

CALIFORNIA EXPOSITION & STATE FAIR

Minutes of the Board of Directors Regular Meeting

Held Pursuant to Due Notice
Friday, March 28, 2014

California Exposition & State Fair
Administration Building Boardroom
1600 Exposition Boulevard
Sacramento, CA 95815

Directors Present

Director Sonney Chong, Chair
Director Rima Barkett
Director Corny Gallagher
Director Rex Hime
Director Mark Nelson
Director Patrick O'Brien
Director Willie Pelote

Directors Absent

Director David Mallel, Vice Chair
Director Hallie Muller

Ex Officio Members Absent

Senator Darrell Steinberg
Assembly Member Roger Dickinson
Assembly Member Susan T. Eggman
Senator Anthony Cannella

Staff Present

Rick Pickering, Chief Executive Officer (CEO)
Sonya Logman, External Affairs Director
Carrie Wright, Programs Director
Marcia Shell, Assistant General Manager, Operations (AGM)
Bob Craft, Chief of Police
Greg Kinder, Deputy Manager, Programs
Paul Gillingham, Maintenance Operations Manager
Jennifer Koga, Accounting Officer/Supervisor
Jan Risso, Contracts Manager
Randy Brink, Cal Expo Volunteer
Linda Contreras, Recording Secretary

Others Present*

Russell Collins Stiger, Representative for Senator Derrell Steinberg

Nick Nicora, Ovations Fanfare, L.P.

Amber Williams, Glass Agency

Siobhann Mansour, Glass Agency

Brantley Payne, Glass Agency

Andrea Pappas, Glass Agency

Brian Honebein, Event Partnership, LLC

Mona Foster, Cultural Advisory Council

Mary Ann Breed

*May not include all others present in the room or arriving late.

1. CALL TO ORDER

The meeting was called to order by Chair Chong at 10:02 a.m.

Chair Chong read the Mission Statement, Policy Statement and Public Comment Statement.

2. PLEDGE OF ALLEGIANCE

Chair Chong asked Director Willie Pelote to lead the Board, Staff and Guests in the Pledge of Allegiance.

3. ROLL CALL

Roll call was taken by CEO Pickering and a full quorum was present. Directors Mallel and Muller were not present and had asked to be excused.

Motion:

It was moved by Director Hime and seconded by Director O'Brien to excuse the absences of Directors Mallel and Muller. **All in favor, motion carried unanimously.**

4. INTRODUCTION OF GUESTS & STAFF

Introduction of Guests and Staff were made around the room.

MOVED TO AGENDA ITEM #9 CORRESPONDENCE

Chair Chong announced he would be taking this item out of order to accommodate the public. There were no objections, the Board considered Agenda Item #9.

9. CORRESPONDENCE

- a. Discussion and action by the Board on the request of support for Senate Concurrent Resolution (SCR) No. 95

CEO Pickering reported on the request of support for the Senate Concurrent Resolution (SCR) No. 95 distributed to the Board and made part of the record. Copies are on file for review.

CEO Pickering reported that before the Board could actual consider this item they would need to vote with a super majority to add this item to the Agenda.

MOTION:

It was moved by Director Hime and seconded by Director O'Brien to add the Discussion and Action on the request of support for Senate Concurrent Resolution (SCR) No. 95 to the Agenda. **All in favor, motion carried unanimously.**

CEO Pickering reviewed a letter received from Senator Darrell Steinberg, President pro Tempore indicating that he would be introducing the Senate Concurrent Resolution No. 95 with the intent to possibly name the Cal Expo Racetrack/Grandstand after Kirk Breed. It was noted that specific details were not yet available regarding how the track might be named, such as through signage, a monument, a display, etc..!

Mr. Kirk Breed was formally the CEO of Cal Expo and a Board Member for a number of years. He was a lobbyist for horse racing before becoming the Executive Director of the California Horse Racing Board. Mr. Breed passed away last year after a valiant battle with cancer.

PUBLIC COMMENT

Mary Ann Breed

Ms. Breed read a prepared letter sent to the Senate Government Organization Committee in support of Senate Concurrent Resolution (SCR) No. 95 and encouraged the Board to approve the resolution. A copy is on file for review.

MOTION:

It was moved by Director Hime and seconded by Director Barkett for the Board to support the Senate Concurrent Resolution (SCR) No. 95. **All in favor, motion carried unanimously.**

Chair Chong returned to the order on the Agenda.

5. MINUTES OF MEETINGS

- a. Approve Board Committees & Meeting Minutes of February 28, 2014, as presented
- b. Approve Board Committees & Meeting Minutes of January 31, 2014, as presented
- c. Approve Board Committees & Meeting Minutes of December 13, 2013, as presented

CEO Pickering reported that the only Minutes before the Board today for approval are the Board Meeting Minutes of February 28, 2014 which were distributed and made part of the record. A copy is on file for review.

Motion:

It was moved by Director Nelson and seconded by Director Pelote to approve the Board Meeting Minutes of February 28, 2014, as presented. **All in favor, motion carried unanimously.**

6. STAFF REPORTS

a. State Fair, Agriculture & Marketing Staff Reports

Sonya Logman, External Affairs Director distributed and reviewed her staff report to the Board and made part of the record. A copy is on file for review.

The Glass Agency team provided an update on the 2014 State Fair Campaign including media plans, creative plans, ideas for generating press, and ticket sales. Also, the State Fair website is being updated and the URL address will be changed to www.CAstatefair.org and will be available soon.

Mary Ann Breed commented and likes the 2014 State Fair Campaign and provided some ideas for consideration.

Director Hime likes the presented concepts and what is being done to the webpage.

Chair Chong agrees with Director Hime and is very impressed with the concepts and the different style.

Director Barkett is also very impressed with the plan but had a concern about the way the webpage looked.

Director Pelote asked for further input in how the plan will draw people to the State Fair from outside of Sacramento.

Ms. Williams responded that the goal is to communicate and reach the 83% of the regional market that is not attending the Fair. Once we really hit that audience and penetrate that audience, then we can start looking at, the Bay Area and if it is going to make sense. Are we going to be an attraction that people in the Bay Area want to drive to?

Brian Honebein distributed and provided an update on the Sponsorship Sales Revenue Report to the Board, and is made part of the record. A copy is on file for review.

Director Gallagher reported the Agricultural Advisory Council Wine Committee is meeting on Tuesday, April 1st; they are interested in revitalizing the Grape & Gourmet in a new format that appeals to the wine producers.

Carrie Wright, Programs Director reported the Agricultural Advisory Council in December asked for several sub-committee meetings, this will be the third

committee meeting with the Wine Committee. They want to look at revitalizing how the end of the wine competition is handled and they saw the Grape & Gourmet as the conclusion to the wine competition. They are looking at such options as not having the Grape & Gourmet this year, changing the name, changing the date, combining it with the Gala, etc. There was a combined Gala Committee meeting with the Wine Committee in February. Some indications are, if we are going to have the best wine we need to have the best showcase, and how will that be done and maybe the Grape & Gourmet needs to look different into the future.

CEO Pickering provided an update on the State Fair concerts. There are a number of offers out and a number of confirmed concerts. Since we do not have a release to advertise, the listing is still confidential and will be shared at a later date.

CEO Pickering reported that the Wheel of Fortune Wheel Mobile is confirmed for two days and nights at the State Fair's main stage. The partial sponsorship is through the Lottery and News10.

CEO Pickering reported there are several enhancements being completed in the Farm area for this year. Installation of shade cloth will be completed between the back of Building B out toward the Farm. Also, Staff is planning on reorienting some of the signage, because the main pedestrian flow toward the Farm comes from the two ends of the Farm versus just in the middle.

In addition, Staff is looking at lowering the front edge of the Farm; over a number of years items have grown and gotten taller which prevents people from seeing into the Farm.

CEO Pickering reported Staff is also looking on how we can showcase drought tolerant farming to the Public. Also, as a State agency, we have been asked to reduce our water consumption by 20%, and are in discussions on where we can conserve water. This may lead to very dry looking grass, shrubs, and trees.

Director Hime asked if we are still pumping water into Bushy Lake. Discussion ensued.

CEO Pickering reported with the closure of Hollywood Park, Santa Anita will run a little bit later into the summer this year. Thus creating a two week gap between when Santa Anita finishes and when Del Mar traditionally opens.

During that two week gap, Los Alamitos will be experimenting with a two-week Thoroughbred race meet. The closing week of Los Alamitos will be the opening week of racing at the State Fair and will run Friday, Saturday and Sunday.

Because of the unknown impacts of the closure of Hollywood Park and the Los Alamitos two weeks experiment, Del Mar which typically opens on Wednesday is going to open their race meet on Thursday. State Fair would take a financial loss if

we ran racing on a Wednesday without Del Mar running with us. So instead of eight days of racing we will have seven days of live racing. By dropping that one day and staying with Del Mar we hope to have more horses available to run on the weekend. There might be some effort to try to push Del Mar to open on Wednesday, rather than Thursday, but the horse population in California will be the determining factor.

CEO Pickering reported the State Fair map will be revised. The East Gate will be renamed "Blue Gate" to match the Water Tower and the West Gate will be renamed "Green Gate" to match the Soccer Field. Also, the Capital City Freeway, Exposition Blvd., and Arden Way will be added to the map. In addition, Magical Midway will be changed to Carnival; Livestock Pavilion will be changed to Big Barn and the birthing area will be changed to Baby Barn. Finally, in order to clean up and enhance the map, we hope to move sponsorship logos to the edges of the map.

CEO Pickering distributed and reviewed a letter received for the Board from Assemblymember Roger Dickinson regarding animal welfare policies and is made part of the record. A copy for review is on file. Chair Chong referred the letter to the Livestock & Animal Care Committee of the Agricultural Advisory Council.

CEO Pickering distributed and reviewed a complementary letter received from Rick Baedeker, Executive Director, of the California Horse Racing Board, for hosting their meeting on March 21st and is made part of the record. A copy for review is on file.

CEO Pickering thanked Directors Pelote and Nelson for attending the recent California Horse Racing Board meeting. Also, in attendance at the CHRB meeting and support of three weeks of racing at the Fair, were representatives from Sacramento Convention & Visitors Bureau, Friends of the Fair, Hotel Tourism, Senator Steinberg's office, Assemblymember Dickinson's office, Congressmen Garamendi's office, and the Sacramento Republic Football Club. It was noted that the CHRB approved 3 weeks of Thoroughbred Racing for the 2015 State Fair.

b. Operations & Planning Staff Reports

AGM Shell reviewed her staff report included in the Board packet.

7. FINANCIAL REPORTS

a. Contracts/Purchases Requiring Board Notification

Director Gallagher reviewed staff reports included in the Board packet.

Director Hime asked is there a 4th of July event and if the agreements are signed will they still need to be paid should the event not be held.

CEO Pickering reported that Staff is currently reviewing a proposal that CBS Radio has provided. CEO Pickering also reported that Fox40 has asked if Cal Expo will allow them to broadcast the 4th of July fireworks. Additionally, Sacramento Republic

Football Club is scheduled to play a home game on July 4th beginning at 7:30 p.m. It was noted that there may be an admission fee charge to attend the fireworks show this year. It was also noted that Staff remains in dialogue with the County of Sacramento regarding possible use of the .33 funds to underwrite the fireworks for the community.

8. CONSENT CALENDAR

No items for consideration.

10. UNFINISHED BUSINESS

No items for consideration.

11. NEW BUSINESS

No items for consideration.

12. MATTERS OF INFORMATION

a. Public Comments

There were no Public Comments.

b. Manager Comments

CEO Pickering reported on the groundbreaking ceremony for the soccer field which was held on Tuesday, March 18th and thanked Director Hime for attending and representing the Board.

CEO Pickering reported on the AG Day at the Capitol which was held on Wednesday, March 19th. A “soft launch” of the Blue Ribbon Campaign took place at AG Day. Secretary Ross asked CEO Pickering to briefly speak on the campaign for the upcoming 2014 State Fair.

CEO Pickering announced that he had been elected to the Sacramento Convention & Visitors Bureau Board of Directors. It was noted that events at Cal Expo are a significant generator of hotel nights.

CEO Pickering reported a meeting was held with Point West Zone 2 Hotel Marketing & Tourism representatives to discuss possible funding support for Cal Expo.

CEO Pickering reminded Board Members to submit their FPPC Form 700 which are due.

CEO Pickering reported that he has been invited to again be a guest speaker in South Korea on tourism, fairs & festivals during the week of April 20-26, 2014. Two years ago he was the first American Fair CEO to be invited to speak in Korea.

CEO Pickering reported the next Board meeting is scheduled for Friday, April 25, 2014 during his travel to South Korea. Consequently, it was the consensus of the Board to cancel the April 25, 2014 Board meeting. The next Board meeting is scheduled for Friday, May 23, 2014.

c. Director Comments

Director Gallagher reported USDA is working on an idea on how to supplement the animal protein needs for the food banks due to the course of the drought. There has been an extensive increase in the price of animal protein products.

Director Gallagher suggested consideration for the State Fair livestock auction to set up a provision that donors who buy animals, instead of selling the animals back, can donate the meat to a process to put that meat into the food bank system for distribution. This could be an ideal pilot program for the State Fair and could be followed by other Fairs.

Chair Chong agrees with Director Gallagher and will work on this item.

d. Next Board Meeting – **Friday, May 23, 2014**

e. Other, if any

RECESS

The Board Meeting was recessed at 11:57 a.m. for Closed Session.

13. CLOSED SESSION

For purposes of discussing matters of 1) pending litigation, 2) real property negotiation and 3) personnel matters related to the General Manager under Government Code Section §11126. The Board will meet in Closed Session to confer with and/or receive legal advice from counsel or the represented delegate.

Closed Session commenced at 2:26 p.m. pursuant to Government Code §11126(e) to confer with and/or receive legal advice from counsel on:

- a. CuvIELLO, et al. v. Cal Expo, et al.
- b. Personnel

Chair Chong reconvened the Board meeting at 12:30 p.m. with no reportable actions taken by the Board. With no further business to discuss Chair Chong asked for a motion to adjourn the regular meeting.

Director Nelson left at 12:30 p.m.

14. ADJOURNMENT

Motion:

It was moved by Director Hime and seconded by Director Barkett to adjourn the Board meeting. **All in favor, motion carried unanimously.**

The Board of Directors meeting was adjourned at 12:31 p.m.