

# **CALIFORNIA EXPOSITION & STATE FAIR**

Minutes of the Board of Directors Regular Meeting

Held Pursuant to Due Notice  
Friday, June 3, 2016

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

**Directors Present**

Director Patrick O'Brien, Chair  
Director Mark Nelson, Vice Chair  
Director Rema Barkett  
Director Sonney Chong  
Director Rina DiMare  
Director Jess Durfee  
Director Corny Gallagher  
Director Rex Hime  
Director David Mallel  
Director Hallie Ochoa  
Director Tony Ortiz

**Staff Present**

Rick Pickering, Chief Executive Officer (CEO)  
Tom Martinez, Chief Deputy General Manager  
Samantha Brown, Deputy General Manager Administration  
Marcia Shell, Assistant General Manager, Operations (AGM)  
Jennifer Castleberry, Marketing Director  
Jay Carlson, Interim Programs Director  
Jennifer Koga, Accounting Officer/Supervisor  
Don Callison, Interim Program Manager  
Sabrina Rodriguez, Media Director, State Fair  
Randy Brink, Goodwill Ambassador  
Sue O'Brien, Recording Secretary

**Others Present**

Joe Johal, Rock & Brews  
Scott Hubbard, Rock & Brews  
Nick Nicora, Spectacor  
Dave Furano, Rock & Brews  
Amber Williams, Glass Agency  
Brently Payne, Glass Agency

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

## 1. CALL TO ORDER

Chair O'Brien called the meeting to order at 1:00 p.m.

## 2. PLEDGE OF ALLEGIANCE

Chair O'Brien asked Director Hime to lead the Board, Staff and Guests in the Pledge of Allegiance.

## 3. ROLL CALL

Roll call was taken by CEO Pickering and everyone was present.

## 4. INTRODUCTION OF GUESTS & STAFF

Introduction of Guest and Staff were made around room.

## 5. PRESENTATION

## 6. MINUTES OF MEETINGS

- a. Approve Board Committees and Meeting Minutes of April 29, 2016, as presented

### **Motion:**

It was moved by Director Hime and seconded by Director Chong to accept and approve the Meeting Minutes of April 29, 2016. **All in favor, motion carried unanimously.**

## 7. COMMITTEE AND STAFF REPORTS

### **a. Annual State Fair Committee**

Committee Chair Ochoa reported that the committee met and looking forward to hearing staffs presentation again. Marketing Director Castleberry introduced Glass Agency, which gave a brief overview of the ad campaign for the 2016 State Fair.

Marketing Director Castleberry reported that her staff was promoting ticket sales and was involved in Community Outreach. The new Media Director for 2016 State Fair was introduced. The web site has been updated. Cal Expo's home page has a link to our Flickr page, which is where many photos of State Fair are available to view.

Interim Programs Director Carlson reported that the programs department has been very busy. Interim Programs Director Carlson mentioned that the Commercial Wine competition and the Best of Show of Winners had completed. A special thanks to Don Callison and the volunteers for all of the hard work.

The Friends of the Fair Scholarship program awarded its largest amount of scholarships this year. The Gala has over 55 sponsors tables sold and approximately \$120,000 in sponsorships.

The State Fair Farm spring tours hosted around 1500 school kids and are now accepting reservations for the fall tours.

Brian Honebein reported that our Fair sponsors are up and he is working on bring mobile tours to the fair.

Board Chair O'Brien suggested that items **10(a)** and **(b)** under **Unfinished Business** be taken out of order so not to repeat the presentation/information being presented in this item. There were no objections; the Board considered items 10 (a) and (b).

Chair Ochoa reported that the committee reviewed the Code of Conduct item 10(a) under Unfinished Business and recommend adoption of this policy.

**Motion:**

It was moved by Director Hime and seconded by Director Chong. **All in favor, motion adopted unanimously.**

Chair Ochoa reported that the committee reviewed the Drone Policy item 10(b) under Unfinished Business and recommended adoption of this policy.

**Motion:**

It was moved by Chair Ochoa and Seconded by Director Chong. **All in favor, motion adopted unanimously.**

Chair O'Brien returned to the order on the Agenda.

**b. Innovation, Education, Agriculture, Food & Technology**

Committee Chair Barkett asked Chief Deputy GM Martinez to share with his power point presentation regarding the Cal Expo State Fair Farm. Chief Deputy GM Martinez thanked Natalie Minas, Farm Tours Coordinator for helping with his power point presentation. Chief Deputy GM Martinez gave an overview of the Cal Expo State Fair Farm and its Farm Tours. He then discussed what other Fairs are doing with their farms. Chief Deputy GM Martinez then concluded with some bullet points for discussion.

Committee Chair Barkett led the discussion on the Cal Expo State Fair Farm and concluded that it was time to start moving forward with a plan for the Farm and to study other Fair farms and report to the Board of Directors.

Board Chair O'Brien suggested a 2 person's sub-committee to study this and appointed Director Barkett and Director Di Mare.

Committee Chair Barkett suggested doing a Farm-to-Fork Dinner in September at the Cal Expo State Fair Farm. A discussion was held and suggested that staff explore the details of planning one dinner/event focused around other farm-to-fork events in September.

**c. Audit Committee**

Board Chair O'Brien suggested that items **8(b)** and **(c)** under **Financial Reports** be taken out of order so not to repeat the presentation/information being presented in this item. There were no objections; the Board considered items 8 (b) and (c).

Committee Chair Nelson reported that the committee met and reviewed the Auditor's Report and Basic Financial Statements.

**Motion:**

Audit Committee recommend to the Board to accept the Auditor's Report and Basic Financial Statements as done. Moved by Committee Chair Nelson and seconded by Director Hime. **All in favor, motion carried unanimously.**

**d. Long Range Planning Committee**

Board Chair O'Brien suggested that items **11(a)** and **(b)** under **New Business** be taken out of order so not to repeat the presentation/information being presented in this item. There were no objections; the Board considered items 11 (a) and (b).

Committee Chair Hime reported that the Long Range Committee met and that CEO Pickering would give a brief overview of the discussion.

Staff with the assistant of the Attorney General's office and the Department of General Services prepared draft Letter of Understanding that would lay out a protocol for negotiations between Cal Expo and R & B of the Pacific. The specifics of the negotiations include:

1. The development of the appropriate CEQA document and the complying of that information for the Public Review period. All costs involved would be borne by Rock & Brews.
2. Cal Expo would serve as lead agency under CEQA. Rock & Brews has agreed to indemnify Cal Expo for being the lead agency should there be any environmental challenges to the process.
3. Identifies 120-day period to do our negotiations.
4. Once the CEQA document has been cured and the Public has had an opportunity to comment, that CEQA document would be return back to the Board of Directors for review and potential approval.
5. During that same period, it would be staffs intention to continue to negotiate with R&B of the Pacific, Inc to develop a revenue generating agreement.

They have already agreed to employ the services of Joe Barkett to assist us in our negotiations. Mr. Barkett is not only an ex-Deputy Attorney General for the State of California and is a retired CEO of Cal Expo. Also contacted Andy Plescia to potentially provide some environmental review work for us and to potentially provide us the potential highest value and best land use for this particular corner.

This LOU is a method and a process that we used with the Attorney General's Office and DGS signed off on when we went down the Bonney Field path. We have had clarification of the corporate structure of Rock and Brews. Mr. Johal is the Franchise Owner West of the Rockies.

It is staff's recommendation to proceed with the Letter of Understanding. There is a great amount of indemnification and insurance coverage should this leasehold agreement not happen. The State is very well protected.

**Motion:**

Director Hime made a motion to accept the Long Range Committees recommendation to accept and approve the Letter of Understanding with R&B of the Pacific, Inc. Seconded by Director Nelson. **All in favor, motion carried unanimously.**

**8. FINANCIAL REPORTS**

**a.** Contracts/Purchases Requiring Board Notification

**9. CORRESPONDENCE**

**10. UNFINISHED BUSINESS**

**c.** Approval of extension of Revenue Generating Agreement with Watch and Wager, LLC  
CEO Pickering gave a brief overview of the history of horse racing at Cal Expo. Pickering congratulated Watch and Wager for being a good working partner. DGM Brown commented that the extension agreement had not changed since the prior Board Meeting.

Christopher Schick from Watch & Wager reported that they had just completed their 4<sup>th</sup> year of being at Cal Expo and have had many successes over the past years and are looking forward to continued success and growing the industry.

Ed Comins, President of Watch and Wager thanked the Board of Directors for approving this extension.

**Motion:**

Director Chong moved to approve the extension of the Revenue Generating Agreement with Watch and Wager Seconded by Director DiMare. **All in favor, motion carried unanimously.**

**11. NEW BUSINESS**

**12. MATTERS OF INFORMATION**

**a.** Public Comment on Matters not on the Agenda

**b.** CEO Comments

CEO Pickering thanked the Board of Directors for all their hard work. Thanked staff for the committee reports and minutes. The Audit report was outstanding. Thank you accounting for your hard work.

**c.** Directors Comments/Agenda Items for Future Meetings

Director Durfee thanked Rick for giving him a tour of the fair grounds.

Director Ochoa is excited for fair.

Director Hime is praying for good weather like last years. Also, wondering about a calendar showing events happening during fair.

Director Barkett requested an update on the Sacramento County Fair  
Director DiMare attending the Wine Judges dinner and was very impressed the all the  
volunteers and complements.

Director Chong congratulated Glass Agency on the new owner and Watch and Wager for  
their stability.

**d. Next Board Meeting – Friday, September 23, 2016**

**e. Other, if any**

**13. CLOSED SESSION**

**14. ADJOURNMENT**

The Board of Directors meeting adjourned at 2:12 p.m.