

MINUTES OF OCFEC BOARD OF DIRECTORS MEETING HELD JANUARY 25, 2024

The following Minutes are a summary of Board action and proceedings. For a full transcript please click on the link below or visit the ocfair.com website.

https://s3.us-west-1.amazonaws.com/ocfair.com/wp-content/uploads/2024/01/12132635/24_01_January_Transcript.pdf

1. CALL TO ORDER:

Chair Kovacevich, called the meeting to order at 9:46 a.m.

2. MISSION STATEMENT

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

4. DIRECTORS PRESENT:

Chair Kovacevich, Vice Chair Bagneris, Director Pham, Director La Belle, Director Rubalcava-Garcia, Director Bilezikjian and Director Jackson.

DIRECTORS ABSENT/EXCUSED: Director Ruiz.

OTHERS PRESENT:

Michele Richards, OCFEC CEO; Ken Karns, OCFEC Chief Operating Officer; Joan Hamill, OCFEC Chief Business Development Officer; Melissa Au-Yeung, Chief Administrative Officer; Jason Jacobsen, Director Planning & Production; Summer Angus, OCFEC Executive Assistant; Josh Caplan, Office of the Attorney General; Reginald Joseph, transcriptionist; Reggie Mundekis; Carolyn Beaver; Noelle Steele

5. MINUTES:

A. Board meeting held December 14, 2023

Action Item

ACTION: Director La Belle motioned and Vice Chair Bagneris seconded to approve the minutes from Board meeting held December 14, 2023. **MOTION CARRIED. AYES:** Chair Kovacevich, Vice Chair Bagneris, Director Pham, Director La Belle, Director Rubalcava-Garcia, Director Bilezikjian and Director Jackson. **NAYES:** None. **ABSTENTIONS:** None.

6. MATTERS OF PUBLIC COMMENT

None.

7. CONSENT CALENDAR:

A. Standard Agreements: SA-226-23YR; SA-004-24IO; SA-011-24GE; SA-013-24GE; SA-014-24GE; SA-015-24GE; SA-016-24GE; SA-017-24GE; SA-021-24GE; SA-024-24PA

- i. **Standard Agreement Amendments** (Exercise Option): SA-062-20YR (Amend. #3); SA-110-20YR (Amend. #3); SA-012-21YR (Amend. #3); SA-033-22SP (Amend. #3); SA-050-22YR (Amend. #1)
- B. Rental Agreements:** R-146-23; R-011-24; R-020-24; R-028-24; R-029-24; R-030-24; R-031-24; R-042-24; R-045-24; R-053-24; R-055-24; R-057-24; R-058-24; R-061-24; R-063-24; R-066-24
 - i. **Rental Agreement Amendments:** R-008-24 (Amend. #1); R-008-24 (Amend. #2); R-027-24 (Amend. #1); R-051-24 (Amend. #1)
- C. Active Joint Powers Authority Agreements** (New): 032-24-540948
 - i. **Active Joint Powers Authority Agreement Amendments:** None.

D. Correspondence:

Communications to the Board from members of public related to OCFEC business are identified below and included with the Board materials (available on the OCFEC website). Note that this agenda item includes only those communication(s) that were sent to the entire Board and CEO before the publication of this month's agenda. The deadline for correspondence to be included on the February 2024 agenda is February 9, 2024.

- i. Various regarding the Equestrian Center

E. CDFA Correspondence:

Communications to the Board from the California Department of Food & Agriculture Division of Fairs & Expositions regarding relevant topics at Fairs and Expositions.

- i. None.

- End of Consent Calendar -

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

8. GOVERNANCE PROCESS

A. Presentation of 90% Design Concepts for Administration Building Addition and Vote on Whether or Not to Approve
Action Item

CEO Richards presented the 90% design concepts for administration building addition.

Ken Karns, Chief Operating Officer, reviewed the progress of the addition project up to the current point. He discussed the following:

- CEQUA process

- Mandatory job walk
- 100% design bids will be due mid-March
- Any budgetary issues will come back to the Board
- Targeting completion of the administration building project to be April/May 2025
- Orchestrating the temporary move of staff before construction starts

Karns confirmed the project is continuing to be designed to the Board approved \$30M budget (not over designing), however contingent on whatever the bids come in at, remains to be seen.

ACTION: Director La Belle motioned and Vice Chair Bagneris seconded to approve the 90% interior conceptual designs as presented, along with approval to continue working with LPA on the development of the project. **MOTION CARRIED. AYES: Chair Kovacevich, Vice Chair Bagneris, Director Pham, Director La Belle, Director Rubalcava-Garcia, Director Bilezikjian and Director Jackson. NAYES: None. ABSTENTIONS: None.**

B. Presentation of 2024 Budget Submittal Letter Information Item

Melissa Au-Yeung, Chief Administrative Officer, presented the budget submittal letter.

C. Vote on Whether or Not to Approve Amendment to Sponsorship Policy 4.10 (Sponsorship) to Allow Sponsorships from Some Categories of Liquor Action Item

CEO Richards presented the staff report and staff's and the Governance Committee's recommendation to approve amending the Sponsorship Policy 4.10 to allow sponsorships from brands representing beverages that contain less than 40% alcohol by content (ABV).

Chair Kovacevich stated it is a common-sense policy change to clarify the current language.

Director Rubalcava-Garcia suggested making a requirement for the sponsorship to promote safe/responsible consumption of beverages, as the OC Fair is a family friendly event.

ACTION: Director Bilezikjian motioned and Vice Chair Bagneris seconded to approve amending the Sponsorship Policy 4.10 language as follows: To be consistent with the 32nd DAA's family-friendly focus, sponsorships in the following categories are not permitted:

- Tobacco or vaping products
- Cannabis or CBD products that contain more than 0.3% THC
- Hard liquor or spirits that are 40% alcohol by volume (ABV) or higher.

MOTION CARRIED. AYES: Chair Kovacevich, Vice Chair Bagneris, Director Pham, Director La Belle, Director Rubalcava-Garcia, Director Bilezikjian and Director Jackson. NAYES: None. ABSTENTIONS: None.

D. Vote on Whether or Not to Approve Change to Policy 2.03 (Conflict of Interest) to Update Allowable Gift Limit From a Single Source to Reflect the FPPC Allowable Gift Limit

Action Item

CEO Richards presented the staff report and the Governance Committee's recommendation to approve amending Policy 2.03 (Conflict of Interest) to reflect the current FPPC gift limit for the year in which the gift(s) were received.

ACTION: ACTION: Vice Chair Bagneris motioned and Director Bilezikjian seconded to approve amending Policy 2.03 (Conflict of Interest) language as follows:

Specific examples of potential conflicts of interest include, but are not limited to, situations where an employee or Board Member:

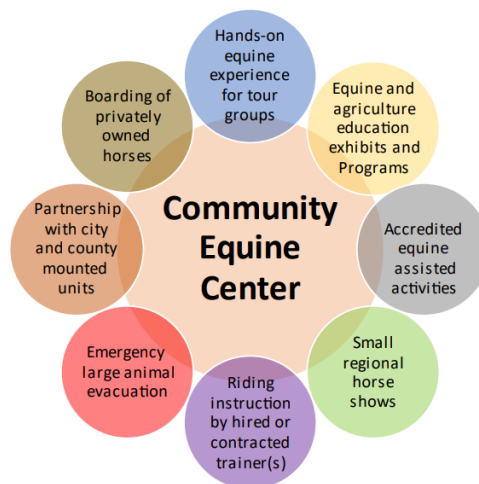
- Receives compensation, gifts, favors, entertainment, personal advancement, or other benefits of more than the allowable Fair Political Practices Commission (FPPC) limit from a Third Party, which has engaged in, or seeks to engage in, a Transaction with the 32nd DAA.

MOTION CARRIED. AYES: Chair Kovacevich, Vice Chair Bagneris, Director Pham, Director La Belle, Director Bilezikjian and Director Jackson. NAYES: None. ABSTENTIONS: None. (Director Rubalcava-Garcia had briefly stepped away from the meeting and was absent from the vote).

E. Presentation of Board Input on Vision for Public Programming at Equestrian Center and Vote on Direction to Staff

Action Item

CEO Richards presented the following vision for the EQC (*see staff report for details on each bubble*):



CEO Richards announced staff has initiated outreach and exploratory discussions with industry and community resources that have expressed an interest in assisting with building this vision and agreed to be part of an advisory group. These resources include:

- Equine and equestrian experts, Theresa Sears and Doug Lofstrom

- Referrals from various education sectors
- City of Costa Mesa, Mayor John Stephens and staff
- Shea Therapeutic Riding Center CEO, Dana Butler-Moberg
- Various horse show promoters
- City and County law enforcement mounted units

CEO Richards continued to say over the next few months, staff will:

- Continue to develop programming in partnership with the above resources
- Develop a plan for execution
- Recommend an operating budget
- Develop a timeline for roll-out

CEO Richards concluded that staff will provide monthly updates at Board of Directors meetings to keep the Board and public apprised of progress.

Board and staff discussion ensued; items discussed:

- Support for the vision detailed in the graphic
- Excitement for the future of the EQC
- Board and staff on the right track with the vision
- New vision / change is tough
- Setting the model for what can be done
- Support spoken for the community focus model of the vision
- Outreach to OC Supervisor Foley (waiting to hear back)
 - Letter from Foley to the Board and public comments were very much aligned with the Board's vision for the EQC
 - Staff was invited to connect with her office's policy advisor
- Facility adjustments for horse shows, the need for bleachers to accommodate a large public crowd
- Safety around horses / barriers and docents to oversee the public
- The vision offers factual elements to counter the false narrative of closure of the EQC
- Board has a vested interest in making sure that agriculture and equestrians have a home at the fairgrounds
- Press release to go out pending Board approval of vision to share with the community that the Board is enhancing the EQC not eliminating it
- Outreach to the county regarding their master plan for their trail system for potentially incorporating OC FEC's EQC facility in that plan
 - Potential marketing said trail as part of the EQC program if realized
- Support of the idea of having mounted police units at the EQC
- Potential idea for sponsorship opportunity for the Budweiser Clydesdales
- Support spoken for Teresa Sears and Doug Lofstrom's participation and involvement

CEO Richards explained that the EQC is not in the master site plan – any improvements would come to the Board as a separate budget request or expense request. She also reported the EQC boarders' current contracts were extended to June 14, 2024; the goal is to have at least initial plans in place by then. She announced that she will give a progress update each month at the

Board meeting so the Board and public are clear on what is happening. CEO Richards reported next steps in implementation of the vision as follows:

- Stepping away and develop a timeline
- Look at an initial budget
- Plan for execution of initiatives
- Continue to work with a Board committee

Chair Kovacevich shared his wish for starting some programming by the June 14th timeline to keep some continuity; start at least with a foundation to build upon. He announced the appointment of the Facilities Committee to work with staff on the EQC initiatives and implementation with updates at the monthly Board meetings.

Director La Belle shared his thoughts for future master site planning of the “Agriplex” education facility to make sure to incorporate opportunities for classroom programs for Centennial Farm and Heroes Hall, to also incorporate equestrian programs in that plan.

Reggie Mundekis spoke in support of the new community equine center plan as it is very flexible and community focused. She added the plan preserves access to equine activities to a large number of people and is something that is sustainable in the long run. She spoke in support of the potential housing of mounted units. She called the plan fair and equitable and the right thing to do.

Carolyn Beaver, boarder at the EQC for over 10 years and speaking on behalf of other equestrians and trainers, spoke in support of the direction of the vision proposed and the inclusion of public boarding. She stated she is hopeful for the opportunity for boarders and trainers to work collaboratively with the Board and staff to help more people experience the joy of horses.

Noelle Steele discussed the potential boarding of mounted units sharing concerns of incompatibility with the other programs listed in the vision, due to their desensitization training. She discussed the size of the facility may not support all the programs listed in the vision, that either expansion of the facility is needed or to pare down and do a couple of programs really well. She spoke in support of retaining the talent and experience of the trainers and boarders already at the EQC, and formalizing that relationship where public use is already occurring. She requested staff investigate the contracts of racehorse boarding on other state-owned facilities to understand how private racehorse owners can board on state property while remaining in line with the public use purpose. She urged the Board to continue outreach with the existing EQC users for collaborative work toward future solutions.

ACTION: ACTION: Director La Belle motioned and Director Rubalcava-Garcia seconded to approve the vision of the equestrian center as presented by staff and to work with the County to identify opportunities from its master site plan to potentially connect the equestrian center to the County riding trails. **MOTION CARRIED. AYES: Chair Kovacevich, Vice Chair Bagneris, Director Pham, Director La Belle, Director Rubalcava-Garcia, Director Bilezikjian and Director Jackson. NAYES: None. ABSTENTIONS: None.**

F. Introduction of 2024 OC Fair Theme

Information Item

Joan Hamill, Chief Business Development Officer, presented the 2024 OC Fair theme “Always a good Time.”

G. Committee / Ad Hoc Committee / Liaison Report

Information Item

To assure compliance with the Bagley-Keene Open Meeting Act, Committee reports are only for the purpose of the Committee chair, Ad Hoc Committee members or Liaison to provide a verbal update. Should the Board want to discuss any Committee work item not already on the agenda; those would need to be agendaized for a future Board meeting.

- i. **Leadership Committee** (Chair Kovacevich, Committee Chair; Vice Chair Bagneris)
- ii. **Financial Monitoring and Audit Committee** (Director Pham, Committee Chair; Director Bilezikjian)
- iii. **Facilities Committee** (Director Ruiz, Committee Chair; Director Bilezikjian)
- iv. **Governance Committee** (Director La Belle, Committee Chair; Chair Kovacevich)
- v. **Community Affairs Committee** (Director Rubalcava-Garcia, Committee Chair; Director Jackson)

Vice Chair Bagneris, on behalf of the Leadership Committee, reported:

- Committee met multiple times
 - 11/27 to plan the agenda for the December Board meeting
 - 12/1 with CEO Richards and legal counsel regarding the gift of public funds issue
 - 12/10 to plan the agenda for the January Board meeting
- Reviewed the RFP for the management operation of the EQC
- Committee joined CEO Richards at the annual staff Thanksgiving potluck
- Next meeting is scheduled for 2/7/24

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

- The committee met on 1/18/24 and reviewed and discussed the following items:
 - Reviewed December 2023 financial reports (he presented report to the Board)
 - Cybersecurity insurance policy, recent cyber incident and cybersecurity efforts

Director Bilezikjian, on behalf of the Facilities Committee, reported:

- Committee met 12/6 and reviewed and discussed the following:
 - 2023 completed CapX projects and those that will carryover to
 - 2024 CapX projects
- Administration Building addition (agenda item)

- Phase 2 of the Master Site Plan (Midway restrooms and showers)
 - Planning, design and budget ongoing
- Pacific Amphitheatre dressing rooms project coming up
- Next meeting is scheduled for 2/7/24

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

- Committee to look at possible incorporation of family friendly language for the sponsorship policy

Director Rubalcava-Garcia, on behalf of the Community Affairs Committee, reported:

- The Committee met twice
- Committee discussed enhancing the presentations each month
 - Committee presented a proclamation to Bobby McDonald, Executive Director of the Black Chamber of Commerce of Orange County for black history month before the meeting
- Enhancing the organization's relationships with local elected officials, inviting them to speak at the board meetings on events happening in their cities

Director Jackson continued on behalf of the committee and reported the following on the student art mural competition:

- Deadline for contest was 12/31/23
- Committee with staff reviewed the submissions from students for mural project
 - Committee and staff determine 1st, 2nd 3rd place
- Discussed how and where the art will be displayed

CEO Richards added perhaps the student winners be invited to the next Board meeting to collect their prize money.

9. **CLOSED SESSION** (Closed to the Public)

The Board adjourned to closed session at 10:56 a.m. and resumed at 11:34 a.m.

Items to report out of closed session: None.

10. **CEO'S OPERATIONAL ANNOUNCEMENTS AND UPDATES**

CEO Richards reported the following:

- OCFEC staff, Vice Chair Bagneris and Director Bilezikjian attended the annual WFA convention in Anaheim
 - Many convention attendees received a tour of the Pacific Amphitheatre, Centennial Farm and Heroes Hallas well as tickets to Winter Fest (as part of the convention activities)
 - OCFEC won many awards at the convention
- Summer concert series on sale
- Dairy Counsel *Let's Eat Healthy* program grant check presented for eight-thousand dollars to Centennial Farm
- OC Fair Radio launched (internet radio station)

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

11. BOARD OF DIRECTORS MATTERS OF INFORMATION

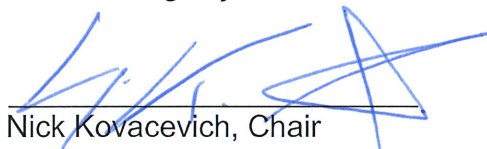
Board members made concluding comments:

- The work the Board is doing is having a positive impact
- Wishes for more vegan items at the fair
- Happy New Year
- Enjoyment of the WFA convention and Winter Fest
- Appreciation for the Chair's leadership

12. NEXT BOARD MEETING: FEBRUARY 22, 2024

13. ADJOURNMENT

The meeting adjourned at 11:48 a.m.


Nick Kovacevich, Chair
Michele Richards, Chief Executive Officer