

CALIFORNIA EXPOSITION & STATE FAIR

Minutes of the Board of Directors Regular Meeting

Friday, October 30, 2015

Held Pursuant to Due Notice

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

Directors Present

Director David Mallel, Chair
Director Patrick O'Brien, Vice Chair
Director Rima Barkett
Director Sonney Chong
Director Corny Gallagher
Director Rina V. DiMare
Director Rex Hime
Director Hallie Ochoa
Director Mark Nelson
Director Willie Pelote

Staff Present

Rick Pickering, Chief Executive Officer (CEO)
Sonya Logman, External Affairs Director
Carrie Wright, Programs Director
Samantha Brown, Financial Officer (CFO)
Marcia Shell, Assistant General Manager, Operations (AGM)
Chef Robert Craft, Law Enforcement
Jay Carlson, Ag Program Manager
Zane Glaser, Accounting/Finance
Lisa McKnight, Recording Secretary

Others Present

Amber Williams, Glass Agency
Rich Byrum, Butler Amusement
Mitch Brajevich, Butler Amusement

1. CALL TO ORDER

The meeting was called to order by Chair Mallel at 1:04 p.m.

Chair Mallel noted that the Mission Statement, Policy Statement and Public Comment Statement were included in the Agenda. He then read the Public Comment statement.

2. PLEDGE OF ALLEGIANCE

Chair Mallel led the Board, Staff and Guests in the Pledge of Allegiance.

3. ROLL CALL

At the request of Chair Mallel, Roll Call was conducted by CEO Pickering and a full quorum was present.

4. INTRODUCTION OF GUESTS & STAFF

Introduction of Guests and Staff were made around the room.

5. MINUTES OF MEETINGS

- a. Approve Expo Facility & Operations Committee Meeting Minutes of September 25, 2015.
- b. Approve Finance Committee Meeting Minutes of September 25, 2015.
- c. Approve Board Meeting Minutes of September 25, 2015.

MOTION: It was moved, seconded (Barkett/Pelotet), and unanimously approved to approve Agenda Items 5a, 5b, and 5c.

6. COMMITTEE STAFF REPORTS

a. Exposition Facilities & Operations Staff Report

CEO Pickering noted that each item from the Committee would be addressed later in today's Meeting, under the Unfinished Business section of the Board's Agenda.

AGM Shell provided a brief slide show of photos that had been taken at various events and shows at Cal Expo over the past 90 days.

b. Finance Committee Report

Committee Chair Gallagher reported that the Committee met earlier today and reviewed Cal Expo's Third Quarter Financial Report and related fiscal documents. He noted that it is prudent to try and obtain greater flexibility in recruiting, hiring and compensating Staff at all levels of the Cal Expo organization, and expressed frustration with being locked into the State's antiquated personnel system. He suggested that a "performance base" bonus program might provide the Board with additional tools. Following discussion, it was noted that it would be very difficult to create much flexibility in the State's personnel system.

MOTION: It was moved, seconded (O'Brien/Gallagher) and unanimously approved to approve the Cal Expo's Third Quarter Financial Statement.

c. World Food Expo Report

Director Barkett presented a slide show of various photos that she took while attending the World Food Expo in Milan. She noted that it was an honor for CEO Pickering to serve as the opening keynote speaker for the World Food Week at the World Food Expo. CEO Pickering provided a brief overview of the experience and thanked the Sacramento Convention & Visitors Bureau for funding this speaking trip. He noted that the subject matter of his presentation was How California moves food locally, Nationally and Globally, and how he tied in "Sacramento – America's Farm to Fork Capital" in exchange for support from the SCVB. Director Barkett noted that this helped place Cal Expo, State Fair, Sacramento and California on an international stage.

7. UNFINISHED BUSINESS

- a. **Review and Approve Service Agreement No. 20042 Extension with Glass Agency for the 2016 State Fair**

CEO Pickering noted that the Board had previously reviewed the performance of Glass Agency and that this would be the final extension year allowed in the existing Agreement. The original Agreement was for One Year, with Two-One Year extensions. Discussion ensued and Board Members expressed compliments to Glass Agency for the Blue Ribbon marketing campaign. CEO Pickering noted that as a State Agency, Cal Expo would need to competitively bid for marketing services once the existing Agreement expires.

MOTION: It was moved, seconded (Pelote/Gallagher) and unanimously approved to approve the final extension year with Glass Agency.

b. Review and Approve Proposed ‘Deal Points’ for the Sky Ride Project with Butler Amusements.

CEO Pickering and CFO Brown reviewed the negotiated Deal Points with the Board. Mitch Brajevich and Rich Byrum from Butler Amusements reported that the engineers found the existing Sky Ride footings to be in excellent shape. Mr Brajevich and Mr Byrum addressed various questions raised by members of the Board, including layout of the route, cost of construction, Sky Ride capacity, safety, insurance levels, and contract negotiations. CFO Brown presented a historical overview and financial analysis for the previous Sky Ride that was operated from 2004-2008 by RCS.

MOTION: It was moved, seconded (Gallagher/Pelote) and unanimously approved to approve the Deal Points for the proposed Sky Ride as presented. CEO Pickering noted that the Revenue Generating Agreement would be finalized and returned to the Board for approval now that the Deal Points had been agreed to.

c. Review and Update of Extension of the Revenue Generating Agreement with Palace Entertainment for Raging Waters.

CEO Pickering, AGM Shell and CFO Brown updated the Board on the positive performance of the Raging Waters waterpark. It was noted that the previous park owner had underperformed, so Palace Entertainment bought them out some 10 years ago. Due to the cost of the buyout, and the cost of much needed capital improvements, the initial Agreement was for 10 years with an automatic 10 year renewal. Following discussion, Board members recommended that Staff continue drafting documents that are necessary to extend the Revenue generating Agreement with Palace Entertainment, and return such document to the Board for approval.

d. Update on Cal Expo Renewal Efforts and Request For Qualifications

CEO Pickering provided the Board with an outline of the process and timeline that was used in the Request For Qualifications (RFQ,) to develop on a lease-hold basis a portion or all of Cal Expo by private parties. Staff granted a request to extend the original deadline for Responses by 30 days. However, no Responses to the RFQ were submitted. General discussion ensued regarding how funds might be generated to address Cal Expo’s aging infrastructure. Director O’Brien reported that the two-person subcommittee would explore alternative sources of revenue to support capital needs.

8. MATTERS OF INFORMATION

- a. No member of the Public spoke under Public Comment.
- b. CEO Pickering reported that pursuant to the Board's Bylaws for the Election of Officers, Board Members were required to submit their name for consideration for the position of Board Chair and Board Vice Chair. He noted that Pat O'Brien had submitted his name for consideration as 2016 Chair and Mark Nelson had submitted his name for consideration as 2016 Vice Chair. CEO Pickering noted that any other potential candidates should submit their names as soon as possible and that the Election takes place at the Board's Annual Meeting in December.
- c. A Draft 2016 Calendar of proposed meeting dates for the Board and Board Committees was distributed for review and discussion. Following input, it was noted that the calendar for 2016 meeting dates would be returned for consideration at the December Board Meeting.
- d. CEO Pickering noted that Sonya Logman would be moving up from her position at Cal Expo, as she had recently been appointed by Governor Brown to serve as Deputy Secretary of Business and Consumer Relations at the Department of Business, Consumer Affairs and Housing Agency.
- e. Members of the Board commended Ms Logman on her three years of outstanding work in creating Cal Expo's External Affairs function. Board members noted that Cal Expo would need creative assistance in filling existing executive vacancies within the State's personnel structure.

9. 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 Represented delegate.

a. Annual Evaluation of the CEO

Following Closed Session, Chair Mallel stated that no reportable actions had been taken by the Board. He noted that the Board wished to commend CEO Pickering for another outstanding year of great accomplishments.

10. ADJOURNMENT

MOTION: It was moved, seconded (O'Brien/Ochoa) and unanimously approved to adjourn the Board Meeting.

The Board of Directors meeting was adjourned at 3:10 p.m.