there was great interest in it. It's a perfect fit, and it would be great if programs like that could appear in the district's budget. And finally, I noticed in the capex budget that includes the purchase of water truck and a forklift for the maintenance department. These were exact same items that were included in the Equestrian Center budgeting scenarios presented by staff with the expectation that the board is would purchase this equipment for the district as part of the proposed 70 to 80% rate rental rate increases. So since the district has found funds, and is purchasing this equipment anyway, I'm wondering if this equipment is being purchased for the maintenance of the entire facility, or just everywhere, but the Equestrian Center. Thank you.

Nick Kovacevich    Next, we have Carolyn Deaver

Carolyn Beaver    Good morning, and Carolyn Deaver. And I know I've spoken to you before, so I won't go through an introduction. But I just feel compelled really, to use this opportunity to voice basically my opposition to the current direction and path for the Equestrian Center. I feel like it's not being set up for success. There's been a lack of investment in the Equestrian Center. Frankly, for decades. You've entered into an overpriced contract, which we discussed a year ago. And our recommendation was not to enter into that contract. But as a board, you made the decision to go ahead and enter into that contract. And after only six months of operations, or so with that, then now you've decided to go a different route. And I totally will talk later about the RFP support that. But what I am concerned about is that in this budget, you're only showing six months of operations for the Equestrian Center, in essence, so depending upon the success of the RFP, I feel like it's not been set up for success. I think it's very important that this board find a way to make it a success. So thank you.

Nick Kovacevich    Thank you, Carolyn. And also just as a reminder, for public comments, they do need to be focused on the agenda item that they're addressing. And so keep that in mind going forward for future public comments. Let's keep it very specific to the agenda item that's being addressed. And we do have one more public comment for this agenda item A Day. And that is from

Gibran.

Gibran Stout      Good morning again, on the top and says, I know there's been lots of things that have bandied about in past meetings and capital expenses. I know that Carolyn had mentioned that there hadn't been any capital, really any money spent on the Equestrian Center. And there's a lot of debate about what that is. This is not equestrian center specific. This is capital expense.

Nick Kovacevich    Thank you. Okay.

Gibran Stout      So I did do a public records request. And I did get that those numbers. And so I do have that information, which I would love to share with you. Outside of this three minutes, but a little less. Additionally, the income and expense, it has been mistakenly reported that it has run at a loss for 40 years. And I was shocked to hear that. So I was like, Oh, my gosh, I want to see the numbers because I'm a spreadsheet girl. And I also requested that information. And the only time that it has been run at a loss has been well, when OC FEC has managed it. Every other month since 1999, it has been at a profit. So a net profit, not just gross, and it has generated millions of dollars of income. So I just want to set the record straight. I again, wasn't sure until I got the information. And it takes a long time to get it seems to always come a few hours after Thursday's meeting every month. So so I'm happy again, to share that information and to have a conversation with you guys, because I do and sick of kicking the can. I think we're all sick of that. So love to have a conversation. Thank you.

Nick Kovacevich    Thank you given. And that concludes our public comment for Item eight, a. And so now I'll turn it over to the Board for discussion on this item after the presentation and the public comments. Yeah.

Michele Richards   I don't know if the committee wanted to add anything more.

Nick Kovacevich    Well, you did such a good job of showcasing the committee's ultimate recommendations. But just to recap, you know, yeah, we we did really like some of the changes that we suggested here for you guys to consider and hopefully approve. Raising the parking we thought was really prudent for fair time. Just because it is in such demand, we know that ride sharing services are coming down in price. Finally, after kind of a few years of rising so that options available, it's more sustainable for folks, but the demand is still there for the parking. So we might as well take advantage of that also really helps speed up the parking having an even number of \$15 versus 12. Because there's still a lot of cash payers, even though we do have credit and tap available, which is my personal preference. So so that one makes a lot of sense. And obviously really kind of helps get us back to to offset some of those increases in expenses. And then again, when it comes to the cap on attendance, we don't actually expect to reach that cap

every day of the fair. And we've actually budgeted for about half the days to kind of get up to that cap, whereas half the days would not. So it still adds a meaningful number. So yeah, again, we feel good. I don't have director binary shifts in this.

Barbera Bagneres    Yeah, 'd like to make a motion. And I'm recommending that we go with the last column, which shows the recommended changes and the contingency. And I recommend that we go with that option.

Doug Le Belle        I'll second that motion. And I'd like to speak to the motion before the vote if I could go ahead. And just for the record, I want to get some general comments into the process here. First of all, we have an excellent staff who has done a tremendous job, not only in obviously preparing the budget, but in managing the programs that we provide here. We produce two events, we produce the annual fare, and we spend significant dollars creating the market so to speak. For that fair, the 45,000 people just don't show up in the morning. They're here because of the very aggressive marketing and outreach effort on the part of Michelle and her staff. We have a tremendous sales team that works year round not just during the fair to bring in vendors and concessionaires but If you're around to rent the facilities that we provide, we correct me if I'm wrong, but I think our net revenues from all activities this year, are somewhere around 26 27 million. Those dollars just didn't fall into the pot. They were there because of what staff has done. to market the OC fair and Event Center, not just the fair, but the other programs. Those dollars go back into programs that we provide. Imagine ology is a good one, that's a give back to the community. Centennial Farms generates 90,000 Little ones that come through Centennial Farms, that learn that corn doesn't come in a Can it grows in the ground. my two granddaughters or grandson and granddaughter kindergarteners in South Orange County, they went through that program. And I think literally everybody who is a resident of Orange County that has kids or grandkids in school have benefited by it. The heroes Hall of veterans museum provides provide significant benefit not just to veterans, but it's an educational program where we change out the exhibit a couple of times a year, we have 1000s of people that go through heroes Hall, not only during the fair, but year round. I think the veterans event on the 11th is a real good example.

There were five 600 people there. And that was a tremendous opportunity. My point is we don't do the marketing and program to generate a fair that's going to lose money. Correspondingly, those operators whether you're reading a small space, a large space or whatever you're paying market for that space. If you're a concessionaire that is providing food, you're providing a percentage of your profits back to the OC Theron Events



Center. If you're the right operator, RCS, if you're the food provider, the minimum basically is 25% of the gross from those businesses that we've helped create the market for comes back into the fair, those dollars, then go back into programs that we provide to offset the cost of those programs. That's yet I'm done on my soapbox. And I would if there are no other questions from the board, I would call the question.

I have one question. And this came up in the study session. But the reason that we're not budgeting for the Equestrian Center for the second half of the year is that if it were to continue operating after the fact, if the RFP were successful, it would just be a plus. Right. Right. And so we don't rather than speculate, it's okay. That's correct. Good point.

Tanya Bilezikjian I have one question. And this came up in the study session. But the reason that we're not budgeting for the Equestrian Center for the second half of the year is that if it were to continue operating after the fact, if the RFP were successful, it would just be a plus. Right. Right. And so we don't rather than speculate, it's okay. That's correct. Good point.

Nick Kovacevich The question, question has been called Summer. Can we please do a roll call?

Summer Angus Chair Kovacevich?

Nick Kovacevich Yes.

Summer Angus Vice Chair of Bagneres?

Barbera Bagneres Yes.

Summer Angus Director Pham?

Newton Pham Yes.

Summer Angus Director LaBelle?

Doug Le Belle Yes

Summer Angus Director Bilezikjian?

Tanya Bilezikjian Yes

Summer Angus And Director Jackson?

Dimitria Jackson Yes.

Summer Angus Thank You.

Nick Kovacevich And I echo Dougs comment.

Doug Le Belle      Could I just make one comment? I want to thank the Finance Committee.

Nick Kovacevich      That's what I was gonna do.

Doug Le Belle      You're on the committee.

Nick Kovacevich      No you're gonna thank the staff, but you can thank the committee.

Doug Le Belle      I want to thank the committee. I attended the workshop via zoom. It was excellent. It was well done. And I also want to thank staff which chair is going to do I think anyway, so anyway, that's my comments. Thank you.

Nick Kovacevich      eah, no, thank thank you Director Labelle for for the comments. And again, yeah, I was gonna say that staff did a great job this year. So thank you.

Michele Richards      Yes, our pleasure. If you can call the budget process. That's a pleasure. Right.

Nick Kovacevich      Okay. You make it look easy. I know a lot of work goes into that. Okay, so next item is eight, B. And this is a presentation of 60% design concepts for the new administration building edition and it is an action item as to approve or not, and I'll turn this over to Michelle again for the presentation.

Michele Richards      It's getting very exciting as our work continues with CCA and LPA are our consultants on this project. Just as a quick recap, at the September board meeting, the Board reviewed and approved the 30% conceptual design Heinz as well as an additional \$5 million to do needed improvements to this building. So, we've continued to work with LPA and CCA and today we're ready to present 60% conceptual design. So you'll see all of the progress that has taken place. So we're really enjoying working with LPA, by the way, great team, very, very creative. What you see here is the site plan. The existing building, which we're in right now is on the left. And just to give you orientation, on the north side of this drawing is Arlington this way. And we're kind of in the lower left hand corner of the existing building in this conference room. The proposed administration edition is on the right, you'll see that the driveway to the east side is to accommodate the Sally court on the north side of the property. There's a landscaped divider between the building and the camping area, which we use heavily during not only during the year, but particularly during the fair. And then there's parking for staff on that end of the building as well.

Barbera Bagneres This is just a minute.

Michele Richards Yes.

Barbera Bagneres Court,

Michele Richards Sally court.

Barbera Bagneres Is that like a thing? Object? What?

Michele Richards Oh, it's a secure area where some banking functions are done.

Dimitria Jackson One more question.

Michele Richards Yes.

Dimitria Jackson Where's the gate for so my bearings...?

Michele Richards To the left. So you're, you're parked if you look on the left hand side, you're parked in front of the building. And Gate Four is just a little bit further left. From there. Okay. So if you took this whole drawing and turned it this way. Okay, does that help? Yeah. Yeah. Oh, here. Ah, so okay. No, it doesn't want to work on the screen. Gage, lawyer is right here. Thank you. Okay. I'll take a walk and...

Doug Le Belle show when I was when I was a city manager. They never gave me the pointer because...

Michele Richards I'll stand up. I stand. That's okay. Okay. All right. But then no one can hear me on Zoom either. This is a very detailed drawing, and I won't go over every detail of it. But every single workspace, office space, restroom, conference room, etc, is detailed on this map. It basically represents where everybody will go. The yellow area represents the expansion of our HR department. And if you were to walk into our HR department right now and see how many employees we have crammed into a very small space, you'll see why we need to expand that area. And it often spills out into the lobby, particularly during fair and pre fair as people are coming in for interviews and, and filling out applications. The blue area that you see that also expands our finance department for the same reason there are just bits and pieces of finance and accounting all over the place and they they need more room. It also co locates employees with their co workers. So we have some departments where the supervisor is in an office or the director is in an office but their employees are on the other side of the building.

So this will locate everyone together. It includes space for for new departments that will be moving in to the completed building, the sales department, creative services department exhibits an education department and production and planning. So I again, I won't go into huge detail, but it

certainly also resolves the issue that we have where we currently have that we just don't have enough conference rooms, small meeting spaces and employee break areas. So the next slide I'm going to show you is something we're really excited about. So the darker green represents conference rooms in closed conference rooms, including the conference room we're in in the lower left hand corner, and the lighter green area. lighter green areas represent common gathering areas and open collaborative spaces, both indoors and outdoors. So you'll see on the right hand side, right there, lower our outdoor gathering areas as well. We're very excited about LPS concept. If you see horizontally down the middle of the building that connects the two buildings together, we're calling that the town square. It's a central clear story that connects the two buildings and includes an employee lounge, both open and closed meeting and collaboration spaces, and the common business center and employee kitchen. So this is what we're really lacking. And this brings everybody together in these open collaborative areas and LPA. We had a great visit to their office a couple of weeks ago, and they showed us how these collaboration spaces work. And it's phenomenal. And director, Bill Zika. And you're probably very familiar with that concept. It's, it's very exciting. So no longer will our team have to fight for meeting rooms or collaboration spaces, we will have the town square, which will tie all of our departments together.

- Barbera Bagneres    So a question. I'm not good with these designs. When when it's done. I get it. Yes. That center piece between the existing building the new building? That's a seamless flow, right? Correct. So from any area, I'm going to get from one side to the other. Yeah, none of that's blocked off.
- Michele Richards    It is not blocked. Well, it will be blocked off by walls. So you'll use the town square to get from one side of the building.
- Barbera Bagneres    And hat's the only way you can go from one side to the right. And that's really what I meant.
- Michele Richards    Yeah, yeah. But the line down the center. There's not a divide between the two buildings. It's though those will be central walls. Yeah.
- Nick Kovacevich    And they're all offices anyway. So yeah, it looks like exactly.
- Michele Richards    Did they enclose the the Senate? That's correct. That's correct. Yeah. Okay, the next slide shows the exterior elevations. So a view of the current west entrance on the the top view of the new East entrance that

way, on this second level, and then the north and south facing sides of the buildings at the bottom. Okay, nothing very exciting about that. But this is pretty exciting. That's the new, that's the new East entrance. And you can see those outdoor collaboration spaces for employees to so when the weather is nice, Why hold a meeting in an enclosed conference room, right? Get out in the sunshine. And so this, you know, is all about bringing that clear story that you see is about bringing the outdoors, indoors, and then allowing employees to use outdoor spaces for meetings and planning and creativity. So at this point, we're looking for feedback and then approval to keep on going.

- Barbera Bagneres     So I want to where's the solar? That that would be on the roof? Okay, but is it? You know, is it panels all the way down? Or is it just a certain section? Do we know yet?
- Michele Richards     I don't know that yet. All right. Yeah. Yeah. But, you know, that was one of the assumptions that it was.
- Nick Kovacevich     We're maximizing. Yes, solar. Yeah. And I know, Ken isn't here today, but he'd be pleased to know that I'm charging my Tesla. Oh, yes.
- Michele Richards     Thank you for that. Yeah. Very good. Okay, any questions? eautiful. Beautiful. Yeah, it's getting very exciting.
- Doug Le Belle     he show what is the current target date for going to bid and correspondingly awarding the bid?
- Michele Richards     Yeah, We're a little bit behind, but not much. The still according to schedule, but we're, you know, we should get the bid documents on the street shortly after the first of the year, and then it's shovels in the ground in March.
- Doug Le Belle     Perfect. Yeah. Just to comment on behalf of the Facilities Committee, Robert, and I did get a very lengthy presentation from Michelle in Canada, very similar to this and I, the questions I asked, Does this get you where you need to be in terms of your operation, which is very important. We're only doing this hopefully for the next 50 years. One time. Michelle assured me that yes, yes, this improves our operating ability. The one suggestion I'd like to make to to the chair since it's ultimately his call at some point in time after we have awarded the contract, and we know exactly what the cost is going to be of the first phase, we know that it's going to be more than we had originally thought 18 months ago, which is fine. Those were macro numbers that were presented, the restrooms are probably going to be a little more than we thought, which is fine. We had a six phase process under the Master Site Plan that we were going to be able to get to, it may be that we can only get to phase four, or maybe five, given the increase in costs. I would like to suggest that sometime after we

award the bid, and we know what you know, the cost is that we have a there are no bad ideas board workshop, where we can throw everything on the table. And it's not only for capital dollars, but it's for operating dollars. You know, when the committee had the workshop, we talked a little bit about charging stations, which obviously will benefit the community and solar Barbara mentioned solar. I think that it would be good, and not only for the board to participate in it, but we've got a number of stakeholders that are here on a regular basis. And their input would be I think, more than more than welcomed. I think the bottom line is when I say no bad ideas, let's get it all out on the table. And we as the board ultimately will decide what we want to pursue further what we don't want to pursue and what's you know, so on and so forth. And I think the timing on it probably should be sometime in the spring. And if we could combine it with a regular board meeting, that would be great if we've got a late agenda or if if we need to have a special meeting, I would certainly recommend that. Anyway, those are just my thoughts. And I want to throw that out. Thank you.

Michele Richards I might suggest to that. You know, 2024 is the last year of our three year strategic plan. So we'll be initiating a new strategic planning process in the spring. So I think that would be a great conversation to combine with strategic planning as well.

Nick Kovacevich I agree. Yes. Perfect. Okay, thank you. Any other comments? Have a motion? Made? Second?

Doug Le Belle I would second the motion to proceed ahead. Thanks again to staff, great job.

Nick Kovacevich Thank you we have a motion to second Summer.

Summer Angus Chair Kovacevich?

Nick Kovacevich Yes.

Summer Angus Vice Chair Bagneres?

Barbera Bagneres Yes.

Summer Angus Director Pham?

Newton Pham Yes.

Summer Angus Director LaBelle?

Doug Le Belle	Yes.
Summer Angus	Director Bilezikjian?
Tanya Bilezikjian	Yes.
Summer Angus	And Director Jackson?
Dimitria Jackson	Yes.
Summer Angus	Thank you.
Nick Kovacevich	Okay, great. Now we'll move to item eight. See, this is a review of the Equestrian Center RFP scope of work, highlights and discussion about further input. And I will note that staff did a good job of including the Leadership Committee, and some of the preparation of this RFP just so we were in the loop because I know this is such a hot topic. So thank you guys for that. And I'll go ahead and turn it over to Michelle. And then I think we do have some public comments and then we can have a board discussion. Okay, great.
Michele Richards	So this RFP, like all RFPs are competitive bid documents, and they can't be shared with the public until the document hits the street for potential bidders. So while we can't review the RFP in this body, just to reiterate what chair Kovacevich said, staff did review the RFP with the the leadership committee and vice chair, Bonner Reese, they did advise on a change, which we agree with his staff and that has since been incorporated into the draft, the draft agreement, or sorry, draft RFP, and that was to make the term of the agreement 10 years with 110 year option to renew and that's reflective of any maintenance work or investment that a winning bidder might have to put into the process. So these this is a summary of the key areas of the RFP. In addition, I wanted to let the board know that staff has been working with a consultant and will continue to work with a consultant in this field to help draft the RFP to give input to the And then also review it before it hits the street and helping us with other aspects of the the RFP process as well. And this is a firm that is quite experienced in working with equestrian centers, and actually has worked with other operators of Southern California equestrian center. So we feel good about having that, that extra extra layer of review. So this item is listed as both an information item and an action item. So in case the board determines there is an actionable item that comes out of this discussion. We can vote on it today. So I don't know if you have any further comments on that. But I'll turn it back to you.
Nick Kovacevich	We do have public comments, we will do that. First, we have Lisa Sabo.
Sue Lezyk	Calling in on zoom so we can go to someone else pulling over. Actually, I

am here.

Summer Angus

Can you hear me?

Lisa Sabo

There we go. I just arrived in Fresno left very early this morning. And I'm here with a bunch of kids doing a horse show. And thank you so much for taking the time to have this on the agenda. And to be working on the RFP. As many of you know, I've been involved with the equestrian center there since about 2001. I was kind of in and out using the facilities. And I was over at El Toro I had my main base at El Toro equestrian center that quickly closed in 2005. That's what landed me at the Orange County Fairgrounds. And in 2008 part of the property was used if you look at the income, p&l statements that you all received, you know, part of the property was used for Carnival parking. And so it really went down in revenue through those years. But then the spare sale started and I was very active in the stopping the sale. So the entire fairgrounds to those years 2009 10 and 11. And because myself and everyone part of the Orange County, fairgrounds Preservation Society, believed in keeping the entire property a public asset. And I think you guys all know that as board members the importance of the public asset of the property. And the Hanson's family continued to run the fairgrounds Equestrian Center through that time period, which was difficult. And then since then, to those years after it was kind of a booming location up until when they ended their contract, which is 2022. And, you know, bringing in over 100,000 a year as a profit to the fairgrounds. So they did a great job of feeding the horses, cleaning the stalls, and araignee keeping up the arena maintenance, twice a year, they would do the flooding. And they did a great job at that. And I really want to thank the Hansen family for that. Now at the Equestrian Center, it's open 365 days a year, the story that you heard about Sasha, at the beginning, public comments is something that I see every day of people with physical problems, mental problems. Now more than ever since COVID.

We have so many people of all ages that are needing the Equestrian Center, and people that work out there. We're in it for the love the money for sure. And we're impact players and we make a difference in what's happening. So we need a fair board that's open minded. And that really works hard on this RFP to put out something that's, you know, attractive for operators. Because the biggest thing right now with capital expenses is understanding like what if one of the big under ground vaults that the water vaults break man's gonna It's like \$100,000 repair. There's, there's huge things like that that are super old, you know, they were put in in 1970s. And if something like that goes out, there's no way an operator would be able to pay to repair it. And so it's those big capital expenses. The operators should be really, they're great at feeding, cleaning stalls, and the arena maintenance and then during that time, thank you very



much.

Nick Kovacevich Thank you listen. Next we have Leigh-Anne Kazolas

Leigh-Anne Kazolas Hi, thank you. So we can't change your mind about the benefits of having horses on site. But we can remind you that one of the purposes according to your website, and the state agriculture code is to construct, maintain and operate recreational and cultural facilities of interest to the public on its property and this includes the Equestrian Center. I know in prior meetings there's no question that the Equestrian Center wasn't a recreational asset because it isn't like a park or playground. You can't just go in and get on a horse. But conversely, we can't go ride horses in city parks. Public agencies preserve space for equestrian use for classes for public programs. For summer camps for therapy in those spaces are quickly disappearing as urban sprawl takes over. twice since 2009. District staff have proposed tearing down the facility and paving it over. And yes, as we've seen parking lots do make a lot of money but for what public benefit and at what cost. The EQC is a priceless treasured asset. It has tremendous public support. And yet to our knowledge, no sincere proposal has ever been made to improve it or promote it in the last 20 years. And I agree with Director binaries when she said that we've just been kicking the can down the road. But what instead if you just picked up that can lifted it up and made it shine and made it the best and breed facility you envisioned in your strategic planning sessions, and handover a facility in good condition to the next operator. Looking at the scope of work, I see that it's a little alarming that the district wants to further absolve itself of responsibility even keep the public safe while on the property and it seems you're asking the operator to pay for security. A few years ago I attended NIC booth is awesome workshop on active shooter shooter situations. Well, the district security really only deal with active shooter or mob situation until it crosses the parking lot and some artificial, arbitrary line of jurisdiction as our responsibility and not our responsibility. But it seems that's metaphoric, as you all see and treat the Equestrian Center. As some cordoned off island, with the district now abdicating its responsibilities, including public safety, you can incur zero cost, exert zero effort and expect income that's just not realistic. Closing the equestrian center cannot be an option, it must remain open until a solution is found. If no one is responsive to this RFP, you need to try again, lease agreements and RFPs where expenses are shared or possible, but it takes some effort. And it might make it it needs to it needs to make sense for all parties. And you unanimously agreed to keep the current contractor up to four more years. So there's no rush. The district purpose is not to solely maximize profits is to provide public benefit and to preserve agricultural heritage. please invest in this treasured asset remedy the deferred maintenance fund public programs, collaborate with on site nonprofits listen to the public's concerns and allocate public funds in a

manner which aligns with the public's wishes. Thank you.

Nick Kovacevich Thank you. Next we have Sue Lezyk.

Sue Lezyk opportunity. But what I did was I gave you guys a document that lists most of these items on this agenda. And I'm asking for the board to look at the language that could be proposed as an option to potentially what the language actually came out. Mandatory job lock, it should be an optional job lock, I understand that Michelle or staff will probably want to point out the capex expenditures. But if I'm at the back of the job block and I miss that conversation, I'm not going to understand that when I go to create the budget. So my recommendation is to have that in writing and part as a as an exhibit as part of the contract. So that capex and deferred maintenance are specifically spelled out, and there's no ambiguity. I think I understand this right. The Leadership Committee is the only person that has access to the document. Will the board be voting to approve the RFP and not have any insight into any of the wording so that's why I'm bringing these issues up. The RFP Issue Date, I'm respectfully requesting it being January at the earliest just because December is such a bad month for holidays and everything else vacations. The bid issue date to due date is typically 25 days, we're asking it be 60 days and we do have a precedent for it in the event tanning and Furniture Rental RFP that was issued in December 2019. They had a 60 day timeframe for the RFP to be turned in agreement terms. Thank you very much. That was a very nice ask. We do ask that the option be at the lessor or the renters discretion rather than solely at the district's discretion being at the district's discretion, the district is able to stop any further progress. If it's at the operator's discretion, then he can decide if he wants to can you continue on but that allows him to really make the investment in the property. And I know there's a A big investment to be made. The marketplace. I've been talking to the tellers and apparently in the marketplace agreement, there was a 10 year option that was exercisable by them that was agreed to. So there is there is a precedent for it. That's a tenure option, but it's the district or is it the renter's option? So I'm just asking to have that be the best option. So if you can just take a look at the document I gave you...

Nick Kovacevich Thank you. We all have the document. Thank you. Next we have Sheri Kasaba.

Sue Lezyk Sherry is calling in from online, do you see it Summer?

Summer Angus Oh, Sheri, when you're ready.

Sheri, you're muted. Can you hear me? Yes, thank you. Go ahead.

Sheri Kasaba      Oh, hi. So um, I have worked. I'm Sheri Kasaba. And I've worked for the Hanson's for four years. And I just wanted to say that working for them has been a really good thing with our community. They know a lot about the horses. And they also worked with us trainers and communicated with what they thought would better improve our facility. So I don't know what else I can say about the Hansons. But I did work for them. And they did treat all of us very well, workers and customers. But I would like to obviously see the same kind of operation, if that is possible. That's all I have to say I think.

Nick Kovacevich      Thank you, Sherry. Next we have Carolyn Deaver.

Carolyn Deaver      Thank you. I hope that you've all read the well written letter from Leanne, because Allah who spoke earlier that she sent to the board on October 31st. When reading the summary that she provided, one has to wonder how and why we're at this point. But here we are. So as I mentioned last month, I am very concerned that the full Board does not have visibility into the RFP process. I am pleased to see that you extended the term from five years to 10 with a 10 year option. I agree with Sue, it's very important that that option be at the operators option rather than just the district's option. But even a 10 year with a 10 year option is still short relative to what other contracts other operators provide When You're Expecting capital improvements to be made. And how much in terms of capital improvements or investment are you expecting the capital expenditures that we obtained through the public records request that was previously mentioned, shows there's been minimal investment over decades. And you have acknowledged that there's deferred maintenance that needs to be done. Why is it that you're in essence, handing that over to someone else rather than making the investment yourselves for that? So how much investment do you expect someone to make when they're coming in? Furthermore, under the management of the fairgrounds, now, nearly half the stalls are empty, whereas there had been a waiting list when you took over operations. So as a board, you need to ask questions, but an operator has to build up that clientele and incur the marketing costs and time to do so. If you can't discuss the RFP in a public session, then you should have an executive session so that the board can fully discuss the RFP. As you have also heard, there's been no public programming from the fairground staff since the the fairgrounds took over management. In fact, there is public programming that has been provided by the trainers through the mini lessons. There's over 2000 people that have persisted participated at the fairgrounds over the last couple of years. Those lessons happen because the trainers provide lesson horses and have people come on a weekly or bi weekly basis to ride horses. The trainer's are the ones that are at risk for the board and the vet bills and the shoeing on those horses,

whether they're you or not. And also many other programs have been provided, including visits from senior home residents Scout groups, free horsemanship classes, and so forth. It's your responsibility as a board to make sure there's multiple bids for the RFP, that is critical. So please, if there's not multiple bids, then you need to rewrite the RFP and start over. Thank you.

Nick Kovacevich      Thank you, Carolyn. Next up we have Dixie, and I didn't see the agenda item. So just to confirm with Oh, yeah, because we're back on from earlier. Sorry. Go ahead worries.

Dixie      Good morning everyone. My name is Dixie and I'm here on behalf of Orange County Supervisor Katrina fully supervisor fully represents the fifth district of Orange County which went from Costa Mesa, all the way down to San Clemente. The supervisor had submitted to the Board of Directors a letter on this agenda item and in case you haven't been able to read it, I will read it for you all. To the board of directors I write to express concerns on Item eight see on November 16. Board of Directors agenda, which requests which released a request for proposal for an independent operator of the equestrian center with an identified date to close the center if the RFP RFP is unsuccessful. While I appreciate the board's effort to understand the possibilities of this facility. I fear this item is simply the latest effort to strip away a critical public amenity of the fairgrounds. We must preserve the equestrian center the Equestrian Center serves as an indispensable public amenity and bedrock feature of the history and culture of the OC fairgrounds. Throughout Orange County's history. The fairgrounds have provided a home for the equestrian community stretching back to the horse races that took place at the original OC fairs in the 1890s. Today, the Equestrian Center offers riding lessons vaulting practices, summer camps for kids, equine therapy, a local stable for residents, and many other free and low cost community outreach programs. perhaps more significantly, the facility provides a home to the local equestrian community who increasingly see reduced resources. For nearly 20 years I have tires tirelessly defended the OC fair and Event Center, including helping lead the charge against the sale of the fairgrounds to a private developer during the Great Recession. Previous board auctions created a culture of fear among the center's patrons. In 2009, the board considered turning the Equestrian Center into a parking lot and into in 2018. The board left the center out of the initial drafts of the 10 year master plan for the flower grounds. Even now the center is not part of the long term plans for the fairgrounds, with current drafts of the master plan providing no plans for renovation, investment or long term preservation. While \$229 million of investments are planned for other aspects of the fairgrounds, the RFP proposes to require bidders to cover all capital general and deferred maintenance costs at the site. Rather than abandon this facility, this board should invest in incorporate the

Equestrian Center into long term strategies for the fairgrounds. I look forward to working with you on preserving this vital resource for our residents. Should you have any questions, please contact Jonathan Davis, a policy advisor and my office at 714-834-3550 or at Jonathan Davis at OSI gog.com. Thank you for your consideration of these concerns.

Nick Kovacevich     Thank you.

Michele Richards     I'm sorry, if I could just make a point of clarification. You indicated that you had sent that letter by email to board members. There were a few board members that were not included on that email. Would you like to resend it or bus forward?

Dixie     Yeah, so we use the emails that were publicly provided on the website. And then we also send it to the executive committee email, but we will make sure to send it to the full board again.

Michele Richards     Yeah, I'm not sure when you went to the website, but I know directors Jackson and Bilezikjian are on the website, and I noticed that their emails were not included. So I just wanted to make a word.

Dixie     I'll make sure to send that to them.

Summer Angus     There you go..

Nick Kovacevich     Okay, great. And while we pass those out, let's call Aileen to the stand for public comment on this item.

Aileen     ood morning, afternoon, something in there. I have a letter on behalf of Eileen Anderson. I will hand out some hard copies just to highlight what's covered in the letter. It stated that highlights the rush to an RFP is likely to propagate a problem that put this facility in deficit and result in its permanent closure. Second part would be the Equestrian Center has and can't operate at a net profit. Thirdly, the OC fairgrounds investment and maintaining the Equestrian Center has been significantly different Are despite over a million dollars in aggregate net proceeds since 1999. And lastly operation of the Equestrian Center Service. The Equestrian Center serves the public benefit and does not meet the definition of a gift of public funds under Article X VI, Section six of the California constitution. So I'll hand these out. Thank you very much.

Nick Kovacevich     Thank you Aileen. And last, we have Reggie Mandikis.

Reggie Mandikus     Hi, I'm Reggie Mandikis, and thank you for the opportunity to address you on this issue. I want to thank the board for handling this issue with a great deal of dignity and skill. This is a very difficult issue at the most charitable, we are dealing with a business segment, which is stagnant at

best and most likely in decline. We are also faced with the ever changing requirements, and the feeling that nothing can ever be done correctly. With that said, I just like to offer a few comments on what's on the screen right now. I was here I've been here for like many years, regarding the term, the option has to be at the discretion of the district, we don't want to get into the bizarre situation, we ended up with the marketplace operating lease where they had control the parking lot, and we never could get it back. I also like to just share with you that it is difficult, coming from a labor family where my father was a member of the teamsters union and my mother was a member of the retail clerks union. To understand how little regard people have the workers who clean up their animals. It's it's a challenge. And it's you know, I I wish it wasn't this way. But those statements say more about them than they do anything else. So again, I'd like to thank the board for dealing with this very difficult matter in a dignified and thoughtful manner. Thank you.

Nick Kovacevich      Thank you, Reggie. And we do have actually one more comment I misspoke. We have Gibran Stout.

Gibran Stout      Hello, okay, I'm going to try to make this quick. I think we all share Reggie's concerns we don't want to see anybody taken advantage of but your own last term report and the actual pay scales that the current employees make refutes that. So I encourage you to review that. I'd love to comment more on the contract, but it's been withheld. So we can't really there's no rush to it right? Let's get it done right and make it long term. So we don't have to think about this, Ken for a super long time. You can stop the bleeding. Today, if you wanted to happy to sit down with you guys. We just have a couple of suggestions that could take care of it today. I'm happy to hear that we have a consultant on board with experience.

However. I've been in the horse business in LA in Orange County for over 50 years. And I'm not, I'd love to know who this consultant is. So I'm happy to have one. And I'd love to know who it is. And I hope that they're local, and that they are familiar with urban equestrian centers, which are very different than equestrian centers out of state or even out of county. The business is in decline, because we keep hearing about how it's going to close. I will tell you there's only five facilities and all of Orange County, all the other ones are filled with a waiting list. And one is closing. It's being sold to a developer. So the only thing keeping it from filling up is a long term contract and an experienced operator. So we're excited about that. Again, it'd be really great if we could participate in these committees or a public workshop workshop, then we wouldn't have to do this three minute business. But again, it's meant that the former operator allowed deferred maintenance to accrue. They operated for eight years on

an expired contract. And if you review their contract, which I happen to have copy of all of them from 2004 you will see they were not required to do any improvements. And in fact, they were not allowed to do any improvements. So again, happy to share that information. As such, you need to include some sort of incentive for somebody to come in and fix the decades of deferred maintenance, or you need to add it to your budget and have them execute, it would probably be ideal, and probably most effective. So, again, happy that we're moving forward on this. And I have lots of information I'm happy to share with you guys. Thank you.

Nick Kovacevich     Thank you.

Gibran Stout        I have some suggestions for the contract Republic programming. We really have a lot of opportunity for day use for the arena, educational programs, activities, law enforcement in the US. There's a lot of opportunity and things that we can do. That doesn't cost you anything. So let's bring it. Thank you.

Nick Kovacevich     Thank you. And we did have another comment come in. We have Katherine Walters.

Katherine Walters   Thanks again, I'm sorry, this is my first time so I didn't know how to fill out the sheet in the beginning. This will be short and sweet. I ended with a thank you. And I wanted to say thank you for hearing me out. And I wanted to let you know, Centennial fairgrounds is just as wonderful as your equestrian center for you to visit, bring your kids, bring your grandkids come all the way down, we're at the end, where the horses are friendly. You know, it's just like, you know, Sasha grew up going to Centennial Farms. My daughter's a teacher in Costa Mesa right here. They do field trips there. It's almost the same, but we're all horses. But we have tiny, tiny mini colonies that the kids love to see. We have giant horses. It's just all kinds of magic down there. So I know I ran at a time before but please come and at least, you know at least see them. See the kids riding see the adults riding, watch the horses, they're like magical unicorns to these people. So thank you again, I appreciate it.

Nick Kovacevich     Thank you, Katherine. And that concludes public comment on this item. So definitely open it up to the Board for discussion on this RFP, I will note that this is an if it can be an information item, or an action item. But there's really there's no requirement for us to take action on this because the RFP is actually up to the staff. It's part of the staff process to put out the RFP so they can continue to do that. But obviously, we can provide guidance, or we could, you know, take action as well, if we want. So just want to throw that out there and open it up for comment if anyone wants to start.

Tanya Bilezikjian I did have a question on what the intended release date of the RFP and the due date for a proposal would be.

Michele Richards We're still working on those dates, but we're targeting the beginning of December. And, again, I just want to be careful that I'm not putting out there in the public anything that is, you know, but is it an issue for me to talk about the approximate amount of time that we're including for proposal?

Josh Kaplan No, I think that information Yeah, during the meeting today.

Tanya Bilezikjian We're we're looking at at least 77 days for the proposal to be I think someone had suggested 60 days, but it would be well over 60 days together to prepare the proposal?

Nick Kovacevich No, to be open for 77 days after submitted.

Michele Richards I don't know if that wants the RFP is released, potential bidders would have 77 days to respond to submit their proposals.

Tanya Bilezikjian Okay. And then does that still allow enough time to review the proposals and negotiate with the successful bidder and then make the decision according to the schedule that yes, it was voted on?

Michele Richards Yes. Okay. So if according to schedule, which we have no reason to believe that that would not happen? It would. If there is a bid awarded, it would come back to the board in the March 20. What March 24 board meetings?

Doug Le Belle Sure, I do have a question. Please. Josh. This gift of public funds issue keeps coming up again and again. Could you kind of speak to that?

Josh Kaplan I can speak generally to the issue and I think this board is familiar with the call concept which is, as stewards of this facility, you're effectively prohibited from giving anything out, giving out public dollars, or the use of facility for free. We see we saw this issue come up with regards to nonprofits that wanted or sought rent relief to rent the facility for events. And the direction consistent with the state constitution is that you unless there's a specific statutory authority, which allows the board to give reduced rent to nonprofits, the district can't do that, because that would be effectively giving away state money to an organization, which is inconsistent with the constitutional provision that couple members of the public have mentioned. So it ultimately is up to this board to determine what is the value that's being received, if they are giving out public money. So for example, Centennial farm, you know, this board has made commitments to funds the 10 Centennial farm, which does benefit members of the community. And the board has made the determination



that the value that it receives whether it's through dollars from organizations that rent the facility or non monetary value, that will in the community, the board has assessed that value have determined that they are not giving anything out for free, in violation of the state constitution. So the similar analysis would apply to the Equestrian Center, the board has to assess the cost to operate the facility, take into account dollars that are received through rent revenue, flow through the borders, and then determine if there's any other non monetary value that 32nd da receives through the operation of the Equestrian Center, and then balance all of those pieces to figure out if there's a wash or some net gain to the district. So it's a it's a complicated analysis, but it falls on this board, to engage in that discussion and to make that determination, because you all are the policymakers for this body.

Doug Le Belle

Thank you, Josh. Just a couple of comments. And I think I speak for all of my colleagues, we want this process to be successful, we're going through it to resolve some significant concerns we have there, and we want it to work. That's why we're doing it. Number two, I in terms of the RFPs, having the mandatory walkthrough is typical of all of our RFPs. We want the prospective bidders to know what it is they're getting into when they submit a proposal. And this is not staff's first rodeo so to speak. We've done a number of RFPs over the years, very successful. What comments Am I at liberty to make the I guess the only one I fully support the committee's recommendation on 10 years, I think that makes sense. And thee...

We don't want to get into another Heller situation where everything was at pretty much his discretion, this ultimately has to be at the at the discretion of the board at some point in time. And that's, as long as all of those elements are incorporated in there. I'm very comfortable with going ahead without any further specifics on it. And with again, the comment, we want this to be successful, but we need to protect the interest of the OC fair, and Event Center, the 32nd Da, and I think Josh has very eloquently stated. It's up to us. We're the ones that are basically ultimately responsible for that decision. So with that, I would move if motion is necessary, I would move going forward.

Nick Kovacevich

Okay. Okay. We can continue discuss. Go ahead.

Tanya Bilezikjian

Thank you. Yeah, I have one more comment on the schedule. And, you know, if we're, if if everybody's asking for 60 days, and we're offering 77, would there be the possibility of pushing back the release date on the RFP and having a workshop? Because I do think it's interesting that, that there hasn't been a lot of open public discussion. And I know I'm new, so please correct me if if something has happened, that was available to everybody to attend. But I do. I'm just curious to hear more. And I know you and I

are gonna sit down right after this and go over. So I just I want to hear more from everybody and see if that's something we can all do.

Nick Kovacevich And just so you're aware, I think, you know, we did divorce some meetings. Right, Michelle, that it did occur.

Michele Richards Yeah, staff held two listening sessions with members of the equestrian community users and trainers this past summer, where we, you know, we shared the spreadsheets, the financial modeling, you know, to show me show the return.

Nick Kovacevich Do we typically get a lot of comments or, or commentary from members of the public that are outside of that equestrian community that don't have horses there.

Michele Richards We get comments from the equestrian community, but some of those comments are coming from equestrian that are outside of our equestrian center there. You know, this board has heard comments from folks from other, you know, other equestrian centers, other users of equestrian centers.

Nick Kovacevich But the demographic that you were able to meet with was, yeah, that's sort of the, the main constituents that we hear?

Michele Richards Yeah.

Barbera Bagneres Yeah. And I also want to note this for the new members, typically, we have an information only or an action item on the agenda. This one, we did allow it to go either way. So I appreciate staff and leadership for, for making it that way. So if there was an action to come out of our discussions, we could do it otherwise, we wouldn't be able to if it wasn't an action item.

Tanya Bilezikjian I appreciate the guidance on process.

Nick Kovacevich Yeah, I think I agree with what Doug was saying, as well, I think, you know, we spend a lot of time on this, obviously, with the goal of, of making this successful, I think the previous arrangement that we had wasn't working clearly, right, the maintenance was not getting done on the facility. And so we had to pivot, which we did, and we incurred a significant cost to do that. And then along the way, obviously, realized that we weren't going to be able to get to profitability. And we were coming up against this gift of public funds issue. And so, you know, at that point, do we, you know, just scrap everything? No, of course not, we pivoted again to try to find a solution. So I think we've been consistently showing that and along the way, also, we've heard a lot from constituents

about operating this facility and how it can be done profitably. And so I think that's what also gave us confidence that if we open this up to an RFP, there should be, you know, essentially, people line out the door, because everybody wants to make money, right. And so if this is something that can be done, profitably, we do expect for, you know, significant interest to come when this RFP gets out there. And I think the one thing that Barbara and I have done in the leadership sessions with staff is, you know, in reviewing the RFP is making sure that it makes sense, right, obviously, as it makes sense for us, but we want it to be make sense for an operator. And so I think these public comments are great. And my one comment back to this staff, and Michelle here would be to definitely, let's review this. And let's see where we can continue to fine tune this RFP, because we want a great RFP, that gets an operator in the door. That is the goal. We want to operate this facility, we want to have someone operating this facility so it can stay open. And we're talking about 10 years, potentially 20 years. And I think that there was a comment from Trina Foley's office about this not being on the Master Site Plan, I think it is, in terms of agro Plex, and what we have planned. So we were addressing, you know, now we're addressing the near term, and we're addressing the long term that is a little bit of ways away, but nobody's forgotten about the Equestrian Center. If anything, it's been one thing we we've been addressing most here. So hopefully that makes sense. And hopefully, Michelle, you're okay with the direction to kind of look at this and see where we can further fine tune what we think is a pretty effective RFP. That's based on the the the comments in the demand, I guess, something that should get a lot of positive results. Bitters.

Michele Richards     If I could maybe ask Josh, I think it would help our new board members but also members of the public to understand why we're not you know, why the full board is not reviewing this, this RFP. You know, once it comes into a public public arena, sure.

Josh Kaplan            I can speak to it from there's kind of three stools here. The first is typically the development and issuance of an RFP is is operational in nature. It's a staff piece and I know this board. Since our office has resumed our representation has become pretty clear on the alignment of board versus staff responsibilities. I think it might even be outlined on one of the board policies. So that's kind of the first piece the second because these competitive bid documents can be highly competitive. They are also highly scrutinized. In terms of who has access to information and when they have access to that information, we have dealt with some legal challenges at this board for potential bidders or losing bidders. making accusations that a winning bidder has been given an unfair advantage, either through access to information or competitive bid document being drafted in a way to only invite one bidder. So everything this board and staff has done is to avoid any accusation or claim that somehow a

document is being drafted to benefit a particular operator or vendor. Because there's a strong equestrian center community here at the fairgrounds, we want staff want and the Board want to make sure that they will have an opportunity to share their expertise so that staff can take that into account. The challenge with putting up on the screen a draft RFP, even though this is a public meeting, that doesn't mean that we may not avoid some challenges down the road from an operator that might be out of the area, somehow trying to make the claim that they did not have the same access as a little local operator would have. We also may have to deal with the type of argument where a an outside of the area operator may claim that somehow a local operator actually helped to draft the bidding document, which under state law is strictly prohibited, if somebody is going to bid on a contract that can't play any role in the development of the solicitation for that contract. The third piece is for the new board members. The question which haven't haven't been asked as well, why can't the board just all look at the RFP outside of a public meeting. And that would violate the requirements of Bagley Keene. And so board members can't meet and deliberate or even discuss, even if it's one on one, you know, you can think of a spoke of a wheel right. And so if Michelle is at the center, and she's having one on one discussions with each of the nine board members and formulating an RFP based on those discussions, then the argument is that there a consensus has been reached, and the board has effectively made a decision on the scope and contents of an RFP that certainly is prohibited. So because of those three pieces, that's why Michelle's hands are somewhat tied in the types of information she can share in these public meetings with the board and members of the public.

Michele Richards Sorry. No, I was just gonna say thank you.

Tanya Bilezikjian Yeah, yeah. And I certainly am not asking you to see any sort of content. My My goal with the workshop idea was simply to make sure that the content reflects people's ability to respond to the RFP.

Michele Richards No, and I was asking for the clarification mainly for the public, because some, you know, the public doesn't always understand, you know, this process.

Nick Kovacevich Okay, do we have any other comments from the board? No, okay, no comments and no motions. So we will just move on from this item, again, treating as information item. So next, we'll move to item number eight, D. And this is a vote on whether or not to endorse advocacy by California Travel Association to create a California Special Events fund. And I'll let Michelle explain that.

Michele Richards This is a little bit of an unusual item to bring before the board. But it does involve our endorsement of an advocacy effort. And so I always want to

make sure that the the board is in alignment with that. But many, many states in the United States have special event funds that are budgeted for every year by their state legislators so that the state can attract special events and sporting events to that state. Sadly, and kind of surprisingly, California doesn't have such a fund. So there is a an organization that has been formed the California Travel Association or Cal travel to work with the state of California on legislation that would create a dedicated event fund every year in the budget. And obviously, as a year round Event Center, we would benefit from that advocacy effort to bring special events to to voc Farren Events Center. So there was a list attached to the staff report of other venues that have already endorsed the formation of the event fund. So I'm asking and actually recommending that we add our name to that list. So if those advocacy efforts are, are successful, that would have a benefit to the OC fair and Events Center. So there's no fiscal impact to this at all. It's basically a recommendation to add our name to a very impressive list of other venues that are endorsing this at effort.

- Nick Kovacevich     Thank you, Michelle. And before we do board discussion on this, we do have one public comment Reggie Mandekis.
- Reggie Mandikis     Hi, Reggie Monday because I think this is a wonderful idea. I support this board doing this. And I'm going to take the staff report and send it to the Orange City Council, mayor, Mayor Pro Tem, and ask that the city of orange also sign on to this effort, because I think it's very valuable. Thank you.
- Nick Kovacevich     Thank you, Reggie. We'll open this item up for discussion. And again, it is an action item. We are looking to vote on whether or not to endorse and add our name to this.
- Doug Le Belle        Just have one quick question. Michela. Do you have any idea what this particular organization is going to ask for? If they've got a budget they're seeking to get before the legislature and the governor? Yeah.
- Michele Richards     I haven't heard about dollar amount yet. The effort is just starting. But the goal is to at the state level, to get the legislature to agree that every year there would be a line item in the budget to support a special event fund to attract special events to California.
- Doug Le Belle        Thank you. I'd move the recommendation. I think it's an excellent idea to proceed with so...
- Barbera Bagneres     Sure, I second that motion, Directed Bagneres.
- Nick Kovacevich     Okay, we have a motion a second summer?

Summer Angus	Chair Kovacevich?
Nick Kovacevich	Yes.
Summer Angus	Vice Chair Bagneres?
Barbera Bagneres	Yes.
Summer Angus	Director Pham?
Newton Pham	Yes.
Summer Angus	Director La Belle?
Doug Le Belle	Yes.
Summer Angus	Director Bilezikjian?
Tanya Bilezikjian	Yes.
Summer Angus	And Director Jackson?
Dimitria Jackson	Yes.
Summer Angus	Thank you. Okay.
Michele Richards	Thank you.
Nick Kovacevich	Okay, thank you. Next, moving to item 8E. This is a vote on whether or not to approve staff requests for out of state travel for one additional employee to attend the 2023 a half have a convention November 26 through 29th in Salt Lake City, Utah.
Michele Richards	So wouldn't you know immediately following last month's board meeting, after the board approved out of state travel for CEO Karns and myself to attend the IFP convention in Salt Lake City. We received notification that an entry in the awards program that was made by Alan Messick our centennial farm foundation supervisor is winning a special award. So Alan, this is for a program that he submitted for a farm to fashion how agriculture can shape a sustainable future in apparel, and it is receiving a special award a champion Circle Award, he'll be making a presentation. So unfortunately, the timing came just a couple of hours too late. But we'd like to get approval for Alan to join us in Salt Lake City to accept the award and make that presentation.
Barbera Bagneres	Chair Kovacevich. Congratulations to our for him to be able to make that presentation. I move that we accept this recommendation.

Dimitria Jackson	Second.
Nick Kovacevich	Summer, roll call.
Summer Angus	Chair Kovacevich?
Nick Kovacevich	Yes.
Summer Angus	Vice Chair Bagneres?
Barbera Bagneres	Yes.
Summer Angus	Director Pham?
Newton Pham	Yes
Summer Angus	Director La Belle?
Doug Le Belle	Yes.
Summer Angus	Director Bilezikjian?
Tanya Bilezikjian	Yes.
Summer Angus	And Director Jackson.
Dimitria Jackson	Yes
Summer Angus	Thank you.
Nick Kovacevich	<p>Okay, great, very exciting. Now we're moving to item eight, F. And this is an information item. And this is essential, essentially, the new committee assignments assigned by me the board chair for 2024. So without further ado, we'll just go ahead and read those off for our leadership committee. That will be myself and vice chair vineres. The new financial monitoring and Audit Committee will be chaired by director Pham and include director Bella's Eakin. the Facilities Committee will be chaired by director Ruiz and will also include director Bella Zekey in the Community Affairs Committee will be chaired by director Rubalcaba Garcia and also include director Jackson. And last, we have the Governance Committee, which will be chaired by director Labelle and include myself. So, there we have it, the five committees that will be in effect on a go forward basis. This. And that brings us to the committee reports item a G, which will be read out by the committees that were in effect prior to two minutes ago. And first, we have the leadership committee report. And I'll go ahead and give a very quick report for that. So we did meet on November 1 and the 13th. We worked with the CEO to develop the meeting agenda that we're reviewing today. And we also, as discussed earlier, met to review the RFP</p>

with that leadership committee and the next meeting we have is scheduled at the end of the month on November 29. So next, we have the financial monitoring and Audit Committee. And I will go I will go ahead as my last report is chair of that committee, outgoing chair, go ahead and give a brief summary because we did obviously go through a lot today. But the Committee met on the November 13. And reviewed the October financial reports, we were told the disclaimer that this was quicker than we typically do because the board meetings earlier than it usually is due to the Thanksgiving holiday. But the staff is always very good with their numbers. So I expect these are these are very fairly accurate. revenue for the month of October was 1.3 7 million was unfavorable the budget by \$336,000, mainly due to several events, including the OCC sustainability decathlon, underperforming and the Boo ha ha was not held. So that's why we missed budget there on the revenue. And then the operating expenses for the month were 2.3 million, and those were favorable to budget by almost 240,000. And that was mainly due to the unfilled vacancies, we didn't have to have the staff and then also it was offset by the savings were actually offset a little bit by have some late invoices that we received year to date, the net proceeds are at \$10.5 million, and are favorable to budget by \$2.1 million dollars. And for the period ending October 31, cash and cash equivalents was at \$56.1 million. So we were able to put some cash to work with our beautiful 60% of the way there she designed administration buildings. And lastly, we did we did as we have been doing as a practice been very close to this issue reviewing the department 25 equestrian center financial report. And for the period ending October 31. The revenue for the month was at 97,000, which was unfavorable the budget by almost 20,000. And that's due to due to vacancies, as we've discussed, and the expenses were at 165,000, which was favorable to budget because obviously, less maintenance was required. And that was favorable to budget to the tune of about \$60,000. Overall, the net losses for the month in that department came in at 67,500. And the net losses year to date are at \$838,000. But that is an improvement from where we budgeted, which was at \$1.36 million staff provided a brief update regarding the budget development process which resulted in the November 7 budget study session that culminated from that study session. And then of course, we reviewed that here today and our next meeting is going to be December 11th. Which will be the new committee. We missed one. Okay. Yeah. Sorry about that. We have to redo the financial monitoring and we'll circle back. Yeah. Okay. We do have a comment for the financial monitoring the item that we're on now, which is 8G Roman numeral II and that is Gibran Stout for the common good. We were we have one for you for leadership as well.

Gibran Stout

If you had a workshop I wouldn't be driving you all crazy with all these cards. Anyway, real quick financial monitoring. I wanted to say that the listening sessions Yes, staff did have two listening sessions, one in August



and one in September. However, only a couple of trainers were invited. As you saw like Katrina Foley's letter. This is not an issue exclusive to the Equestrian Center or to have questions. If you look at all of the resolutions that all the different cities have done, this is important to the community, not just equestrians. So So yes, a couple of trainers were invited. Sorry...

Nick Kovacevich Can we relate this specifically to the financial monitoring audit committee report or I can move on to the leadership?

Gibran Stout So we brought forth several solutions to that listening session for financial improvement of the Equestrian Center. We were told specifically what we couldn't couldn't talk about. It was expenses. We did bring things forward. They weren't brought to the board. But when we went back to staff...

Nick Kovacevich Sorry, was this in the budget planning session, or this was this is just financial. This was a you're referencing a meeting and listening. Sessions that were referenced about the budget. think those are.

Gibran Stout So those I don't think those were included. Right, that's fine. I apologize.

Nick Kovacevich No, no worries. And I apologize to you because I, we skipped you on the leadership committee. Do you still want to make comments on that?

Gibran Stout Um, wow. That committee report was very brief. Just yeah. I right no, no. Okay.

Nick Kovacevich Thank you Gibran. Next, we'll move to the facility. The will conclude the financial monitoring leadership committee report analysts.

Barbera Bagneres I appreciate you doing both of those.

Nick Kovacevich And you guys got to hear a lot from me now, going forward to so sorry. Next, we'll have the Facilities Committee. If director La Belle would like to nothing further nothing. Okay. Thank you Director La Belle, and we do not have any reports from the governance or Community Affairs Committee either?

Michele Richards No, we don't. But on behalf of Community Affairs. We would like to respectfully respectfully acknowledge that we are on the ancestral land of the ashram and people of the one Nino Band of Mission Indians. And we acknowledge their many contributions to agriculture and our communities. So after 100 years of attempts to recognize the contributions of Native Americans, on August 3 1990, President George Bush declared November as Native American History Month and during this month, we pay tribute to the many cultures and traditions of the indigenous people of North America. So in terms of contributions to agriculture, the latest US

agriculture census determine that there are 79,198 producers, who identified as Native Americans or Alaska Natives in the US, either alone or in combination with another race, so nearly 80,000 agricultural producers from that community, they accounted for 2.3% of the country's 3.4 million producers, with the majority in the Western and plains states, Native American or Alaska Native producers were younger, and more likely to be female than US producers overall. Their farms accounted for less than 1% of US agriculture sales, but more than 6% of us farmland. And California was ranked number five in the number of Native American agriculture producers. There are over 2500 in California, so salute to Native American heritage month.

Doug Le Belle      Okay, great. Just a comment. Being a Costa Mesa resident when you enter the city coming up, Adams, there's a sign and I can't remember the exact dates on it. But it indicates the origin of the when the Indians were here and it's like 4000 years ago or 5000 years ago, whatever. And it kind of chronologically list them and the date the city Incorporated, so on and so forth. So that would be kind of an interesting thing to go take a picture of that sign that would be kind of...

Michele Richards      There's still an Adobe isn't there in that park, too?

Doug Le Belle      There might be Yeah, that's right. As you come up the hill there Yeah.

Nick Kovacevich      Okay, well, thank you for the for the information there and always good to keep in mind as we enjoy these, these lands and we enjoy food that is now we know some of it 2% At least two out of every 100 Grapes. i Thank you, Michelle. Okay, that concludes the item or the section eight and now we're move to Section nine, which is the closed session. So if I could ask the board to report to the closed session room, and we'll be back. Thank you.

Summer Angus      Director Pham. We're pushing you To the breakout room for the closed session.

Newton Pham      Okay, sounds good.

Barbera Bagneres      Okay, welcome back. Nick had to take a call, but he should be back shortly. There was no actions that have come out of the closed session that we need to report. So we'll just continue with the agenda. And we'll go to

the CEOs operational announcements and updates.

Michele Richards All right, was a glorious day on Saturday at heroes Hall as we celebrated Veterans Day. Thank you to chair Kovacevich Vice Chair Bonner Reese, and directors LaBelle, Rubalcaba, Garcia and Ruiz for representing the organization at the event. We started off with a rousing performance by the All American voice chorus, followed by a keynote address by Joseph Latham. He's the gentleman in the lower left hand corner. He's director of the Veterans Center at Irvine Valley College. Nick Barrett, Dino, president of the heroes Hall veterans foundation and Joseph unveiled the new plaque at heroes Hall honoring our post 911 veterans. And Don Wagner, Chair of Voc Board of Supervisors and Fifth District Supervisor Katrina Foley helped distribute honor pins and certificates to post 911 vets who attended the event. Over 500 people were in attendance at this free community celebration and it was a great Salute to Veterans at heroes haul some important updates regarding the Bagley Keene Open Meeting act. So SB 544 is a new law that went in to effect a will go into effect January 1. Some important things for the board and public to understand about the law is that board members may continue to join board meetings by zoom. But there must be at least five board members attending in person. So we'll have to do the attendance report every hill leading into the meeting, summer will help us with that. So just keep in mind, we have to have five in attendance. Board members who are joining via zoom must be on camera. So no black squares with white, white names on it. So if you do plan to zoom, we need to know ahead of time and then you must be on camera. Board members on Zoom must disclose if there are any persons in the room with them that are over the age of 18. So if you're gonna zoom in, you've got another adult in the room with you that has to be disclosed. And the public may continue to participate in the meeting by zoom. So we'll be able to take public comment or the public can watch the meeting via zoom as well. Okay. All right. Centennial farm receives an \$8,000. Let's eat healthy community grants. So we were served received word that our grant application was approved and Centennial farm will be receiving \$8,000 from the Dairy Council of California, who sponsors the LET'S EAT Healthy Community grant. And our grant application was for enhancing milk, dairy and nutritional education at Centennial farm. So the funds will be used for programs supplies and docent training. This is one of four grants that our team has applied for and hopefully we'll have equally positive results from the others. And I don't see Joan here. Oh, okay. Well, I'm gonna roll right into her. Her presentation so we don't delay but some upcoming events that we're very excited about the NA WG J Southern California gymnastics meet and those initials stand for the enact the National Association of Women gymnastics judges. So a gymnastics meet will be held this weekend coming weekend along with the cat extravaganza and rescue awareness event. So if you're looking to adopt an adorable cat or kitten, that's a great event. You probably noticed

in the parking lot that the tree farm is moving in so seasonal adventures will be here daily is opening on the 24th Hi, Joan. Okay, and continuing through December 12. They have beautiful trees. If anyone is interested in purchasing a Christmas tree, that's a great place to do it. Shall I turn it back to you? We're on winter fest apologies.

Joan Hamill

That's okay, you already talked about the gymnastics club. Yeah, extravaganza and the Christmas Tree Farm. Also opening on the 24th. The day after Thanksgiving is winter fest makes its return and it runs through January 7. It's loads of winter fun, fantastic events and we're really looking forward to that you can see it coming up in the property. Pretty exciting. On December 9, we have two opportunities that are perfect for holiday shopping. The first is the gem Fair which takes place in Costa Mesa building Santa excuse me Costa Mesa lane, main mall in Santa Ana pavilion, and then also the creative babe market in the hangar. First of all talks about the gem fair, this is the largest jewelry and beach show in Southern California. With fine jewelry precious and semi precious gemstones, millions of beads crystal gold and silver pearls, minerals, fossils and much more. I don't know how much more there can be but there's so much more. It's a wonderful event. The creative Bay market as I mentioned in the hangar is a free family friendly holiday event featuring featuring over 100 small businesses to buy holiday gift items from or other birthday items as well. And on this event that visitors can meet Mickey and Minnie if you know who those are are from our friends at the street and get a free Disney patch for the first 100 customers and free grab bag and totes for the first 25 Customers farmers markets each and every Thursday with the exception of next week but we closed for Thanksgiving...

Michele Richards

and they were setting up today so don't think the rain has stopped their next one.

Joan Hamill

Ongoing Centennial farm and hear us all of course those are open to the public and Centennial farm is robust with school tours and discovery days. They will be taking some time off because for school tours because of the school holidays. So our centennial farm, we have several programs that are going on there three upcoming classes on the 18th. This Saturday we have two sessions of crafting a false charcuterie board presented by the very dynamic chef Bina on December 2 Is food preservation with the UCCE master food preservers. And for those of you who don't know what that acronym is, it's University of California Cooperative Extension. This is a wonderful group of individuals that know everything you need to know about food preservation that they participate with us on a year round basis and at fair as well. And then on December 9, there are two sessions of make it take it DIY wreath making, participants will make a beautiful handcrafted wreath for their home or to give as a gift. There's another

upcoming class at Centennial farm in December, and that's troublemaking, so that'll be in December. And then, just as a reminder, as I said Centennial farm is open along with the agricultural workers memorial that is adjacent to Centennial farm. At heroes Hall ongoing our ongoing exhibit on the ground floor valor and virtue Jewish American Medal of Honor recipients through March 2024. And then the exhibit that goes on upstairs year round is the story of the Santa Ana army airbase. And this has stories and exhibits of special forces to include women, Latinos, Tuskegee Airmen, and LGBTQ service members in the military during World War Two and outdoor exhibits. The a forum Skyhawk the Medal of Honor, Plaza, walk of honor and serenity garden are available for public viewing participation. And all of this information and more can be found on our website, OC fair.com. And this completes mine and Michelle's report, if you have any questions I'm happy to answer and my apologies on my tardiness.

Barbera Bagneres No, no problem at all.

Michele Richards I want to invite board members and the public for my annual holiday open house after the board meeting next next month on Thursdays December 14. I love to bake especially at the holidays. So I'm going to be baking my my little heart out over the next couple of couple of weeks. And I invite you all to stay for some some fellowship and some treats for the holidays. So plan to stay a little bit longer if you can, and the staff will be invited to join us as well. And a very happy birthday to Vice Chair honorees tomorrow, right Monday, Sunday Funday. And director Natalie Rubalcaba Garcia is on November 30. So I know she's not with us here today, but we wish you both very, very happy birthday. And in closing, our next board meeting is Thursday, December 14, and Happy Happy Thanksgiving to everybody.

Barbera Bagneres Wow. Well, thank you very much for those announcements and updates. Director, Chair Kovacevich won't be returning. I don't think before we leave, and director fam had to also drop off but there's no action. So it's just all information. So we're good to go. And so with that we're going to go to our board of directors management information. I'm going to start this way and go around

Doug Le Belle Not everybody time. Congratulations to Barbara. And, Nick. Very good meeting. A lot of progress. Looking forward to all of the challenges ahead of us. Thanks, Stan for an excellent job on the budget. A lot of challenges there. And you know, we'll get there so, and Happy Thanksgiving to everyone.

Dimitria Jackson What he said. I'm looking forward to serving on the Community Affairs

Committee and excited about that opportunity. Just wanted to say thanks, everyone for all you do. And Happy Thanksgiving. It's my favorite holiday. So I'm really excited. Happy birthday.

Barbera Bagneres    Thank you. I love my birthday. And that's why I'm trying to dance. I've been traveling and that's why I'm wearing my mask because I'm protecting others because I don't know those kids. I was on a flight for five hours. So pray for me. I'm looking forward to winter fest looking forward to winter fest. Really I love that activity and enjoyed the veterans Dave they're just a really really nice event. We do it every year. And the boys choir oh my gosh, they their voices just blend so well. I love it. I love it. So it was a great event and glad to participate with that. If there's nothing else as they say in the church, our hearts and minds clear, then we'll go ahead and adjourn we'll see you on December 14.