

MEETING OF THE OCFEC BOARD OF DIRECTORS
32nd DISTRICT AGRICULTURAL ASSOCIATION

Held on: Thursday, November 19, 2015

Reported by: Janet M. Taylor
CSR No. 9463
Certified Realtime Reporter
Registered Merit Reporter

1 Meeting of the OCFEC Board of Directors,
2 reported by Janet M. Taylor, a Certified Shorthand
3 Reporter for the State of California, with principal
4 office in the County of Orange, commencing at 9:06 a.m.,
5 Thursday, November 19, 2015, in the Administration
6 Building, Orange County Fairgrounds, Costa Mesa,
7 California.

8
9 APPEARANCES OF BOARD MEMBERS:

9 Gerardo Mouet, Board Chair
10 Nick Berardino, Vice Chair
10 Ashleigh Aitken, Member
11 Barbara Bagneris, Member
11 Sandra Cervantes, Member
12 Douglas La Belle, Member
12 Bao Nguyen, Member
13 Robert Ruiz, Member
13 Stanley Tkaczyk, Member

14 STAFF:

14 Kathy Kramer, CEO
15 Debbye McDaniel, Interim VP, Finance & Administration
16 Michele Richards, Chief Business Development Officer
16 Jerry Eldridge, Director of Maintenance & Operations
17 Howard Sandler, Director of Events
17 Alyssa Tyler, Human Resources
18 Jessica Zimmerman, Board Clerk

18 APPEARANCE OF COUNSEL:

19 OFFICE OF THE CALIFORNIA ATTORNEY GENERAL
19 BY: DEBORAH FLETCHER, ESQ.
20 600 West Broadway
20 Suite 1800
21 San Diego, California 92186-5266
21 (619) 645-2070
22 (619) 645-2271 Fax

23 PUBLIC SPEAKERS:

23 Beth Refakes
24 Reggie Mundekis
24 Roy Englebrecht
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Thursday, November 19, 2015

Costa Mesa, California

9:06 a.m.

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BOARD CHAIR GERARDO MOUET: Let me call this meeting to order. It's my pleasure to start this meeting. In a bit, there's going to be some happy news because one of our Board Members -- she's on her way -- it's her birthday today, Barbara. And it's a little sad because it's also Bao's last Board Meeting.

But with that in mind, I'd like to see if Mr. -- our mayor can lead us in the Pledge of Allegiance.

DIRECTOR BAO NGUYEN: Sure.

(Pledge of Allegiance conducted.)

BOARD CHAIR GERARDO MOUET: If I can have roll call.

(Roll call conducted by Board Clerk Jessica Zimmerman.)

BOARD CHAIR GERARDO MOUET: Barbara, we started by letting everyone know that it's your birthday today and that -- well, we just started, so you can say present.

DIRECTOR BARBARA BAGNERIS: Present. And I felt

1 your energy while on the freeway stopped in traffic
2 trying to get in. Thank you.

3 BOARD CHAIR GERARDO MOUET: Happy birthday.

4 VICE CHAIR NICK BERARDINO: You want to tell?

5 DIRECTOR BARBARA BAGNERIS: Fifty-eight. I do
6 not mind.

7 (Applause.)

8 DIRECTOR BARBARA BAGNERIS: God blesses me every
9 year.

10 BOARD CHAIR GERARDO MOUET: The -- so we have a
11 special meeting, as I said, because it's Barbara's
12 birthday, but also a little sad but it's exciting to
13 have worked with Mayor Nguyen. And we did our roll
14 call, so now I'll turn it over to Kathy for the CEO
15 announcements.

16 MS. KATHY KRAMER: Great. Thank you.

17 Good morning. We continue to have a very
18 busy fall calendar of events, as well as first-time
19 events. At this time, I'm going to ask Michele Richards
20 to provide some highlights of what's happening at the
21 OC Fair & Event Center. Mark these for your calendar.

22 MS. MICHELE RICHARDS: Thank you very much.
23 We're having a very, very busy fourth quarter so far.
24 Let me just give a few highlights to some key events
25 that have happened since the October Board Meeting.

1 For those of you that attended the last
2 weekend of October, the LFestival held, first-time
3 event, here at the OC Fair & Event Center. It was a
4 great multigenerational Latin music and cultural
5 festival, very, very well done. And as you can see, the
6 crowd had a wonderful time there.

7 We also this past Wednesday -- not this week,
8 but of last week -- celebrated Veterans Day here with
9 the third annual veterans and labor event at the OC Fair
10 & Event Center. It was a beautiful, beautiful day. We
11 estimated about 6- to 7,000 people in attendance. It
12 was lots of fun, a great swing band, wonderful
13 entertainment throughout the day. Lots of
14 representation from the labor community, including
15 Director Ruiz in that bottom photo with his Local 652
16 group there.

17 It was great food to eat, compliments of the
18 Orange County Employees Association, lots of veterans
19 resources. The Medal of Honor stamp for the year was
20 unveiled on stage with both county and state officials.
21 Senator Joe Dunn was present, along with OC Supervisor
22 Todd Spitzer.

23 And then our own staff at the OC Fair & Event
24 Center staffed the booth telling the public about Heroes
25 Hall and our plan of opening up Heroes Hall next fall.

1 Our staff volunteered their hours on the day off, on
2 Veterans Day. In the front Martha, Andrea, Karen,
3 Cheryl, and you'll recognize the guy in the back as Jeff
4 Willson. So we thank them for their volunteer hours.

5 Let me tell you what's coming up. We have a
6 lot going on in December at the OC Fair & Event Center.
7 Some great events that we'll be celebrating in the
8 holidays.

9 Starting on the 29th and running through
10 December 16th, the Magic Christmas Tree Lot will be
11 back, 9:00 a.m. to 9:00 p.m. daily. So if you're
12 looking for a beautiful Christmas tree, that's the place
13 to get it.

14 Centennial Farm, our staff will be conducting
15 a Make It and Take It Wreath workshop for \$20 to cover
16 materials on December 5th. A great event to learn how
17 to make a fresh wreath. That's at 9:30. And you must
18 preregister. You can go online at ocfair.com and
19 register for that class.

20 We are welcoming back again the 45th Annual
21 Share Ourselves Adopt a Family Program, and here's where
22 Share Ourselves pairs generous donors with struggling
23 families in our community. And on December 17th,
24 they'll be dropping their donations off here at the
25 OC Fair & Event Center. If you're interested in

1 participating, you can sign up at shareourselves.org.

2 A first-time event coming to the OC Fair
3 starting on December 18th is Winterfest, a really great
4 family event that will include ice skating, holiday
5 movies, ice tubing, all kinds of entertainment,
6 carolers, Santa's Workshop, et cetera. So if you're
7 looking for a fun family event during the holidays,
8 that's a great one.

9 Other events coming up, we host Fight Club OC
10 in The Hangar on December 3rd from 7:30 to 9:30, and I
11 think I saw Roy here. There he is. I know he passed
12 out information.

13 Another first-time event at the OC Fair &
14 Event Center is Big Bite Sugar Rush. It is a
15 one-of-a-kind dessert showcase and sweet market
16 experience from noon to 5:00 p.m. on December 5th and
17 6th.

18 The Gem Faire will be back again
19 December 11th through the 13th featuring fine jewelry,
20 gems, beads, lots of great demonstrations and beautiful
21 things for sale.

22 And then it was all about the cats last
23 month. It's all about the dogs this month. So
24 December 4th and 5th we welcome the Shoreline Dog
25 Fancier's Association of Orange County, and then

1 immediately following on the 6th and 7th is the Malibu
2 Kennel Club. Both are all-breed dog shows. So if dogs
3 are your thing, that would be the weekend to come.

4 And then, of course, our ongoing weekly
5 events, the public is welcome to visit Centennial Farm
6 Monday through Friday from 1:00 to 4:00 p.m. and then on
7 Saturdays and Sunday from 9:00 in the morning until 4:00
8 in the afternoon, the Marketplace on Saturdays and
9 Sundays from 7:00 a.m. to 4:00 p.m. And for you car
10 enthusiasts, come for Cars & Coffee every Saturday
11 between 7:00 and 9:00 a.m.

12 Stan, I think you've been to the Cars &
13 Coffee.

14 DIRECTOR STAN TKACZYK: No, I haven't yet.

15 MS. MICHELE RICHARDS: No? Oh, okay.

16 We do the Farmers Market -- welcome the
17 Farmers Market every Thursday between 9:00 and 1:00 in
18 front of the Pac Amp box office and then our food truck
19 event every Wednesday for dinner from 5:30 to 9:00 and
20 Thursdays at lunch between 11:00 and 1:00.

21 So as you can see, quite a lot going on
22 eventwise at the OC Fair & Event Center.

23 MS. KATHY KRAMER: Thank you, Michele.

24 In preparation of the 2016 budget, we
25 conducted our first budget study session on

1 November 13th. Fair to say we did experience some
2 logistical challenges in the roll-up process that
3 impacted some of our projections. I guess that's why we
4 call it a process. I'm working closely with staff to
5 complete the development of the budget in preparation
6 for the December budget study session on December 11th.

7 At this time, I'd like to ask Debbye McDaniel
8 to share our October financial results.

9 MS. DEBBYE MCDANIEL: Good morning. Cash. We're
10 still very healthy cashwise. We have 2.3 million in
11 cash with almost \$34 million investments. Total,
12 36 million in cash.

13 And year-to-date results as of October,
14 year-to-date revenue's 38 million; expenses, 30 million;
15 and net income of 7.5 million. We had budgeted
16 year-to-date net income as of October 31st 2.9 million.
17 We are over budget in net income by 4.6 million. That's
18 156.6 percent higher than we budgeted. Pretty
19 impressive.

20 And that's all I have. I'm going to turn it
21 back to Kathy.

22 MS. KATHY KRAMER: Thanks, Debbye.

23 DIRECTOR DOUGLAS LA BELLE: Good news.

24 MS. KATHY KRAMER: Absolutely.

25 I wanted to provide an update from our

1 legislative representative firm Gonsalves & Sons. They
2 provide a monthly update on their activities around
3 getting AB4X22 repealed. They continue to conduct
4 meetings laying the groundwork necessary.

5 They have met with the Department of Finance
6 program budget manager. They are scheduling meetings
7 with the -- a meeting was coordinated with the state
8 director of finance to discuss this issue further. They
9 also contacted the speaker of assembly's consultant
10 George Wiley regarding the intent to repeal the
11 authorizing code sections. And George's response was
12 "Good idea. We never liked those provisions in the
13 first place."

14 They've been working with Assemblyman Daly's
15 staff, and they've been very cooperative and supportive.
16 While they've not yet had the opportunity to talk
17 directly with him, it is expected they will continue to
18 be supportive and are coordinating a meeting time with
19 Daly.

20 As for the process, they will continue to
21 pursue the repeal on a parallel track, one being a
22 proposed bill to repeal the code sections and the other
23 being through the state budgeting process. So, as we
24 know, they're all -- everyone's out of session, and they
25 won't -- out of session until January, but they're

1 continuing to work behind the scenes on that. So we'll
2 continue to receive monthly updates.

3 Any comments from you, Nick?

4 VICE CHAIR NICK BERARDINO: Yes. I talked to
5 Assemblyman Daly, and he's excited about this and wants
6 to be helpful and said that he will be supportive.

7 Also, we can talk to Kevin on Saturday night.
8 So we'll see Kevin, and we'll talk to him Saturday
9 night.

10 MS. KATHY KRAMER: Good.

11 VICE CHAIR NICK BERARDINO: Get him lined up too.
12 I mean not get him lined up, but -- I hate these public
13 meetings. You know, chat with him about it.

14 MS. KATHY KRAMER: Okay. We've got lots of good
15 momentum behind the project for sure. So we'll continue
16 to provide updates as the firm provides them.

17 Lastly, but not least, Michele, I understand
18 the team has finalized the theme for the 2016 fair. Are
19 you ready to share it with us?

20 MS. MICHELE RICHARDS: Oh, absolutely. I can't
21 wait.

22 All right. Here we go. So we've all seen it
23 before, that look on people's faces when they're at the
24 at the fair. Don't you love to see the fair on people's
25 faces? It's a look you don't see when someone is

1 sitting at a desk working or doing the dishes or mowing
2 the lawn. It's the face of someone who's just won a
3 blue ribbon. That face.

4 It's the face of a true rock 'n roll fan.
5 It's the face of someone brave enough to hop on a crazy
6 ride. It's the face of someone eyeballing some amazing
7 food. It's the face of a sweet baby pig. It's the face
8 that shows you've left the world behind and forgotten
9 all your troubles.

10 So here's the challenge. How do we give
11 people permission to show that face? Because at the
12 fair, it's allowed here. And it's expected here.

13 Well, we tell them to get your fair face on,
14 get your fair face on, get your fair face on, get your
15 fair face on, and get your fair face on.

16 So I have a question for all of you. Are you
17 ready to get your fair face on? Ready to get your fair
18 face on? All right. Let 2016 begin.

19 MS. KATHY KRAMER: These were handed out
20 anonymously, for the record.

21 (Multiple overlapping speakers.)

22 MS. KATHY KRAMER: Thank you, Michele. Looking
23 forward to having the team bring the Get Your Fair Face
24 On to life through this next year as we roll into 2016
25 and welcome the fair. So thank you for all your hard

1 work on that, and that concludes my report at this time.

2 BOARD CHAIR GERARDO MOUET: Thank you very much.

3 Now it's time for public comments. We have
4 three cards. If you still want to do a public comment,
5 there's an opportunity to fill out a card. I -- first
6 person is Beth Refakes.

7 MS. BETH REFAKES: Close enough. That's good.

8 BOARD CHAIR GERARDO MOUET: Sorry about that.

9 MS. BETH REFAKES: That's okay.

10 Beth Refakes, Costa Mesa resident. I just
11 wanted to thank you for putting on the Veterans Day
12 event. It was a great event. I know Mrs. Drain and I
13 had a table there for the American Legion Post in
14 Costa Mesa. We're trying to get that reactivated.

15 And so we were there most of the day, and it
16 was a great event. And we had a lot of people stop by
17 and say what a wonderful event it was, and it was a
18 beautiful day. So thank you again. I hope you can do
19 that again next year.

20 I had a couple of other items, which was
21 already -- one which was already addressed. I want to
22 thank you for the update on the legislation to rescind
23 the bill for the sale of the fairgrounds in 30 days.
24 And I'm happy to hear that you will be reporting that
25 out on a monthly basis because we are very concerned

1 about that because we do not want to lose the
2 fairgrounds in any way. It's such a great place. It's
3 just wonderful.

4 The other thing, I understand that you're
5 planning on having year-round concerts in the
6 amphitheater, and I just want to make sure that there
7 will be sound monitoring in the neighborhoods for any
8 concerts that occur that are outside the fair and that
9 you also provide ambassadors because I know the
10 residents are affected when it's a live concert where
11 there's a lot of attendance. You'll have some of the
12 same problems that you have at the fair. So I just
13 wanted to bring that up.

14 The other thing is there's a recent article
15 in the "L.A. Times" about the L.A. County Fair being
16 investigated because they're reducing their agricultural
17 uses. And I just want to make sure because you will be
18 doing a 2016 master plan for the fairgrounds, and I want
19 to make sure that we will not see any reduction in the
20 agricultural uses on this property because that is a
21 great concern.

22 I know at one time there was a plan to pave
23 over the Equestrian Center where the Equestrian Center
24 was and everything, so I have a lot of residents who I
25 know are concerned about that, as well.

1 DIRECTOR STAN TKACZYK: Can I ask you where you
2 heard we were going to do the year-round concerts?
3 Because I haven't heard that.

4 MS. BETH REFAKES: It's in one of your documents.
5 It's called the -- entertainment, marketing, and booking
6 specialists' request for proposal package.

7 DIRECTOR STAN TKACZYK: Okay. Thank you.

8 MS. BETH REFAKES: Okay? So that is, you know,
9 what, you know, the residents would be concerned about
10 that are here, the noise level for those events.

11 MS. KATHY KRAMER: Michele, would you clarify --
12 would you clarify what that RFP is for?

13 MS. MICHELE RICHARDS: Sure. I think the RFP is
14 for the talent buyer and marketing individuals that we
15 use to book talent at the Pacific Amphitheater. We also
16 use them from time to time to book talent for other
17 self-produced events. For example, Imaginology might be
18 one that we reserve the opportunity to reach out to them
19 for talent buying, or if there are concerts that are
20 booked the few days before or the few days after the
21 fair, for example, the America concert that was held the
22 night before the fair opened this year.

23 They also work on our behalf all year long.
24 It's a year-round process to book acts. But there are
25 no plans to extend the season outside of -- you know, of

1 the fair -- the fair itself.

2 DIRECTOR STAN TKACZYK: Beth, does that help you
3 have a better understanding?

4 MS. BETH REFAKES: That's fine because, again, in
5 the document, it's not really clear. It seems to
6 suggest that you will be having concerts outside of the
7 fair. And I just want to make sure that you're going to
8 provide the same type of protection for the surrounding
9 residents.

10 MS. MICHELE RICHARDS: Of course. If that were
11 to ever be in the plans, we, of course, would extend the
12 same sound monitoring and neighborhood ambassador
13 program during those events as we would anything that's
14 done during the fair. But I'm glad you clarified that
15 because there are no plans to hold concerts outside of
16 the fair.

17 DIRECTOR STAN TKACZYK: Thank you. Yeah. And
18 this isn't the first time I've heard that, and that's
19 why I asked where. And I appreciate you having the
20 document to explain. Previously, no one could explain
21 where. So you did your homework, and I appreciate that.

22 BOARD CHAIR GERARDO MOUET: Well, it's good to
23 clarify.

24 Our next public comment is Reggie Mundekis.

25 MS. REGGIE MUNDEKIS: Good morning. And, Bao,

1 thank you for your service, and wish you the best of
2 luck in the future. And thank you for clarifying that
3 issue about the Pac Amp and year-round concerts because
4 in that RFP, it also says music festivals, which are
5 actually worse than concerts in many ways.

6 So -- and thank you also for doing the
7 legislative and getting that ball rolling and talking to
8 George Wiley. I've spent many hours in his office on
9 various kinds of legislative stuff. So I'm well
10 acquainted. He's a very good guy.

11 So I just want to share with you a really bad
12 joke that's going around. It's that Reggie's to blame
13 for all the problems at the fairgrounds. Okay. I've
14 heard this bad joke from several sources. It's always
15 worded the same way, which means it comes from the same
16 place, like all those knock-knock jokes your little kids
17 tell you.

18 I heard it from the mother of an employee of
19 the fairgrounds. I have heard it from somebody who I
20 thought was a friend as she was screaming at me in a
21 restaurant about me allegedly causing all the problems
22 at the fairgrounds.

23 Well, I don't know why people would think
24 this, and I would just like to extend to the person who
25 is attempting to start a comedy writing career, you're

1 having -- I appreciate you want to change careers. It's
2 very hard getting into comedy. I will pay for you to go
3 to Upright Citizens Brigade School so that you can get
4 out of this job that you so thoroughly hate and get into
5 a career that you like.

6 So -- and, you know, there's still -- a lot
7 of good things have happened. We've made a lot of
8 progress. There's still changes that still have to be
9 made. There's still progress to be made. There's a lot
10 of good things going on. And that's why we're all here.
11 Thanks.

12 BOARD CHAIR GERARDO MOUET: Thank you, Reggie.

13 And our next public comment is Roy
14 Englebrecht. Are you going to tell us how Holly pulled
15 that amazing victory?

16 MR. ROY ENGLEBRECHT: Thank you.

17 Two weeks from tonight we finish our fifth
18 year of Fight Club OC, and I want to say that there is
19 year-round fighting at the fair. I would not have
20 believed six years ago when Doug Lofstrom said, "Come
21 over and look at this rendering about this new venue
22 we're going to build at the OC Fair, and we're going to
23 call it The Hangar. And this is a place you could think
24 about bringing the fights." And then a year later when
25 the building was done, he called me and I came over

1 again, and I said, "Boy, I think we could really make
2 this into a fight venue." And here we are closing out
3 our fifth year.

4 And for those that have been to Fight
5 Club OC, it really has become a very unique fight venue,
6 not because it's for all involved, because I've been all
7 over the country, and this is the most -- this is the
8 best small venue.

9 We've done 30 Fight Club OC shows. We have
10 generated gross revenue of a little over a million
11 dollars in business. And the fair and The Hangar have
12 become such a unique venue that we've done another 12
13 shows, an HBO show, a Showtime show. December 11th
14 we're going to do an Access TV show. So other promoters
15 are coming to me and saying "We'd like to do shows at
16 The Hangar because it just makes a wonderful 1500-seat
17 venue.

18 And it really has been a team effort to get
19 us from 19- -- from 2011 to 2015. And I mean team
20 effort. It's been Roy Englebrecht Promotions and the
21 staff here at the Orange County Fair & Event Center.

22 Certainly, my contact, Howard Sandler, who
23 has been with me since we started, has really been a
24 great partner to work with. And I appreciate Howard.
25 Not only he works long hours at the office, but what is

1 so nice and I feel so good that he takes the time to
2 come to almost every one of our shows and where there's
3 a lot better things Howard could do on a Thursday night.

4 So, Howard, I appreciate that.

5 He really takes an interest.

6 Jennifer Olvera, who's my event coordinator,
7 outstanding, outstanding job. Nick Buffa and his
8 security, wonderful. Jason Jacobsen, technology, we
9 have a 40-foot video screen, instant replay, we
10 appreciate that.

11 Jerry, the facility's always in first-class
12 shape. Juan Quintero and Adela Generally from Ovations
13 does a great job. It really is a team effort. We can
14 put on a great show. We can put on great fights. But
15 it takes everyone here and the staff that I mentioned to
16 really make it work. So I wanted the Fair Board to
17 realize that you've got a great staff here that makes me
18 a better businessman and a better fight promoter. Thank
19 you.

20 BOARD CHAIR GERARDO MOUET: Thank you, Roy.

21 Okay. We're on to the minutes. Any
22 questions, comments on the minutes?

23 DIRECTOR DOUGLAS LA BELLE: Move the minutes.

24 DIRECTOR SANDRA CERVANTES: Second.

25 BOARD CHAIR GERARDO MOUET: I guess we have a --

1 what do you call it? The verbal vote.
2 BOARD CLERK JESSICA ZIMMERMAN: Roll call.
3 Chair Mouet?
4 BOARD CHAIR GERARDO MOUET: Yes.
5 BOARD CLERK JESSICA ZIMMERMAN: Vice Chair
6 Berardino?
7 VICE CHAIR NICK BERARDINO: Yes.
8 BOARD CLERK JESSICA ZIMMERMAN: Director Aitken?
9 DIRECTOR ASHLEIGH AITKEN: Yes.
10 BOARD CLERK JESSICA ZIMMERMAN: Director Tkaczyk?
11 DIRECTOR STAN TKACZYK: Yes.
12 BOARD CLERK JESSICA ZIMMERMAN: Director
13 La Belle?
14 DIRECTOR DOUGLAS LA BELLE: Yes.
15 BOARD CLERK JESSICA ZIMMERMAN: Director
16 Bagneris?
17 DIRECTOR BARBARA BAGNERIS: Yes.
18 BOARD CLERK JESSICA ZIMMERMAN: Director
19 Cervantes?
20 DIRECTOR SANDRA CERVANTES: Yes.
21 BOARD CLERK JESSICA ZIMMERMAN: Director Ruiz?
22 DIRECTOR ROBERT RUIZ: Yes.
23 BOARD CLERK JESSICA ZIMMERMAN: Director Nguyen?
24 DIRECTOR BAO NGUYEN: Aye.
25 BOARD CHAIR GERARDO MOUET: Very good. Thank

1 you.

2 Our next item is the items in the Consent
3 Calendar. Any questions?

4 UNIDENTIFIED SPEAKER: Move it.

5 DIRECTOR ASHLEIGH AITKEN: Second.

6 BOARD CHAIR GERARDO MOUET: Move and second. May
7 I have a roll call vote, please?

8 BOARD CLERK JESSICA ZIMMERMAN: Chair Mouet?

9 BOARD CHAIR GERARDO MOUET: Yes.

10 BOARD CLERK JESSICA ZIMMERMAN: Vice Chair
11 Berardino?

12 VICE CHAIR NICK BERARDINO: Yes.

13 BOARD CLERK JESSICA ZIMMERMAN: Director Aitken?

14 DIRECTOR ASHLEIGH AITKEN: Yes.

15 BOARD CLERK JESSICA ZIMMERMAN: Director Tkaczyk?

16 DIRECTOR STAN TKACZYK: Yes.

17 BOARD CLERK JESSICA ZIMMERMAN: Director

18 La Belle?

19 DIRECTOR DOUGLAS LA BELLE: Yes.

20 BOARD CLERK JESSICA ZIMMERMAN: Director

21 Bagneris?

22 DIRECTOR BARBARA BAGNERIS: Yes.

23 BOARD CLERK JESSICA ZIMMERMAN: Director

24 Cervantes?

25 DIRECTOR SANDRA CERVANTES: Yes.

1 BOARD CLERK JESSICA ZIMMERMAN: Director Ruiz?

2 DIRECTOR ROBERT RUIZ: Yes.

3 BOARD CLERK JESSICA ZIMMERMAN: Director Nguyen?

4 DIRECTOR BAO NGUYEN: Aye.

5 BOARD CHAIR GERARDO MOUET: Thank you so much.

6 We're now on to our Governance Process. 9A,
7 Committee/Task Force/Liaison Reports. The first one is
8 Centennial Farm Foundation, and that would be me and
9 anything that Michele wants to add.

10 But I was there. I'm planning to be there
11 today, as well, at 3:30. Last time I did inform the
12 board what we are -- have been discussing, that staff's
13 going to be approaching them and working on creating,
14 for lack of a better word, an MOU or an agreement. So I
15 informed them that we were doing that, and so that was
16 pretty much it. I don't know if there was anything else
17 that -- yeah. And so we'll -- I'll be attending at
18 today's meeting.

19 And Heroes Hall Veterans Foundation Board.

20 VICE CHAIR NICK BERARDINO: I can kick it off and
21 Doug and staff. Well, things are going along, you know,
22 obviously, very well. I want to kind of get the Board
23 up to speed on what's happening with the foundation.

24 It is -- I mean it is just being so well
25 received in the community. It's just -- I mean I'm

1 amazed. I really am amazed. I mean this is the first
2 time in my life where I've had people calling me, saying
3 "Where do I send the money?" You know, that's --
4 usually we're kind of turning them upside-down and
5 shaking it out of their pockets. But -- well, no, not
6 really. But it's pretty -- it's pretty tough to get the
7 money.

8 But people are very, very supportive. The
9 staff have done just a fantastic job of this. I mean
10 their hearts are in it. We saw at Veterans Day, you
11 know, everything they do for the foundation and Veterans
12 Day, and wonderful, wonderful team effort.

13 In addition to that, in terms of our
14 fundraising arm, we have some good money lined up, and
15 we're waiting for our determination letter. And, you
16 know, I mean I get calls from people saying we're ready
17 and, yeah, well, we don't have the determination letter
18 yet. You know, it's hard to -- somebody that's been in
19 politics for 50 years, it's tough to turn down money,
20 you know, for anything.

21 But, anyway, the fact is it's very
22 supportive. Our fundraising effort is -- I think is --
23 of interest is the fundraising committee, which Director
24 La Belle is part of for the foundation, is really amping
25 up. And we have a former Fair Board member, Joyce

1 Tucker, who is on board and just fired up. And we have
2 Barbara Venezia, who is also now, along with Carina
3 Franck-Pantone, and Doug, of course, is there guiding
4 the train here.

5 But these guild members, which is going to
6 be -- I think going to be the name of the Heroes Hall
7 fundraising committee. We'll call it Heroes Hall Guild.
8 Got that all approved. They'll operate under the
9 foundation. I mean it's just a committee, but a name
10 that will help with fundraising.

11 These people on this thing and the lady Tina
12 Javid from The Gas Company and great, great people that
13 are just lit up on fire. Those of you that have ever
14 worked with, you know, you know Doug. But if you worked
15 with Barbara and Joyce before, you know they are get out
16 of their way. You know, with Carina in there, I mean
17 it's like get out of the way. So that's what I'm doing.

18 Doug, what do you have to add? Anything?

19 DIRECTOR DOUGLAS LA BELLE: Yeah. I just would
20 indicate that that committee is going to meet this
21 afternoon at 1:30, kind of continue our discussion. And
22 then the next foundation meeting is Wednesday,
23 December 2nd, at 11:30. So we're moving forward under
24 the direction of our president, Nick.

25 VICE CHAIR NICK BERARDINO: It's wonderful. We

1 have Major League Baseball on board now, which is really
2 helpful, and that's thanks to Doug La Belle who got
3 Major League Baseball involved in this. And we have the
4 gas company. We have -- I mean I can go on, but just
5 wonderful, wonderful work.

6 BOARD CHAIR GERARDO MOUET: Thank you. Very
7 good. Okay. Well, thank you for that report.

8 I think we have another report from the
9 Organizational Needs Assessment Task Force. Director
10 La Belle or Director Ruiz?

11 DIRECTOR ROBERT RUIZ: Do you want to touch on
12 that?

13 DIRECTOR DOUGLAS LA BELLE: Go ahead, Robert.

14 DIRECTOR ROBERT RUIZ: Yesterday -- Doug and I
15 and Kathy met yesterday. Doug was on the phone. You
16 know what? I was really excited in the way this
17 organization is heading. We talked about the
18 implementations of the ONA. I was really pleased to
19 hear Kathy's idea. It will be great, implementing
20 the -- moving the H.R. office into the CEO's office,
21 things of that nature -- (indiscernible) -- evaluations.
22 Great stuff.

23 And, also, I'm looking into implementing
24 website modification, which I think, you know, the key
25 to success of any organization is having a great

1 website, which not that we have a bad one now, but it
2 can be even better. Kathy shared some great ideas.

3 And I'm really excited about the direction
4 this organization is heading. I look forward to working
5 with her, as well as Doug, in implementing the rest of
6 the process. It was a really great meeting.

7 I don't know, Doug, if you want to add
8 anything else to that?

9 DIRECTOR DOUGLAS LA BELLE: No. I think you said
10 it very well, Robert. Just one added thought. There's
11 a series of recommendations in Bill Kelly's report that
12 was done about a year ago, and Kathy and the staff have
13 literally looked at and are working on all of those
14 recommendations, I think a number of which will come
15 back as a part of the budget discussion next month. So
16 very good. I was very pleased too.

17 BOARD CHAIR GERARDO MOUET: Thank you. I -- and,
18 in fact, Doug, I recently took a brief look at the
19 report from Bill Kelly that was done, I don't know, a
20 year and a half ago or something like that. And I
21 noticed that a lot of the current efforts in improving
22 our accounting system -- our financial accounting system
23 is in concert with some of the thoughts from the needs
24 assessment about making sure that accounting is done
25 well and transparent and always available, and that

1 was -- that's also, I think, a good -- a good follow-up
2 to the -- (indiscernible).

3 Very good. Any other questions or comments
4 on this report? If not, I think we'll go to an exciting
5 next agenda item. That's 9B. Kathy?

6 MS. KATHY KRAMER: Okay. That's an action item.

7 This is to authorize CFFA, California Fairs
8 Finance Authority, to contract on behalf of OC Fair &
9 Event Center with the selected lowest qualified bidder
10 for the Pacific Amphitheater seat replacement project in
11 the amount of \$1,198,017, and don't forget the 44 cents.
12 The winning bid was American Seat Company.

13 The second piece of that is approved letter
14 of understanding with the CFFA to provide project
15 management services for the Pacific Amphitheater seat
16 replacement project.

17 BOARD CHAIR GERARDO MOUET: Any questions? Yes.

18 DIRECTOR STAN TKACZYK: The seat that we
19 selected, was that the seat that we sat in and liked?

20 MR. JERRY ELDRIDGE: It is, yeah. I do -- we
21 were looking at going with green on the seats. The
22 survey that we took was 50 to 51 being green, 51. In
23 assessing the amount of changeover and the work needed
24 to change all the blue that was in the amphitheater, we
25 looked at going with blue instead. And then also with

1 the name of Pacific Amphitheater, it felt more led to be
2 in a direction that we should go with blue.

3 DIRECTOR STAN TKACZYK: So it will be the same --
4 it will be the seat that we sat in and liked.

5 MR. JERRY ELDRIDGE: Yeah. Same seat, just
6 different color. And a lot of the stadiums that I've
7 been looking at after we had chose that and getting into
8 seat coloring, the greens tended to look more like a
9 ball field, and the blues looked more rich and more
10 theatrical. So we kind of moved towards that one.

11 BOARD CHAIR GERARDO MOUET: That's great.

12 DIRECTOR DOUGLAS LA BELLE: Jerry, what's the
13 time frame for completing the project?

14 MR. JERRY ELDRIDGE: The contract says March --
15 March 15th.

16 DIRECTOR STAN TKACZYK: Completion?

17 MR. JERRY ELDRIDGE: Completion.

18 BOARD CHAIR GERARDO MOUET: That's great. Any
19 other questions?

20 You know, I -- I think this is so exciting.
21 We -- this is sort of the next step after the big
22 investment the Board did. And it's a beautiful
23 facility, and so much in concert with our mission. It
24 just generates so much for people that attend, memories,
25 some people propose to their loved ones, and they just

1 have a lot of great things. And it's such an integral
2 part of the fair experience. So I think good seating is
3 important. And so if no other questions, I call for the
4 motion.

5 DIRECTOR ROBERT RUIZ: I have a question.

6 Jerry, is this contractor going to be doing
7 all the work himself, or is he going to sub out
8 anything? Is there anything in there to sub out?

9 MR. JERRY ELDRIDGE: I think that they sub labor.
10 They're out of Colorado.

11 DIRECTOR ROBERT RUIZ: Okay.

12 MR. JERRY ELDRIDGE: The superintendent is out of
13 Colorado, and I believe the guys that I've met out here
14 that have been measuring already -- we've started --
15 they are local guys.

16 DIRECTOR ROBERT RUIZ: Okay.

17 MR. JERRY ELDRIDGE: We've discussed the EWSP,
18 and we're actually going to have a conference call if
19 not today, tomorrow, on making sure we all understand.

20 DIRECTOR ROBERT RUIZ: Thank you.

21 BOARD CHAIR GERARDO MOUET: Any other questions?

22 DIRECTOR ASHLEIGH AITKEN: Move it.

23 DIRECTOR SANDRA CERVANTES: Second.

24 BOARD CHAIR GERARDO MOUET: First and second?

25 Very good. I'll have a roll call vote, please.

1 BOARD CLERK JESSICA ZIMMERMAN: Chair Mouet?
2 BOARD CHAIR GERARDO MOUET: Yes.
3 BOARD CLERK JESSICA ZIMMERMAN: Vice Chair
4 Berardino?
5 VICE CHAIR NICK BERARDINO: Yes.
6 BOARD CLERK JESSICA ZIMMERMAN: Director Aitken?
7 DIRECTOR ASHLEIGH AITKEN: Yes.
8 BOARD CLERK JESSICA ZIMMERMAN: Director Tkaczyk?
9 DIRECTOR STAN TKACZYK: Yes.
10 BOARD CLERK JESSICA ZIMMERMAN: Director
11 La Belle?
12 DIRECTOR DOUGLAS LA BELLE: Yes.
13 BOARD CLERK JESSICA ZIMMERMAN: Director
14 Bagneris?
15 DIRECTOR BARBARA BAGNERIS: Yes.
16 BOARD CLERK JESSICA ZIMMERMAN: Director
17 Cervantes?
18 DIRECTOR SANDRA CERVANTES: Yes.
19 BOARD CLERK JESSICA ZIMMERMAN: Director Ruiz?
20 DIRECTOR ROBERT RUIZ: Yes.
21 BOARD CLERK JESSICA ZIMMERMAN: Director Nguyen?
22 DIRECTOR BAO NGUYEN: Aye.
23 BOARD CHAIR GERARDO MOUET: Okay. The next item
24 is an informational item. Review of hourly pay rate for
25 seasonal fair-time positions.

1 Kathy?

2 MS. KATHY KRAMER: Thank you.

3 Staff was asked by Director Berardino in a
4 previous Board Meeting to provide information on how we
5 establish our seasonal fair-time pay rates. At that
6 time, I shared that our H.R. team was currently in the
7 process of completing a comprehensive seasonal pay rate
8 analysis. We've completed this project. In a few
9 minutes, our H.R. team will take us through their
10 findings and recommendations.

11 There were three main objectives we wanted to
12 accomplish as part of this project. The first was
13 compliance, to ensure compliance with the new California
14 minimum wage law that increases the minimum wage to
15 \$10 per hour beginning January 1st, 2016.

16 Our seasonal fair-time employees do not fall
17 under any of the CalHR pay requirements or pay bands as
18 do our Civil Service employees. The state allows us to
19 establish job descriptions and set pay rates for
20 seasonal employees as long as starting rates are
21 established at the prevailing State of California
22 minimum wage.

23 The second objective was to create seasonal
24 pay rates that were both equitable internally and
25 externally. Externally we wanted to ensure that the

1 OC Fair was aligned with other like industries in our
2 competitive set and offering competitive seasonal pay
3 rates so we can attract the best candidates possible to
4 work during the fair.

5 Internally, we wanted to create a model in
6 which the entire organization used the same template of
7 established pay rates for specific job functions. In
8 addition, the model would provide pay rate increases
9 that were defined and were consistent across the
10 organization.

11 And, lastly, to create a system that rewarded
12 our seasonal fair-time employees for longevity. Having
13 a high percentage of returning seasonal fair staff helps
14 us reduce hiring and training costs. In addition, it
15 brings back that institutional knowledge and expertise
16 year after year, contributing to our guest satisfaction
17 around the fair experience.

18 Our organization has not provided
19 across-the-board pay raises for our seasonal fair-time
20 employees in the past three years. This was a common
21 complaint as I was out and about this past fair talking
22 to our fair-time employees.

23 It is also important to understand as the
24 economy has recovered and Orange County is at a
25 4 percent unemployment rate that we ensure we're able to

1 continue to be a seasonal employer of choice and we're
2 able to attract and retain the best talent out there in
3 a competitive market.

4 At this time, I'd like to introduce Alyssa
5 and Janet from our H.R. team. Alyssa is our Human
6 Resource specialist, and Janet joined us during fair
7 time as a staff coordinator and stayed on board to help
8 with special projects. Just a little tidbit about the
9 ladies. Both of the ladies are currently enrolled in
10 the MBA program at Long Beach State, so we're hoping
11 they can use this exercise in real-life time and in
12 their educational career. It's really been a pleasure
13 working with them on this project, and they've done an
14 outstanding job.

15 With that, I'm going to turn it over to
16 Alyssa to take us through the research and findings.

17 Alyssa?

18 MS. ALYSSA TYLER: Thank you, Kathy.

19 So first I will outline where we collected
20 our data. The salary survey of local venues are venues
21 that we contacted that were willing to give us
22 information directly. The online job postings are
23 venues that we collected information on through their
24 public job openings.

25 Our secondary data was collected through a

1 Del Mar salary survey that was completed late this year.
2 This consisted of ten anonymous participants. However,
3 we do know that there was data collected from the
4 L.A. County Fair, as well as Cal Expo. These various
5 job websites took like data on medians for different
6 jobs.

7 We also looked at Indeed.com to collect
8 current data on what other companies in the Southern
9 California region are paying.

10 So for this exercise, we extracted the top
11 seven positions that make up our seasonal work force.
12 Our research found that these positions make up 80.59
13 percent of our seasonal employees in 2014 and 2015.

14 Through this chart, you can see what
15 percentage each position makes up of our total fair
16 staff. So here you can see how the top -- the same top
17 seven positions compare to both the U.S. median and the
18 median of all the comparisons that we used.

19 The data shows that in these positions, OCFEC
20 pays competitive wages versus what the rest of the
21 market pays. The OCFEC is represented on this chart in
22 blue on the right side of the columns. And as you can
23 see, for the most part, we are in line with what our
24 research has found.

25 Just a side note. For some of the positions

1 that we are slightly below, please take into
2 consideration that some of these comparisons are
3 full-time positions where ours are truly a seasonal
4 position.

5 So as we see the importance looking back to
6 reflect on the growth of the organization, on the left
7 we show the total number of seasonal employees hired for
8 the last four years. And as you can see, from 2012 to
9 2013, we showed growth, where 2013 and 2014 the numbers
10 remained steady.

11 In 2015, we had a higher amount of employees
12 due to our 125th celebration and the new positions that
13 were created along with that. As a result, 2016
14 staffing levels are projected to be more reflective of
15 2014 staffing levels.

16 On the right, we see employees hired versus
17 our actual pool of applicants. We have a large amount
18 of applicants to pull from, which shows that people are
19 interested in working at the OC Fair. So these numbers
20 indicate that we can select top candidates for positions
21 of -- (indiscernible) -- job seekers to satisfy our
22 hiring needs.

23 Here we see the employee retention for each
24 of our top seven seasonal jobs. The data shows that the
25 median employee retention for these positions is at

1 48 percent. This shows that we are maintaining our
2 institutional knowledge, but we are also bringing in new
3 and fresh faces.

4 The chart you see here is an age report that
5 we collected for our seasonal employees from 2012 to
6 2015. Our age ranges from as young as 16 to as well
7 seasoned as 89 years old. The trend shows that we have
8 had an increase of employees in the younger age group,
9 which is reflective of the economy and the
10 underemployment of this demographic during the
11 recession. So as our economy improved, more job
12 opportunities became available for this highly impacted
13 age group.

14 So what it's showing us is that OCFEC really
15 does provide substantial amount of opportunities to many
16 college students, as well as to first-time job seekers
17 within Orange County.

18 So this slide shows us the impact on the top
19 seven fair seasonal jobs. After reviewing our
20 comparisons to the industry in our closest operating
21 fairs, which included Del Mar, which is closest to us in
22 size and -- (indiscernible) -- as well, we came up with
23 a tiered longevity wage structure to incentivize tenure.
24 This rewards longevity at the third, fifth, tenth, and
25 15th year. This new structure will ensure equity within

1 the industry and across the organization itself.

2 So this slide shows the jobs we have for our
3 seasonal employees that requires a specialized skill
4 set. As you can see, this includes things like
5 accounting clerk and electrician and sign language
6 interpreter, for example.

7 For some of these positions, based on our
8 research, we have created a wider band since these jobs
9 require more experience and education and also
10 represents a smaller portion of our seasonal work force.

11 DIRECTOR ASHLEIGH AITKEN: I have a question real
12 quick. Is there -- when we're looking at this and we're
13 saying, hey, in the tenth year, you're going to get a
14 \$1.50 wage increase, is that going to be adjusted for
15 inflation, or are we going to be doing it for -- is it
16 going to actually be written into their contract where
17 it will be a flat amount?

18 MS. KATHY KRAMER: The intent was to take it to
19 set the model as flat on those significant milestone
20 years. We're going to have to really watch closely.
21 Because if you follow some of the legislation, there's
22 conversations about minimum wage going up significantly
23 in California. So we're going to have to take this year
24 by year and understand how we integrate that and make it
25 proportionate. So --

1 DIRECTOR ASHLEIGH AITKEN: Yeah. I was just
2 curious. So we're not going to be writing things into
3 the contract.

4 MS. KATHY KRAMER: No. Absolutely not. These
5 are seasonal employees that do not sign a contract that
6 are only here for fair time. This will incentivize them
7 to continue to come on board and be an employee during
8 the fair time. But there's nothing legally or
9 contractually that we're obligated to. This is to help
10 us retain and recruit.

11 DIRECTOR ASHLEIGH AITKEN: Thank you.

12 MS. ALYSSA TYLER: So this slide shows the impact
13 that our new structure would have on our seasonal leads
14 and supervisors. So the philosophy -- you might notice
15 there's not as much data for these positions as we have
16 for the other positions.

17 The philosophy behind the way we formatted
18 this structure was that the lead positions is going to
19 start at the -- a dollar more than the five-year value
20 of the position for which they are leading. This
21 philosophy was adopted from the Del Mar pay structure,
22 as well.

23 So we also saw the importance in maintaining
24 equity among the organization itself with a
25 consideration of our full-time civil service positions.

1 So here we have the pay for a maintenance assistant, a
2 seasonal position, compared to the pay for a service
3 assistant, which is a similar position that is full time
4 Civil Service.

5 You can directly compare the base salary for
6 each position and see that the starting salary for the
7 full-time position is higher. We also took into account
8 any benefits that these employees will receive.

9 So now I'll move on to the 2016 projected
10 budget impact. These are the seasonal jobs for 2014
11 that -- (indiscernible) -- new minimum wage will be in
12 2016. These employees' wages range from \$9 to 9.75 per
13 hour, and all 677 employees will automatically receive
14 an increase based on the mandated minimum wage increase
15 in California to \$10 an hour effective January 1st,
16 2016.

17 2014 numbers are shown here because the
18 number of employees in 2016 will more closely match 2014
19 rather than 2015.

20 Again, based on 2014, there are 677 employees
21 that will be positively impacted by the minimum wage
22 increase. As you can see, that amount is 1,381 seasonal
23 employees, and this represents 49 percent of our
24 seasonal employees. In addition, this work group will
25 be eligible to receive additional pay increases based on

1 their tenure as a result of the new salary structure.

2 So in closing, we wanted to provide a recap
3 for the overall budget implications for both the minimum
4 wage increase, as well as the new salary structure. So
5 49 percent of our seasonal employees will receive an
6 increase in order to meet the minimum wage mandate.
7 Some of these employees will also be eligible for an
8 additional increase through the new salary structure.

9 Other employees already above the minimum
10 wage will also be eligible to receive an increase based
11 on the salary structure that rewards longevity. As a
12 result, a total of 68 percent of seasonal employees are
13 projected to receive a pay increase. This will have a
14 projected \$309,000 budget implication for 2016, which is
15 a 5.4 percent increase in labor costs from 2015 to 2016.

16 Thank you for listening, and does anyone have
17 any further questions?

18 DIRECTOR ASHLEIGH AITKEN: Tell your professor I
19 give you an A.

20 MS. ALYSSA TYLER: Thank you.

21 VICE CHAIR NICK BERARDINO: Good job.

22 I have some comments if we can go back to the
23 first slide. Not the first slide, but the slide that
24 shows -- right there. I mean going from \$12 to 12.50 in
25 three years is to me unacceptable. I mean this isn't an

1 action item, so we need to schedule it for an action
2 item. I think this should be a Board decision in terms
3 of what policy we set in terms of what the wages will
4 be.

5 I mean if there was just a 5 percent increase
6 in one year in inflation, that's 60 cents. You're
7 waiting three years to get 50 cents. Is -- I mean we're
8 engaging in the race to the bottom here, and that is
9 something I don't want to engage in.

10 And this is -- this is -- we're looking at
11 minimum wages. I mean something must have escaped some
12 folks here. But if anybody isn't looking, this country
13 is going into a very, very deep, deep slide, and it's
14 because people don't want to pay for work.

15 And there's dignity in work, and there's
16 dignity in doing, you know, work that's entry level.
17 But -- so that is a view of me.

18 The second view is we have -- I think we have
19 a wage issue here, a salary issue that goes from the top
20 down to the bottom. I mean I saw the L.A. County thing
21 in terms of wages, and we have L.A. County thing in
22 terms of wages here. You know, we have to re-examine
23 what we're doing here from top to bottom. I'm waiting
24 for the attorney to say when I get off subject, so go
25 ahead. Be ready to jump in.

1 MS. DEBORAH FLETCHER: You're right on the
2 subject.

3 VICE CHAIR NICK BERARDINO: All right. Jump in
4 whenever you're ready.

5 MS. DEBORAH FLETCHER: I'm just interested in the
6 conversation. So, no, go for it.

7 VICE CHAIR NICK BERARDINO: So -- so I just think
8 we ought to set an example here, not with this kind of
9 stuff. That's ridiculous. That is ridiculous wages for
10 people that -- you know, living in Orange County, even
11 in part-time positions. And the wages for our
12 executives and the other staff here are ridiculously low
13 too.

14 You know, we should be -- our executives --
15 I'm not saying our executives should be at the top of
16 the market, but they sure as hell shouldn't be at the
17 bottom. They do an outstanding job here.

18 The employees here should be getting more
19 money. I know we got a direct deal with the union and
20 the union wages are set by the negotiations between SEIU
21 and the state and they set that wage.

22 But there are other things that we can do and
23 ought to explore doing with the union to increase the
24 wages of those people with premium pays, bonus pays, all
25 those things that can be in addition to the collectively

1 bargained wage -- wage schedule. I mean there's things
2 that we can do.

3 And so, you know, I'm for going from the
4 bottom up, taking care of the little guy first. These
5 kids come here, go to college, and everybody thinks "Oh,
6 we're doing such a great thing. We're paying them
7 \$10 an hour. Isn't that wonderful." Yeah? You want to
8 go to college here? I'll tell you go to Cal State, go
9 to UC Berkeley. It's \$41,000 a year now, living
10 expenses.

11 And I'm pretty -- you know how I feel about
12 these vendors that are coming here and, you know, paying
13 people minimum wage too. I want to get my arms around
14 that someday, and I've been saying and screaming about
15 that, and not a lot of other people are joining in on
16 that because everybody's "Oh, we got to be concerned
17 about these vendors." I mean I'm not. I'm not the
18 least bit concerned about them. Not the least.

19 What I'm concerned about are the working men
20 and women that come in here and are employed or use our
21 property in a country where the haves and have nots have
22 split so much that we should be the leaders, not
23 participating in this kind of stuff.

24 Twelve dollars an hour. Get -- you get 12.50
25 after three years. You got to be kidding me. That

1 doesn't even cover for inflation. I'm not going to
2 participate in that. I'll tell you I want -- I'm just
3 not. Maybe everybody else may be comfortable. That's
4 fine. But I'm very uncomfortable.

5 And so I would like to ask the Chair to
6 agendize this for action so we can have a discussion,
7 and included in that discussion is how we're going to
8 raise all above ceiling. Our executive staff down there
9 at the bottom, it's ridiculous. I mean this is a great
10 operation. They do an incredible job, a marvelous job
11 here.

12 This is -- people come to our events, and all
13 I ever hear is "Man, this place is hot." Yeah, it's hot
14 because we got great people that are doing a great job.
15 And the executives can't carry out their job unless the
16 workers are doing their job.

17 And we all come here, and I'm not -- I
18 don't -- I'm not going to exploit, if I can help it,
19 these young kids that come in here paying out the ear,
20 their parents are getting killed in paying tuitions,
21 getting killed out there. I know. I put five kids
22 through school. And if I didn't have a wife that, you
23 know, was brilliant and did a lot of investments, you
24 know -- leave it up to me, we'd have nothing. That's a
25 fact. And I spend money with both hands. But, you

1 know, I have a wife who did it. I couldn't have put
2 those kids through school.

3 And these kids come and work for us, and
4 we're going to give them a 50-cent raise after three
5 years. That's the lead. So, Mr. Chairman, I'd like to
6 talk about the salary thing in a more contextual way so
7 we can take care of these execs and we can take care of
8 these -- everybody else that's here working.

9 BOARD CHAIR GERARDO MOUET: Thank you, Nick.

10 Before I respond, I'd like to see if there's
11 any other questions or suggestions or comments.

12 DIRECTOR ASHLEIGH AITKEN: Yeah. I mean I think
13 one of my concerns that -- when I was trying to ask the
14 question is I think it may be better -- because I see
15 two issues. One, maybe we need to examine based on what
16 our 2015 -- how many people we had, what they paid, and
17 what our profits were. If we had paid those people
18 \$13 an hour to start or \$15 an hour to start, how would
19 that affect -- how would that have affected our profits?
20 I think that analysis we can do based on the data that
21 we already have.

22 And when it comes to structures, my concern
23 is, you know, if we're promising somebody \$1.50 in ten
24 years, you know, \$1.50 in ten years is going to be
25 nothing. Maybe we should look at a percentage increase,

1 whatever that percent is, starting off their -- their
2 wage -- so if you work ten years, you'll have more of a
3 percentage increase as opposed to a flat fee or having
4 it somehow tied to inflation.

5 BOARD CHAIR GERARDO MOUET: Any --

6 DIRECTOR ROBERT RUIZ: Yeah. I just have a
7 comment. I agree with Nick on the wages here. You
8 know -- (indiscernible) -- the Register did a study a
9 few months ago. And to rent a two-bedroom apartment
10 here in Orange County, you need to make \$29 an hour just
11 to make that rent.

12 Nick was saying, you know, a lot of these
13 kids are college students who come here. You know, they
14 jump on the bus and come work at the fair. And those
15 wages to me are -- I think we need to bump up those
16 wages. These kids have to pay for their college
17 tuitions and whatever expenses they have.

18 It's not cheap to live in Orange County. We
19 know that. I know that. I have two kids and a wife, a
20 stay-at-home mom, and it's very expensive. So I -- we
21 have to look into that -- (indiscernible).

22 BOARD CHAIR GERARDO MOUET: Yeah. Any
23 other comments?

24 Doug?

25 DIRECTOR DOUGLAS LA BELLE: Yes, Gerardo. I

1 agree with Nick. We ought to have this back as an
2 action item. And I think the budget is coming up next
3 month, so that would be an appropriate time to do it.

4 I guess my question -- we've had from time to
5 time some discussion on this before. Being all of our
6 full-time employees are state employees, what
7 flexibility do we have beyond the state pay schedule?
8 I'd like to explore those options, whether there's
9 incentive kind of things that we can do in terms of --
10 and still stay consistent with the -- with the state
11 guidelines.

12 BOARD CHAIR GERARDO MOUET: Nick, you have a
13 comment?

14 VICE CHAIR NICK BERARDINO: Yeah. I think -- I
15 mean SEIU -- I checked on this to see because I -- when
16 I saw that our execs were so -- I mean that's
17 ridiculous -- at the bottom of the thing, my feeling was
18 we ain't moving anybody, and we got to move everybody.
19 I mean everybody needs to get moved.

20 You know, and I talked to, you know, SEIU
21 about this, and it requires the state agreeing for us to
22 have a reopener of the contract. And, you know, when
23 Marty Morgenstern was there doing the state stuff, it
24 would have been easier. It's tougher now.

25 But we might be able to get the parties to

1 agree to have a reopener for the sole purpose -- and we
2 have to -- you have to say that, for the sole purpose of
3 examining some sort of premium pays or bonuses for the
4 nonexec employees here. So, i.e., you work at the fair.
5 If the fairground does X, you get X in terms of premium
6 pay bonus.

7 If -- you know, that is a specific reopener
8 that the parties have to agree to. And, you know, let's
9 be -- you know, as long as, you know, being candid here,
10 unions have a hesitancy because they worry about "Well,
11 if we reopen for this and then these other people aren't
12 going to get it, then we've got internal issues."
13 There's all kinds of issues that arise when you're -- as
14 you know, being a former city manager, I mean you guys
15 never liked to reopen on anything. I'm not trying to --
16 but it's true.

17 But, anyway, the fact is, if we can, that's
18 how I think we can do it, and I think we can accomplish
19 it -- we can accomplish it with Local 1000 and see if we
20 can, you know, get them to agree. I don't think the
21 state really cares that much if Local 1000 --
22 (indiscernible). But we got to just re-examine all of
23 that. So I think we can do it. We just have to have
24 the will to do it.

25 DIRECTOR STAN TKACZYK: First, I find it very

1 difficult for the union not to accept the reopener when
2 we want to give more consideration on wages. And if
3 they did not accept that, I would be willing to do a
4 public relations program against them.

5 VICE CHAIR NICK BERARDINO: That would be
6 advisable.

7 DIRECTOR STAN TKACZYK: Secondly, I would like to
8 incorporate on what Director Aitken's asked about
9 putting in the -- well, not the budget, but a study, and
10 I think you were actually directing --
11 (indiscernible) -- this chart. Would that be a correct
12 understanding?

13 I'd like to include our senior administrative
14 staff because we're talking about moving from top to
15 bottom. And I know we haven't discussed any numbers or
16 anything in that range, but maybe you can put something
17 in to see what the overall effect would be, not just on
18 the work force coming in temporarily. That would be my
19 suggestion.

20 VICE CHAIR NICK BERARDINO: Yeah. Right.

21 DIRECTOR STAN TKACZYK: Just everything. Are you
22 with me?

23 BOARD CHAIR GERARDO MOUET: Yes.

24 DIRECTOR BARBARA BAGNERIS: Since this impacts
25 2016, you're going to agendize this for the next

1 meeting?

2 BOARD CHAIR GERARDO MOUET: Okay. Any other
3 questions before I provide some comments?

4 Okay. First of all, let me get the
5 thank-yous out of the way. I know that in public
6 meetings -- you took leadership, Nick, to bring this to
7 our attention, and thank you for that. I think it's
8 very, very important.

9 This issue has been focused according to the
10 agenda on seasonal part time. We also started talking
11 about full-time reopening. I think that's an important
12 issue that we've all heard that I think Kathy and staff
13 have heard, and I think there should be follow-ups.

14 I think we have pretty good directors that
15 can help us with regards to labor relations, we have
16 friends, as well, on figuring out how all that world
17 works from the employer's side to the employees' side.
18 So I'm pretty sure on that.

19 But on the part time, I want to thank Kathy
20 and the two young professionals that put this -- I also
21 believe that they deserve an A, maybe an A plus. And I
22 think it's important to know that at December 11,
23 there's going to be a budget study session where all the
24 Board is recommended, encouraged to attend. I believe
25 staff has heard -- because now let me say that I agree

1 with Nick.

2 Now, what we're talking about, I believe, and
3 I can be corrected -- I'd be very happy to be
4 corrected -- what we're talking about is an action item
5 for the December 17th, 2016, budget, and what we're
6 talking about is these seasonal wages.

7 And it's really -- we've been talking about a
8 compensation philosophy because -- because of what you
9 mentioned earlier, there's no contract. This is just us
10 wanting -- and this is my take from the discussion.
11 Excellent job in comparing with the studies in Del Mar
12 and how we're like right there.

13 I believe that what this Board is saying is
14 that we want to be the top. We want to be the leaders
15 with regards to the seasonal wage.

16 Now, the -- Kathy has been saying that --
17 that we have a 65 percent retention of our employees
18 coming back. Now, that's great. We want to do better.
19 And we want to have -- we want to vote on -- on it --
20 some new recommendations. I mean I think the overall
21 summary was -- was it 5.4 percent?

22 MS. KATHY KRAMER: Correct.

23 BOARD CHAIR GERARDO MOUET: For 68 percent of our
24 seasonal employees?

25 So I -- Nick, you focused on these lead and

1 supervisor fair part time. I think that message I agree
2 with you. You know, talk about brain drain. There
3 seems to be more there, the leaders, et cetera, that's
4 an important thing with regards to the 50 cents.

5 Second, I think that -- so -- so, one, staff
6 will think about that, the overall 5.4, but perhaps
7 what -- where should we adjust based on this
8 conversation on compensation philosophy?

9 And then -- and then I also would like to
10 know -- well, if it's 68, where is the other percentage
11 of -- that's not part of that 5.4? I just think it
12 would be nice to know who's not a part of that 5.4 when
13 we bring it back to the December 11th budget study
14 session because I -- I hear that on December 17th when
15 we vote on the budget that it will be an action item.
16 That's my understanding.

17 So any -- any thoughts or suggestions on
18 possible direction on this kind of outline?

19 DIRECTOR ASHLEIGH AITKEN: I know -- sorry. I
20 know that Nick touched on this a little bit, but I would
21 like to as almost a separate discussion or separate just
22 kind of footnote what type of effect we have
23 contractually on the wages of people that are hired by
24 RCS or hired by our food vendors because we might -- as
25 we move further along this path, we want to make sure

1 that we're not losing synergy between people that are
2 carnival workers, food vendors, and then people that are
3 our staff.

4 BOARD CHAIR GERARDO MOUET: Across the board.

5 DIRECTOR ASHLEIGH AITKEN: If we have any -- if
6 we can have any effect at all. I'm not sure if we can.

7 VICE CHAIR NICK BERARDINO: Yeah. Good question.

8 You know, when I was vice president --
9 (indiscernible) -- up until last July, there was
10 interest -- there was a feeling of people coming to use
11 state property. And this is a wage discussion that I
12 think goes into action items.

13 There is a feeling -- they come to use state
14 property, and we know they're sometimes paying just
15 bottom, bottom, low wages. They come work for the
16 various vendors, and they're not paying them very much
17 money. And so as a thought, can -- legislation that
18 came out of Santa Clara County, you know, was there a
19 thought of requiring anybody that uses this property to
20 pay, you know, a prevailing wage because, you know,
21 getting to that issue, which is long forgotten around
22 many places, this doesn't belong to -- this property
23 belongs to the people of the State of California. It
24 belongs to people that use it. It belongs to the people
25 and should -- (indiscernible). That is something -- and

1 I had a discussion two weeks ago with somebody leading a
2 fight in Sacramento who's looking at that very issue
3 too, thinking that everybody's so worried about -- and
4 should be.

5 I mean people in this country are starving
6 all over the place. I mean this has gotten -- this is
7 way out of control. We even have people like Donald
8 Trump talking about we need to fix wage inequality. You
9 know, we've really reached the bottom of it.

10 So I think we can't really do much about
11 that. I think what we -- until that legislation goes.
12 If it will be introduced, I doubt that it will be
13 introduced this year because there's other legislative
14 priorities I think that will be discussed in early
15 December.

16 But I would like us to -- as part of this
17 discussion is to have this -- and I know -- anytime you
18 take a leadership position on an issue like this,
19 everybody cringes. "Oh, my God." You know, "Oh, this
20 is -- oh, my God. We can't go and tell the vendors that
21 people -- we can't tell them to do what they do." You
22 know, "We're gonna lose shows." I get all that. I mean
23 that's a very difficult thing to deal with.

24 But I guess we're not going to be able to get
25 that. I would hope that at some point in terms of these

1 wages and dealing with them we come up with some sort of
2 policy decisions that are very directed at that.
3 Because I'm telling you I'm fed up watching these guys
4 walk out of here with -- I saw somebody walk out of here
5 after the fair -- a vendor walked out of here with close
6 to 11 million bucks, \$13 million.

7 What? And what did -- the employees who
8 worked for them, what did they get? Probably not much.
9 But I don't like that. I don't think it's right. Not
10 if we're in a position here of trying to make policy.
11 So we can't do that. I hope we can begin to have those
12 discussions with vendors. But we can do something for
13 our own people, top to bottom, because everybody is, I
14 think, underpaid.

15 So I would hope that we ought to have that
16 discussion with vendors. People will squirm. And
17 they're going to -- staff will squirm, and vendors will
18 squirm. I see Roy squirming in the background over
19 there. I mean they're going to -- you know, we don't
20 want to do that.

21 Well, maybe you don't. But that -- you know,
22 whether you want to do business here or not, that's your
23 choice. But this property isn't theirs. This is the
24 property of the people of the State of California. What
25 do the people of the State of California want, that's

1 what counts. So that's my view, but I hope we'll have
2 that discussion soon.

3 BOARD CHAIR GERARDO MOUET: Well, I -- Doug?

4 DIRECTOR DOUGLAS LA BELLE: Just a thought. One
5 of -- with all the seasonal employees, this becomes an
6 excellent opportunity to evaluate future potential
7 full-time employees. Do we have any ability to go back
8 and determine how many of our seasonal employees have
9 ultimately transitioned from a part-time maintenance
10 worker to a full-time maintenance worker?

11 MS. KATHY KRAMER: Absolutely.

12 DIRECTOR DOUGLAS LA BELLE: Okay. That would be
13 helpful. I'd like to know that if that's possible.

14 BOARD CHAIR GERARDO MOUET: I think that's a very
15 good point. That frequently shows why it's so worthy to
16 invest in part-time seasonal.

17 DIRECTOR DOUGLAS LA BELLE: Right.

18 BOARD CHAIR GERARDO MOUET: Well, let me say
19 this, that what was on the agenda and what I think staff
20 has gotten direction is on the part-time compensation
21 philosophy, how it's going to be brought back at the
22 budget study session with -- with input from the Board
23 today, and how, from my perspective, we want to be
24 leaders with regards to the comparisons. That's what I
25 heard.

1 And then I also heard we also need to be
2 mindful about the people that work for our organization
3 that are full time that didn't have contracts. But if
4 any fair in this state has the opportunity to put some
5 leadership on that, it's this fair because of the
6 composition of the Board Members, I believe.

7 And then, lastly, I think what was just
8 brought up, which I agree, is that the -- it is
9 different when some -- when a third-party organization
10 comes and rents a private property to do an event or
11 rents public property to do an event.

12 I think it's important for the Board of
13 Directors to be mindful with regards to making sure that
14 those organizations that are using our facility are fair
15 and are not exploitive of the people that they're
16 doing -- because it is a reflection on what we do.

17 We're very proud of our third-party events.
18 You just did an amazing outline on what they do. But we
19 want to be proud not just because the attendance but
20 also how they operate and how they're ethical and
21 they're fair. I believe that's what we're saying. I
22 don't think there's anything wrong with that. I
23 believe -- I believe those are good takeaways with
24 regards to -- I mean those are good directions.

25 And so I'm excited about this discussion, and

1 I think we have some more work, some -- (indiscernible).

2 DIRECTOR STAN TKACZYK: I'd just like to make one
3 other comment, that I would agree with my fellow Board
4 Members on the dialogue that I heard. But putting my
5 businessman hat on, I would like to share this.

6 Is that before we go out there and start
7 setting policy, I'd really like to know from our
8 attorney where -- what perimeters we have to do that?
9 Because I don't want to start something and then find
10 out that we've overstepped our bounds. And that's, I
11 think, the simplest way I can say it.

12 So I'm for looking at these things, I'm for
13 doing these things, but I want to make sure we do it
14 under the letter of the law and not create a problem.

15 MS. DEBORAH FLETCHER: Okay. And just so I'm
16 sure I have the question in mind, is that with regard to
17 the employees, the part-time seasonal employees, and
18 third-party vendors or just all of that or just some of
19 it?

20 DIRECTOR STAN TKACZYK: I'd like to have all of
21 it.

22 MS. DEBORAH FLETCHER: You got it.

23 DIRECTOR STAN TKACZYK: Thank you.

24 BOARD CHAIR GERARDO MOUET: Any other comments,
25 questions?

1 VICE CHAIR NICK BERARDINO: I just want to say
2 that I've been seeing salary studies for 41 years, some
3 by the best firms in the country, I mean big, huge
4 firms, and I'll tell you this is -- rivals all of those.
5 Excellent job on the salary study.

6 DIRECTOR DOUGLAS LA BELLE: Yes. Very good.

7 VICE CHAIR NICK BERARDINO: It is superior work.

8 (Applause.)

9 BOARD CHAIR GERARDO MOUET: Good job.

10 VICE CHAIR NICK BERARDINO: The study was sound,
11 very, very well done.

12 BOARD CHAIR GERARDO MOUET: Well, it sparked a
13 discussion. That's for sure. So that's good -- that's
14 a good indication that you're on target. Very good.

15 Well, thank you. So that was an
16 informational item and quite a good one.

17 And now we have -- I think our next item is
18 also informational, and it's 9D, regarding the gun show
19 and our site here.

20 Kathy?

21 MS. KATHY KRAMER: I'll turn it over to Michele.

22 MS. MICHELE RICHARDS: Okay. At last month's
23 Board Meeting, staff was asked to provide information on
24 the gun shows that are held here at the OC Fair & Event
25 Center in addition to laws in California that pertain to

1 gun shows, and I have to preface this presentation by
2 saying I am not an attorney. I am also not a gun
3 expert. So I'm providing basic information for
4 discussion purposes only.

5 Let me start off with an overview of
6 Crossroads of the West Gun Shows here at the OC Fair &
7 Event Center. They have been a promoter here for 29
8 years with us. They currently do five shows per year,
9 one in January, March, June, August, and November, and,
10 in fact, their show is next weekend, Thanksgiving
11 weekend in November.

12 An average of about 13,000 attendees per
13 year -- I'm sorry -- per show each year. They represent
14 projected revenue for 2015 at about \$627,000, which
15 currently represents 10 percent of our total event
16 revenue or will represent about 10 percent of our event
17 revenue for 2015, and that includes -- that total
18 includes building rental, food and beverage, and
19 parking.

20 Their footprint includes the Costa Mesa,
21 Huntington Beach, Los Alamitos, and Anaheim buildings.
22 Those are all four of the exhibit buildings in the Main
23 Mall, including the two breezeways between those
24 building configurations, which are the Santa Ana
25 Pavilion and the OC Promenade, and they also rent the

1 Main Mall.

2 There is a significant law enforcement
3 presence and safety and security presence during the gun
4 shows made up of our own safety and security staff,
5 members of the Orange County Sheriff's Department, and
6 members of the Firearms Division of the California
7 Department of Justice.

8 Let me tell you a little bit about what we
9 learned regarding California law and gun shows. There
10 are no exceptions at gun shows in California compared to
11 brick-and-mortar retail stores. And, in fact, the state
12 of California has the strictest gun laws on record,
13 particularly related to gun shows.

14 So at a brick-and-mortar retail store,
15 there's a ten-day waiting period. There is when you
16 purchase a gun at a gun show, as well, in California.

17 Brick-and-mortar retail stores, there's a
18 requirement for a federal background check as is at gun
19 shows in California. There is DROS or Dealers Record of
20 Sale paperwork and fees that are required at
21 brick-and-mortar retail stores as is required at gun
22 shows.

23 And all transactions, whether it's at the
24 retail level or at gun shows, must be conducted by an
25 FFL -- FFL dealer. That's Federal Firearms License

1 dealer.

2 I thought it might be interesting to compare.
3 I mentioned that California gun laws are the strictest
4 in the country. It might be interesting to compare
5 California law with regard to gun shows to one of our
6 neighboring states of Nevada.

7 So currently in Nevada, a customer can
8 purchase any gun at a gun show and leave with it
9 immediately. Not so in California, that there is a
10 mandatory ten-day waiting period while the gun is in the
11 possession of an FFL dealer.

12 In Nevada, you can purchase at gun shows
13 high-capacity magazines. In California, it's a felony
14 to possess high-capacity magazines.

15 In Nevada, fully automatic weapons are legal
16 to sell and own. In California, it is a felony to
17 possess an automatic weapon.

18 In Nevada, private party to private party
19 sales are legal at gun shows, meaning someone can come
20 to a gun show with a gun that they own personally and
21 sell it to another private party at a gun show in
22 Nevada. That must be done through an FFL dealer in
23 California. So if someone wanted to sell a personal
24 gun, they would have to first submit it to an FFL
25 dealer, who would take care of all of the required

1 background check, the mandatory waiting period, all the
2 licensing and fees, et cetera, and only after that is
3 satisfied would they be able to pass it along to the --
4 the other private party new owner.

5 Virtually, any firearm can be sold in Nevada.
6 And in California, any firearm sold must be on the
7 Department of Justice approved list as having passed
8 firing, safety, and drop tests.

9 So you can see the difference between just
10 one state away how much stricter California law is. So
11 that's --

12 DIRECTOR STAN TKACZYK: I would just add one
13 thing to the list so the general public and our Board
14 Members understand this. In order to do what you said
15 you can do in Nevada, you have to be a resident of
16 Nevada.

17 MS. MICHELE RICHARDS: Correct.

18 DIRECTOR STAN TKACZYK: You can't come over as a
19 California resident and go to a show and purchase a gun
20 and walk out. They won't sell it to you.

21 MS. MICHELE RICHARDS: I think that's an
22 important distinction. Yeah. And, in fact, the
23 Department of Justice monitors that corridor between
24 California and -- and Nevada quite closely.

25 DIRECTOR STAN TKACZYK: Because I was over there

1 and went into a store and wanted to purchase something,
2 and I was all excited and so were they. And as soon as
3 they saw my California license, they said there's hardly
4 anything in the store that we can sell to you if you're
5 a resident of California. Yeah.

6 MS. MICHELE RICHARDS: So that's the research
7 that -- that staff did. I could attempt to answer any
8 questions that you have. But, again, you know, I'm not
9 a legal expert or a gun expert, but I'm happy to take
10 any questions that the Board might have.

11 VICE CHAIR NICK BERARDINO: Question. Okay. So
12 I think you've said it, but it's, you know, my personal
13 feelings about guns or -- I think you only have to be in
14 a war once to see what guns do. And I think you lose
15 your affinity for it if you have your friend's brains
16 splattered all over your face. You get to the idea
17 they're not the greatest things in the world.

18 And it's -- and we see what's happening all
19 around us. We've got -- how much more do we got to go?
20 It's like how much -- well, it's not the guns. It's the
21 people. Well, okay. I get that argument. So I'm not a
22 big fan of guns. I think it's a lot more than just the
23 people. I think we know that.

24 But if they're legal in California. I mean
25 they are legal. We have a Constitutional amendment that

1 makes that legal. And, you know, we have to abide by
2 the laws. I mean until the laws change, we have to live
3 with them good and bad. Guns are bad.

4 So here for our gun show, nothing is
5 happening differently than if they went down -- there's
6 some guy that's got a big gun shop there in Costa Mesa.
7 Nothing's happening differently here than if they went
8 there; is that what you're saying?

9 MS. MICHELE RICHARDS: That's correct. Yes.

10 DIRECTOR BARBARA BAGNERIS: Is there any
11 monitoring that goes on?

12 MS. MICHELE RICHARDS: Yes, the --

13 DIRECTOR BARBARA BAGNERIS: Who does it?

14 MS. MICHELE RICHARDS: Well, again, the security
15 presence that's on site with the Department of Justice,
16 Orange County Sheriff's Department, and our own safety
17 and security department, as well. And the promoter
18 could give you more information about the, you know,
19 checkout process, check-in process, about how all of
20 that works.

21 But going back to what Director Berardino
22 said, there is no difference between purchasing a gun at
23 a retail store here in California and the process for
24 purchasing a gun at a gun show.

25 BOARD CHAIR GERARDO MOUET: Any other questions?

1 DIRECTOR ASHLEIGH AITKEN: Do we have -- I
2 remember when I was new on the Board, we had a big
3 discussion about paraphernalia, illegal marijuana
4 paraphernalia. And we looked at -- and I don't know if
5 it was in our mission statement or if it was in our
6 bylaws.

7 What are the -- I guess the restrictions that
8 our bylaws put on us about what -- what we can and can't
9 do when it comes to controlling what type of events we
10 have at our -- on our property?

11 And I guess my second question would be more
12 of a legal question, which is, I mean, do we have the
13 capacity -- we can philosophically talk about what we
14 want to have on this property and what we don't want to
15 have on this property, but are there legal restrictions
16 that would prevent us from deciding what type of events
17 we do and do not want to have on this property?

18 MS. KATHY KRAMER: I'm going to throw that
19 question to Deborah.

20 MS. DEBORAH FLETCHER: You know, there is a case
21 directly on point, and I don't recall what it says right
22 now. My understanding -- my recollection is that the
23 county can make the determination that it will not have
24 gun shows on county property. I think that's the
25 holding of that particular case. But I would say that,

1 in general, it's a business decision for this Board.
2 But I can -- I can certainly look into that and
3 double-check.

4 DIRECTOR ASHLEIGH AITKEN: Yeah. And maybe I
5 would be interested in pulling back that language that
6 we looked at because I honestly don't remember what it
7 says, either. But I remember it came up during the
8 marijuana paraphernalia discussions about what
9 restrictions are placed on us and how much authority we
10 have on what we can and can't sell on this property.

11 VICE CHAIR NICK BERARDINO: Mr. Chairman, I'm not
12 sure. It is that we cannot sell -- is it we cannot sell
13 marijuana paraphernalia on the property? I think was
14 that the policy? Because I think if that's the policy,
15 we can't sell pot paraphernalia, but we can sell guns.
16 You know, I mean, like, I know which one I would pick,
17 but --

18 BOARD CHAIR GERARDO MOUET: Is there a policy on
19 limiting that kind of paraphernalia?

20 DIRECTOR ASHLEIGH AITKEN: I don't think we
21 ever -- I think that motion went down. I don't think --
22 we didn't vote to approve it.

23 BOARD CHAIR GERARDO MOUET: Yeah. I -- I don't
24 recall.

25 DIRECTOR ASHLEIGH AITKEN: But there's certain

1 language in our governing documents that discuss -- you
2 know, I'm trying to remember it wasn't -- I know
3 definitely we can't sell things on state property that
4 are illegal. That's -- you can't sell marijuana on this
5 property no matter how profitable it would be. But --

6 BOARD CHAIR GERARDO MOUET: Unless you have a
7 shop in Santa Ana.

8 DIRECTOR ASHLEIGH AITKEN: Yeah, there you go,
9 that hasn't been raided yet. But there are other
10 restrictions about whether things fit into our mission
11 statement.

12 BOARD CHAIR GERARDO MOUET: So --

13 DIRECTOR ASHLEIGH AITKEN: I just don't remember
14 what that language is.

15 BOARD CHAIR GERARDO MOUET: I mean I think that's
16 a -- I think there's something to think about with
17 regards to the comments of whether there could be a
18 business decision in the future, deciding on the types
19 of events.

20 One of the things that I do want to say, I
21 think it's another excellent presentation, and I'm glad
22 I'm a resident in California and not a resident in
23 Nevada. That's for sure. And -- and I feel at least at
24 ease that the rules of the State of California are being
25 applied to a gun shop -- a brick-and-mortar gun shop and

1 they're being applied to the gun shows here. I feel
2 good.

3 And I think, you know -- I think that -- I'm
4 going to buy a ticket. I'm not a gun owner. But when
5 there's an opportunity that allows my schedule since
6 there's, what, five of them?

7 MS. MICHELE RICHARDS: There are. And the next
8 one is Thanksgiving weekend.

9 BOARD CHAIR GERARDO MOUET: Yeah. I don't think
10 I can -- I think I'm going to the -- the -- I'm going to
11 be in Nevada for that -- the international --

12 (Multiple overlapping speakers.)

13 BOARD CHAIR GERARDO MOUET: Yeah. Buy guns. No.
14 For the -- the fair conference. Yeah.

15 Yeah, Doug?

16 DIRECTOR DOUGLAS LA BELLE: I have a question,
17 but maybe we ought to take a quick break and --

18 (Multiple overlapping speakers.)

19 DIRECTOR DOUGLAS LA BELLE: I'll save my question
20 until after the break.

21 BOARD CHAIR GERARDO MOUET: I was going to try to
22 close because I'm concerned about the candles. Why
23 don't we -- let's -- let's pause. Let's pause.

24 (Singing of Happy Birthday.)

25 (Applause.)

1 BOARD CHAIR GERARDO MOUET: Happy birthday,
2 Barbara. Thank you so much for being part of our Board
3 of Directors.

4 DIRECTOR BARBARA BAGNERIS: I'm glad to have a
5 birthday on this day.

6 BOARD CHAIR GERARDO MOUET: Today and the whole
7 week should be a celebration. But I think we have to
8 finish our discussion.

9 DIRECTOR BARBARA BAGNERIS: Yeah. Back to guns.

10 DIRECTOR ASHLEIGH AITKEN: We got you a gun for
11 your birthday.

12 (Multiple overlapping speakers.)

13 BOARD CHAIR GERARDO MOUET: We're going to
14 continue in the celebration in a bit.

15 Doug, did you say you had a comment?

16 DIRECTOR DOUGLAS LA BELLE: Just a question. How
17 is the rent structure established for Gun Shows of the
18 West? Obviously, they generate, I would think,
19 significant sales tax that would accrue to the state.
20 Do we have any background on how that is controlled and
21 monitored?

22 MS. MICHELE RICHARDS: I don't have an answer to
23 that. We can certainly research that. I know in terms
24 of our agreement with Crossroads of the West, it's based
25 on a standard rental agreement like we would for any

1 other event that's here.

2 So they pay for each building or area that
3 they rent. There's a percentage on the food and
4 beverage that is sold at the event, and then, of course,
5 our revenue generated from parking.

6 DIRECTOR DOUGLAS LA BELLE: And I guess the
7 extension to my question would be sales tax is based on
8 point of sale.

9 MS. MICHELE RICHARDS: Right.

10 DIRECTOR DOUGLAS LA BELLE: If the
11 brick-and-mortar shop in Costa Mesa sells X, then the
12 city of Costa Mesa gets a certain percentage of that
13 sales tax.

14 Being that this is on state property, it's on
15 district property, does any of that sales tax accrue
16 back to -- to the district, I guess would be my
17 question.

18 MS. MICHELE RICHARDS: Howard, do you know that
19 offhand? I don't believe so.

20 MR. HOWARD SANDLER: Well, it's a local sales.
21 It would be subject to the same taxation as anything
22 else in this community. But we don't audit their books.

23 DIRECTOR DOUGLAS LA BELLE: I guess does the city
24 of Costa Mesa benefit by -- I would guess not because
25 it's state property.

1 MS. MICHELE RICHARDS: Correct.

2 MS. DEBBYE MCDANIEL: Right.

3 DIRECTOR DOUGLAS LA BELLE: But if this were a
4 city, a certain percentage of those sales would go back
5 to the city.

6 BOARD CHAIR GERARDO MOUET: That's a good
7 question. I think we should look into it. Uh-huh.

8 DIRECTOR STAN TKACZYK: Having gone to gun shows,
9 it's my understanding that the people that are there, a
10 good portion of them are actually leasing
11 that facility -- that property from the gun show
12 promoter.

13 So you have vendors there. Just like we have
14 vendors when we put on a fair, they have vendors there
15 that are selling different products. So -- and the
16 vendors that are there are responsible for paying the
17 sales tax, and then it is distributed.

18 The same thing as a Swap Meet. The vendors
19 there -- if the vendor's of the swap meet of Tel-Phil,
20 they're responsible. So I'm assuming it's the same
21 structure there.

22 MS. MICHELE RICHARDS: It is. But I think to
23 answer Director La Belle's question, none of that comes
24 back to the district, to the DAA. That's what you were
25 asking; correct?

1 BOARD CHAIR GERARDO MOUET: We know that? We
2 know that or we don't know that?

3 MS. MICHELE RICHARDS: No. We don't -- we
4 don't -- in terms of taxes that are collected on the
5 sale of that, it does not come back to DAA.

6 DIRECTOR DOUGLAS LA BELLE: Then I guess the
7 question is should it come back to us?

8 MS. DEBBYE MCDANIEL: Well, it's not going to.
9 It's tax.

10 BOARD CHAIR GERARDO MOUET: Yeah. No. I
11 understand the question. I don't know whether cities in
12 the state of California sort of kind of understand that
13 state-owned properties might be able to take a share of
14 the sales taxes is basically what you're saying --

15 DIRECTOR DOUGLAS LA BELLE: Right.

16 BOARD CHAIR GERARDO MOUET: -- I think.

17 I don't know. I think it's a question to
18 look into. I don't know.

19 DIRECTOR DOUGLAS LA BELLE: Well, if you have
20 13,000 visitors for each event, my guess is there's
21 significant sales that occur and correspondingly sales
22 tax at whatever it is, 8 percent, 8 and a half percent.

23 BOARD CHAIR GERARDO MOUET: Yeah. And it applies
24 to all of our events.

25 DIRECTOR STAN TKACZYK: Well, I think as we're

1 talking what comes to my mind is that the vendors that
2 are there that are selling product, that they report the
3 origination of the sale being on this property in Orange
4 County, then that would definitely put it in the
5 category of the funds that are then available to come
6 back to Orange County.

7 But if they're from in Riverside County and
8 they report, I don't -- again, it's how are they
9 reporting the sale to the state.

10 DIRECTOR DOUGLAS LA BELLE: So it would be point
11 of sale.

12 DIRECTOR STAN TKACZYK: Right. So I was sort of
13 taking for granted that they're -- because they're here
14 and they're doing it. I don't know. That to me would
15 be one of the questions I'd like to ask the gun sale
16 people --

17 BOARD CHAIR GERARDO MOUET: Yeah.

18 DIRECTOR STAN TKACZYK: -- or anybody doing
19 business here.

20 BOARD CHAIR GERARDO MOUET: Any other comments or
21 questions on this item?

22 I -- again, I'm going to try to figure out
23 how to -- is it -- just because I'm curious just to see
24 how their operation is on one of these upcoming events
25 of gun shows. We have a follow-up on the sales tax

1 questions, just kind of curious.

2 And I think, as you mentioned, Deborah, and
3 you brought up, Ashleigh, there could be a business
4 decision to contemplate by the Board if the Board has
5 that authority. And I think, at least from my
6 perspective, like I said, I'm glad we're California and
7 not Nevada with regards to -- things could always be
8 worse; right?

9 VICE CHAIR NICK BERARDINO: I'm confused what
10 counsel's going to be looking at. The question, Stan,
11 say it again.

12 MS. DEBORAH FLETCHER: Well, as I understand it,
13 right now my assignment is to look into the issues on
14 the last item on the agenda before the Board which
15 pertains to the ability of the Board to have some
16 influence on the salaries or wages of employees.

17 VICE CHAIR NICK BERARDINO: Oh, okay.

18 MS. DEBORAH FLETCHER: Yeah. I'm not --

19 DIRECTOR STAN TKACZYK: Are you thinking gun
20 sales?

21 VICE CHAIR NICK BERARDINO: Yeah, guns.

22 DIRECTOR STAN TKACZYK: If I did --

23 BOARD CHAIR GERARDO MOUET: No, no, no. No, no,
24 no.

25 DIRECTOR ASHLEIGH AITKEN: I think I raised the

1 point about whether -- the Board having a philosophical
2 discussion if we are legally prohibited from doing --

3 BOARD CHAIR GERARDO MOUET: Yeah, yeah.

4 (Multiple overlapping speakers.)

5 BOARD CHAIR GERARDO MOUET: Yeah. And I heard --
6 I heard Deborah say that it could be a business policy
7 decision.

8 MS. DEBORAH FLETCHER: I believe that is
9 available as a business policy for this Board.

10 BOARD CHAIR GERARDO MOUET: And that's what I'm
11 just -- I just want -- it could be a business policy
12 decision as we get more into understanding on whether
13 we -- whether we want this type of event or not, can we
14 do something is the question. And I think that's all I
15 made note of.

16 You brought it up. She responded. The sales
17 tax I think staff is researching, and I think that's it.

18 DIRECTOR DOUGLAS LA BELLE: Gerardo, one other --
19 one other thought.

20 BOARD CHAIR GERARDO MOUET: Yes.

21 DIRECTOR DOUGLAS LA BELLE: What is the term of
22 the contract with Gun Shows of the West? Is it an
23 annual sort of contract or -- or what?

24 MS. MICHELE RICHARDS: Right. All of our rental
25 agreements for promoters are just on a one-year basis.

1 DIRECTOR DOUGLAS LA BELLE: Got it.

2 MS. MICHELE RICHARDS: And, actually, I believe
3 it's individual by event. So there are five separate
4 rental agreements for the five separate shows of gun --
5 Crossroads of the West.

6 BOARD CHAIR GERARDO MOUET: Yeah.

7 DIRECTOR ASHLEIGH AITKEN: How far in advance do
8 we contractually -- do we have a relationship with them?

9 MS. MICHELE RICHARDS: We do not -- we have holds
10 on the calendar for up to a year in advance, but
11 contracts don't go out on an annual basis. They're
12 generally sent out -- for example, the rental agreement
13 for the January show has not been sent out yet.

14 BOARD CHAIR GERARDO MOUET: Any other questions
15 or comments? If not, this is an informational item, so
16 I don't think there's anything to vote on.

17 And let me see. 9D. I'm happy -- we don't
18 have a closed session.

19 And the -- the -- well, we did public
20 comments? I'm sorry.

21 VICE CHAIR NICK BERARDINO: No, no. I was --

22 BOARD CHAIR GERARDO MOUET: Okay. So since we
23 don't have closed session and what we can do is do the
24 Board of Director comments, adjourn the meeting, and
25 then enjoy the cake. Does that sound good? And enjoy

1 this very special day. And for Barbara and the sad
2 occasion for Bao's -- but I have a feeling we're going
3 to be reading a lot of good news about Bao.

4 So this is the time for Board of Director
5 Matters of Information. We'll start over here?

6 DIRECTOR DOUGLAS LA BELLE: Sure.

7 Again, thanks, Bao, for your service. Much
8 appreciated. You've done a lot to move this board
9 along. Happy birthday to Barbara. And, again, I want
10 to thank Nick and Gerardo for taking over the reins and
11 for everything that Ashleigh did.

12 And I'd like to give thanks to my wife,
13 Bonnie, who has put up with me for 52 years this
14 Saturday. So --

15 (Applause.)

16 DIRECTOR BARBARA BAGNERIS: Well, happy
17 anniversary. Fifty-two years, that's incredible.
18 Almost as many years as I am old. So that is a
19 marvelous thing.

20 Also, Bao, I enjoyed when you sat over here
21 next to me a lot of times. So I'm going to miss that.
22 And wish you the best in all your endeavors and all that
23 you do, and hopefully you can stop by and see us, or at
24 least we'll see you at the fair.

25 DIRECTOR BAO NGUYEN: I'll put my fair face on.

1 DIRECTOR BARBARA BAGNERIS: Yeah.

2 And I want to thank everybody for the
3 birthday. It's special. My son has moved away from
4 home, so I'm going to go back home to nothing, but I'm
5 going to have these memories. Send me these pictures so
6 that I will have them for the rest of the day.

7 And outstanding meeting today, Gerardo, and
8 your conducting of the meeting.

9 BOARD CHAIR GERARDO MOUET: Thank you.

10 DIRECTOR STAN TKACZYK: Happy anniversary.

11 DIRECTOR DOUGLAS LA BELLE: Thank you.

12 DIRECTOR STAN TKACZYK: Happy birthday.

13 And it was really fun sharing this time with
14 you, Bao. We had -- we had a great first year. And
15 I'll never forget the moment that you and I and Doug
16 Lofstrom had the opportunity to climb the hill of the
17 Pacific Amphitheater when it was under construction.
18 And when we were at the top of the hill, security was
19 wondering who was there and were going to come after us.

20 DIRECTOR BAO NGUYEN: Called the sheriffs.

21 DIRECTOR STAN TKACZYK: Yeah. That was a fun
22 experience.

23 And, again, Gerardo, thank you for leading
24 your first meeting, and, Nick, being the vice chair.
25 It's great seeing you guys in those seats.

1 DIRECTOR ASHLEIGH AITKEN: Yeah. I echo that.
2 Wonderful meeting in record time.

3 Happy birthday. Happy anniversary.

4 And I know we've talked, and you know how
5 much I'll miss you and really appreciate everything you
6 did in making my job easier. So thank you.

7 Happy Thanksgiving to everybody. Happy
8 Turkey Day.

9 DIRECTOR BARBARA BAGNERIS: Yes.

10 BOARD CHAIR GERARDO MOUET: Nick?

11 VICE CHAIR NICK BERARDINO: Yeah. Same. Doug,
12 52 years, man.

13 DIRECTOR DOUGLAS LA BELLE: Yeah.

14 VICE CHAIR NICK BERARDINO: Wow. God bless you,
15 brother. That's good. That's better than good. In
16 California, most people are married 52 times. So
17 congratulations.

18 Barbara, congratulations on your birthday.

19 DIRECTOR BARBARA BAGNERIS: Thank you.

20 VICE CHAIR NICK BERARDINO: And I admire the fact
21 that you're not afraid to say how old you are.
22 That's --

23 DIRECTOR BARBARA BAGNERIS: Every year's a
24 blessing.

25 VICE CHAIR NICK BERARDINO: Bao, good luck, man.

1 We know you're moving on, and it was wonderful having
2 you here and certainly will be missing having you for
3 sure.

4 A couple of quick comments. One of the
5 things that the L.A. County -- you know, that
6 investigation is going on. I don't think we ought to
7 turn our heads from that. We should, you know, continue
8 to look at our operation. And when you compare our
9 operation, wow, you can see night and day, you know, not
10 just in the fact that we pay everybody so little and we
11 shouldn't, I mean, no, that's a fact.

12 But when you compare all the wonderful things
13 that we do here, and no one can ever escape the fact
14 that of agricultural intention. I mean I was --
15 happened to be in Sacramento, and there was a discussion
16 about L.A. County, what's going on up there -- and I
17 think I mentioned this to you on the phone, Kathy --
18 somebody said, "Well, not you guys. You guys build
19 memorials for the agricultural workers."

20 And I go, "Yeah, that's true. We do."

21 So -- but I think it's a great lesson on --
22 in terms of, you know, looking at community events here.
23 Like we have the Veterans Day event, which is a great
24 community event. We have the Labor Day event, which is
25 a great community event. And when I say community

1 events, these are events where we're not charging
2 people. We're not, you know, putting out the fair,
3 anything like that, where people have to come and pay.
4 I'm talking about just having things for the community,
5 like some of the things we've done, can come and
6 celebrate here. So I hope we will continue with that.

7 And congratulations to all the former Chairs
8 and Board people and the staff that have kept this
9 organization way, way out of reach from the kind of
10 nonsense and craziness that's going on in other
11 counties. Great leadership on both the Board, but also
12 all the executive staff. Great work to everybody.

13 BOARD CHAIR GERARDO MOUET: Thank you.

14 Over here on this side of the table.

15 DIRECTOR BAO NGUYEN: Mr. Chair and my
16 colleagues, I thank you for the opportunity to have
17 served with you all. I've learned a lot. It's been
18 great experiences.

19 And I also want to thank all the staff that
20 has put in such dedicated efforts to having a great
21 Orange County Fair & Event Center. This is a treasure
22 in our county, and it will always be a treasure in our
23 county.

24 I'm not going anywhere. I'm still right
25 here, and I'm just resigning from this position. And I

1 also want to thank the Governor's office for having
2 appointed me.

3 Congratulations. Congratulations. And I see
4 the leadership of Chairman Mouet. And he's going to
5 take this Board very far in this coming year, and I
6 appreciate seeing that. Thank you.

7 DIRECTOR ROBERT RUIZ: Congratulations, Doug. I
8 am halfway there. Barbara.

9 And, Bao, it was a pleasure working with you.
10 We were friends before you got appointed, and we'll
11 continue being friends. Great job.

12 DIRECTOR SANDRA CERVANTES: Yes. And, Bao, lots
13 of memories. I feel like you're one of my kids but in a
14 very positive way as all my children. And we'll
15 definitely miss you.

16 And, Doug, congratulations.

17 And then the birthday girl, I love birthdays,
18 and so I love that you love your birthday.

19 And, Gerardo, great job. Amazing meeting.

20 And happy Thanksgiving to all.

21 BOARD CHAIR GERARDO MOUET: Well, very good.
22 I -- again, congratulations, Doug. That's amazing, 52
23 years. It's great. Congratulations to you and to your
24 wife.

25 DIRECTOR DOUGLAS LA BELLE: My wife has a lot of

1 patience. Lots of patience.

2 BOARD CHAIR GERARDO MOUET: And, Barbara, again,
3 have a great week.

4 DIRECTOR BARBARA BAGNERIS: Yeah.

5 BOARD CHAIR GERARDO MOUET: Not just today.

6 DIRECTOR BARBARA BAGNERIS: All month.

7 BOARD CHAIR GERARDO MOUET: And it's not
8 good-bye. I mean it's -- we're going to continue seeing
9 each other. Santa Ana's right next to Garden Grove, so
10 I know that we're going to cross paths a lot. And
11 you're a great person. So thank you so much for your
12 services.

13 And I -- you know, we had such a tremendous
14 review of the events. I know I bumped into Sandra at
15 the LFestival, and I think events -- the ones that we do
16 that are so close to our hearts like the Veterans Day,
17 that was so special, it's community oriented. When we
18 do the Imaginology, it's very, very special.

19 But, also, our third-party vendors, sometimes
20 they need to also learn from our experiences. So when
21 we can share so that they can come back and be more
22 successful, that would be great because I bought my own
23 personal ticket to the LFestival for VIP, and it was a
24 little less than VIP. But I enjoyed the music, and I
25 think they have -- they have some growing to do and

1 improving as everybody does. But I so much appreciate
2 it, and I wish they'd come back and grow and learn.

3 But with that, I also wanted to mention that
4 I've been having meetings with Kathy and am very excited
5 about her leadership and her team that is helping this
6 organization. I -- I so much appreciate an emphasis on
7 importance on community engagement, and we've seen that,
8 on education, and then the word of today has been
9 agriculture, especially when we look to our sister fair
10 in L.A. And we live and breathe agriculture in many
11 different ways, and I think that's something that is one
12 of the reasons that I like going to the Centennial Farm
13 Foundation board because that's what they are all about.

14 With that, I think we can have a motion to
15 adjourn.

16 DIRECTOR ROBERT RUIZ: So move.

17 DIRECTOR ASHLEIGH AITKEN: Second.

18 BOARD CHAIR GERARDO MOUET: Very good.

19 Roll call on adjourning?

20 BOARD CLERK JESSICA ZIMMERMAN: Chair Mouet?

21 BOARD CHAIR GERARDO MOUET: Yes.

22 BOARD CLERK JESSICA ZIMMERMAN: Vice Chair

23 Berardino?

24 VICE CHAIR NICK BERARDINO: Yes.

25 BOARD CLERK JESSICA ZIMMERMAN: Director Aitken?

1 DIRECTOR ASHLEIGH AITKEN: Yes.
2 BOARD CLERK JESSICA ZIMMERMAN: Director Tkaczyk?
3 DIRECTOR STAN TKACZYK: Yes.
4 BOARD CLERK JESSICA ZIMMERMAN: Director
5 La Belle?
6 DIRECTOR DOUGLAS LA BELLE: Yes.
7 BOARD CLERK JESSICA ZIMMERMAN: Director
8 Bagneris?
9 DIRECTOR BARBARA BAGNERIS: Yes.
10 BOARD CLERK JESSICA ZIMMERMAN: Director
11 Cervantes?
12 DIRECTOR SANDRA CERVANTES: Yes.
13 BOARD CLERK JESSICA ZIMMERMAN: Director Ruiz?
14 DIRECTOR ROBERT RUIZ: Yes.
15 BOARD CLERK JESSICA ZIMMERMAN: Director Nguyen?
16 DIRECTOR BAO NGUYEN: Aye.
17 BOARD CHAIR GERARDO MOUET: Meeting is adjourned.
18 Thank you.
19 * * *
20 (Whereupon, the OCFEC Board of Directors
21 Meeting was hereby adjourned at 10:52 a.m.)
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Certificate
of
Certified Shorthand Reporter

The undersigned certified shorthand reporter
of the State of California does hereby certify:

That the foregoing proceedings was taken
before me at the time and place therein set forth and
was recorded stenographically by me and thereafter
transcribed, said transcript being a true copy of my
shorthand notes thereof.

I further certify that I am neither
financially interested in the action nor a relative or
employee of any attorney of any of the parties.

In witness whereof, I have subscribed my name
this date, November 23, 2015.



Janet M. Taylor
Janet M. Taylor
Certified Shorthand Reporter
Certificate Number 9463