

CALIFORNIA EXPOSITION & STATE FAIR

Minutes of the Board of Directors Regular Meeting

Held Pursuant to Due Notice
Friday, May 23, 2014

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

Directors Present

Director Sonney Chong, Chair
Director David Mallel, Vice Chair
Director Corny Gallagher
Director Rex Hime
Director Hallie Muller
Director Mark Nelson
Director Willie Pelote

Directors Absent

Director Rima Barkett
Director Patrick O'Brien

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
Samantha Brown, Financial Officer (FO)
Carrie Wright, Programs Director
Marcia Shell, Assistant General Manager, Operations (AGM)
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*

Eric Mills, Action for Animals
Jodie Moreno, Event Partnership, LLC
Mona Foster, Hui 'O' Hawaii

*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 12:35 p.m.

Chair Chong dispensed with reading the Mission Statement, Policy Statement and Public Comment Statement.

2. PLEDGE OF ALLEGIANCE

Chair Chong asked Director Hallie Muller 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 Barkett and O'Brien were not present and had asked to be excused.

Motion:

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

4. INTRODUCTION OF GUESTS & STAFF

Introduction of Guests and Staff were made around the room.

5. MINUTES OF MEETINGS

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

Motion:

It was moved by Director Hime and seconded by Director Mallel to approve the Board Meeting Minutes of March 28, 2014, Board Committees Meeting Minutes of February 29, 2014, Board Committees & Meeting Minutes of January 31, 2014 and Board Committees & Meeting Minutes of December 13, 2013, as presented. **All in favor, motion carried unanimously.**

- e. Accept Agricultural Advisory Council Summary of Meeting Minutes for April 1, 2014, February 20, 2014 and January 22, 2014 Wine & Gala Committee Meetings, as presented

- f. Accept Agricultural Advisory Council Meeting Minutes of February 20, 2014, as presented
- g. Accept Agricultural Advisory Council Meeting Minutes of December 12, 2013, as presented
- h. Accept Agricultural Advisory Council Meeting Minutes of June 13 2013, as presented
- i. Accept Agricultural Advisory Council Meeting Minutes of April 23, 2013, as presented

Motion:

It was moved by Director Hime and seconded by Director Muller to accept the Agricultural Advisory Council Summary of Meeting Minutes for April 1, 2014, February 20, 2014, and January 22, 2014 of the Wine & Gala Committee Meetings and the Agricultural Advisory Council Meeting Minutes of February 20, 2014, December 12, 2013, June 13, 2013 and April 23, 2013, as presented. **All in favor, motion carried unanimously.**

6. STAFF REPORTS

- a. State Fair, Agriculture & Marketing Committee – Director Muller

Director Muller reported the Committee recommends for approval of the 2014 Golden Bear Award recipient, Golden1; 2014 Vineyard of the Year Award recipient, Bechthold Vineyard; 2014 Agricultural Progress Award recipients, Harold Peterson and Patsy Gilbert and 2014 Technology Champion Award recipient, Robert Tse.

Director Muller reported that unfortunately, the recipient for the Wine Lifetime Achievement Award declined the award, and consequently the award will not be given out this year.

Motion:

It was moved by Director Hime and seconded by Director Nelson to approve the 2014 Golden Bear Award; 2014 Vineyard of the Year Award; 2014 Agricultural Progress Award; and 2014 Technology Champion Award recipients. **All in favor, motion carried unanimously.**

Director Muller reported the Committee recommends for approval new members to the Agricultural Advisory Council, Brian Watson, Farm Bureau Federation and Sarah Watkins, California 4-H, University of California, Division of Agriculture and Natural Resources.

Motion:

It was moved by Director Hime and seconded by Director Mallel to approve the Agricultural Advisory Council's Recommendation of New Members, Brian Watson and Sarah Watkins to the Council. **All in favor, motion carried unanimously.**

Carrie Wright, Programs Director, reviewed her staff reports included in the Board's packet.

Sonya Logman, External Affairs Director reported Glass Agency continues to work on the 2014 State Fair Campaign and distributed some samples of the State Fair Campaign and the State Fair poster. Copies for review are on file.

Ms. Logman reported and distributed information on the Read to Ride State Fair program which is available in English and Spanish. A copy for review is on file.

Ms. Logman reported Sacramento News & Review will provide a six week series on the 2014 State Fair. Ms. Logman reviewed her staff reports included in the Board's packet.

Jodie Moreno, Event Partnership, LLC, distributed and provided an update to the Board on the Sponsorship Sales. A copy for review is on file.

Ms. Moreno reported a Blood Drive has been scheduled in Bldgs., C & D at Cal Expo for Friday, June 6, 2014 by Blood Source and Univision.

CEO Pickering reported there is a lot of information in the staff reports regarding the 2014 State Fair. He noted that the staff reports will also be distributed to our Agricultural Advisory Council, Animal Care & Livestock Committee, and the Cultural Advisory Council members.

CEO Pickering complimented the entire management team for their efforts this year. He noted that without a Marketing Director for the last three months, a lot of things had to be done and thanked Sonya Logman and Carrie Wright for their support of our Marketing efforts in addition to their regular jobs.

Carrie Wright, Program Director, asked if the Board has any groups or stakeholders that would like to have a tour of the State Fair to please let her know.

b. Operations & Planning Staff Reports

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

AGM Shell reported that the International Culture Exchange Group has contacted Cal Expo to discuss their 2014 Global Winter Wonderland which normally is held for three months during the Christmas holiday season.

7. FINANCIAL REPORTS

- a. Profit & Loss Statement for March 2014
- b. Point Sheet –Profit & Loss for March 2014
- c. Balance Sheet for March 2014
- d. Point Sheet-Balance Sheet for March 2014
- e. Cash Flow for 2012-2014
- f. Cash Flow Chart
- g. Aged Receivable Report
- h. List of Relief of Accountability
- i. Contracts/Purchases Requiring Board Approval
- j. Contracts/Purchases Requiring Board Notification
- k. 2013 California Exposition & State Fair Audit Report

Director Gallagher reviewed the 2013 California Exposition & State Fair Audit Report distributed to the Board. He noted that this is perhaps the cleanest Audit Report in his many years of service on the Board. A copy for review is on file.

Director Hime had a question about the 2010 Observation #8 Compensated Absences. Discussion ensued.

Director Gallagher reported the Committee recommends the approval of the 2013 California Exposition & State Fair Audit Report with the understanding that the auditors will send the Board a final copy next week.

Motion:

It was moved by Director Hime and seconded by Director Pelote to approve the 2013 California Exposition & State Fair Audit Report.

Director Hime asked the Board to once again review FA 48, Economic Factors and Next Year's Budget, and thinks the top two paragraphs are very positive and the organization is truly moving in the right direction. **All in favor, motion carried unanimously.**

Director Gallagher reviewed the financial reports for March 2014 included in the Board's packet.

Motion:

It was moved by Director Muller and seconded by Director Pelote to approve the List of Relief of Accountability. **All in favor, motion carried unanimously.**

Motion:

It was moved by Director Hime and seconded by Director Nelson to approve the Contracts/Purchases Requiring Board Approval. **All in favor, motion carried unanimously.**

Motion:

It was moved by Director Muller and seconded by Vice Chair Mallel to approve the financial reports for March 2014. **All in favor, motion carried unanimously.**

8. CONSENT CALENDAR

- a. Review for Approval the California Authority of Racing Fairs (CARF) Memorandum of Understanding

Motion:

It was moved by Director Hime and seconded by Vice Chair Mallel to approve the California Authority of Racing Fairs (CARF) Memorandum of Understanding. **All in favor, motion carried unanimously.**

- b. Review for Approval Staff's Recommendation of the 2014 Golden Bear Award Recipient
- c. Review for Approval Agricultural Advisory Council's Recommendation of the 2014 Wine Lifetime Achievement Award Recipient
- d. Review for Approval Agricultural Advisory Council's Recommendation of the 2014 Vineyard of the Year Award Recipient
- e. Review for Approval Agricultural Advisory Council Support of Staff's Recommendation of the 2014 Agricultural Progress Award Recipient
- f. Review for Approval Scoring Committee's Recommendation of the Technology Champion Award Recipient
- g. Review for Approval Agricultural Advisory Council's Recommendation of New Members to the Agricultural Advisory Council

The Consent Calendar Items b. through g. was completed during the State Fair, Agriculture & Marketing Committee Report.

9. CORRESPONDENCE

CEO Pickering reported seven letters were received for the Board from 4-H and FFA members showing their animals at the Sacramento County Fair during the Junior Livestock Auction. The auction is scheduled for Sunday, May 25th if Board members are interested in purchasing an animal at the auction. Copies for review are on file.

10. UNFINISHED BUSINESS

No items for consideration.

11. NEW BUSINESS

No items for consideration.

12. MATTERS OF INFORMATION

a. Public Comments

Eric Mills, Action for Animals

Mr. Mills asked the Board to discontinue the use of farrowing crates, the sale of hermit crabs and the distribution of goldfish as prizes and read from a letter to the Board. A copy for review is on file.

Mr. Mills announced Virginia Handley, his colleague for over 40 years, passed away on March 20, 2014. A memorial service will be held at the State Capitol, Room 4203 at 3:00 p.m. on Wednesday, May 28, 2014.

b. Manager Comments

CEO Pickering reported the California Horse Racing Board unanimously approved Cal Expo's Horse Racing license for the 2014 Race Meet. CEO Pickering also reported the California Horse Racing Board had officially voted to issue three weeks of Thoroughbred racing to the 2015 California State Fair.

CEO Pickering reported the Sacramento Republic Football Club has had sell out games at Hughes Stadium and anticipate the games at Cal Expo's new soccer field will be well attended. The first home game is scheduled at Bonney Field on Friday, June 20, 2014. The first international rugby match is scheduled at Bonney Field on Saturday, June 21, 2014 between the United States and Canada. In addition, a home soccer game is scheduled at Bonney Field on Friday, July 4th.

CEO Pickering reported on his South Korea travel for the Fairs, Festivals and Tourism Conference. Unfortunately he arrived 4 days after the ferry tragedy and the entire country was in mourning.

CEO Pickering reported on the Glass Agency State Fair Marketing Campaign.

CEO Pickering complimented Jen and Sam on the completion of the 2013 California Exposition & State Fair Audit. In addition, CEO Pickering complimented Staff for bringing back the Sacramento Mile Race Meet with a new promoter.

c. Director Comments

Director Muller thanked the Board for their kind congratulations this past spring and it's been wonderful to hear the positive comments regarding the soccer field stadium and the State Fair.

Director Gallagher invited the Board to attend the Sacramento County Fair and the Sacramento Music Festival.

Director Hime commented great team effort and go State Fair.

Director Pelote commented on the challenges of getting more Counties to participate in the State Fair. External Affairs Director Sonya Logman reported the exhibit was up 10%. Director Pelote supports the new social media strategy in the County Exhibits program.

Vice Chair Mallel invited the Board to attend the Governor's Cup on Saturday, July 19th during the 2014 State Fair to provide unity.

Chair Chong reminded the Board the 2014 State Fair Gala is scheduled on Friday, June 27th. Chair Chong expressed his gratitude to Staff for all their hard work and anxiously can't wait until the 2014 State Fair.

d. Next Board Meeting – **Friday, September 26, 2014**

e. Other, if any

RECESS

The Board Meeting was recessed at 2:30 p.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 2:42 p.m. with no reportable actions taken by the Board. With no further business to discuss Chair Chong adjourn the regular meeting.

14. ADJOURNMENT

The Board of Directors meeting was adjourned at 2:42 p.m.

Mr. Harner reviewed the 2013 California Exposition & State Fair Audit Report distributed to the Committee.

Mr. Harner reported the Audit Report has not yet been finalized and is marked with "Final Draft". Auditors are awaiting responses from legal counsel for Cal Expo, are still in the process of reviewing them, and do not anticipate any changes to the report presented today. The final audit should be issued next week with no anticipated changes.

Chair Gallagher had a procedure question referring to a "final draft" being presented instead of the final report which may need to be brought back to the Board for approval.

Chair Gallagher complimented the auditors on the process of the completion of the clean audit report.

FO Brown reported the auditors, at the staff's request, will be returning to provide an internal procedures audit during the State Fair which hasn't been completed for 10 years. FO Brown thanked Jennifer Koga, Accounting Officer/Supervisor, for her support in the completion of the 2013 Audit Report.

Motion:

It was moved by Director Pelote and seconded by Director Mallel to accept and recommend to the Board for approval the 2013 Audit Report subject to obtaining the final copy from Macias, Gini & O'Connell, without significant changes. **All in favor, motion carried.**

1. Profit & Loss Statement for March 2014
2. Point Sheet-Profit & Loss for March 2014
3. Balance Sheet for March 2014
4. Point Sheet-Balance Sheet for March 2014
5. Cash Flow for 2012-2014
6. Cash Flow Chart
7. Aged receivable Report
8. List of Relief of Accountability
9. Contracts/Purchases Requiring Board Approval
10. 2013 California Exposition & State Fair Audit Report
11. Review for Approval the California Authority of Racing Fairs (CARF) Memorandum of Understanding

FO Brown reviewed the financial statements for March 2014 and included in the Board packet.

Motion:

It was moved by Director Pelote and seconded by Director Mallel to recommend to the Board for approval the Request for Relief of Accountability and Contracts/Purchases Requiring Board Approval. **All in favor, motion carried.**

Motion:

It was moved by Director Pelote and seconded by Director Mallel to recommend to the Board for approval the financial statements for March 2014. **All in favor, motion carried.**

MATTERS OF INFORMATION

1. Contracts/Purchases Requiring Board Notification

The Committee had no questions.

ADJOURNMENT

The Finance & Audit Committee meeting adjourned at 11:50 a.m.

CALIFORNIA EXPOSITION & STATE FAIR
State Fair, Agriculture & Marketing Committee Meeting Minutes
Friday, May 23, 2014
10:00 a.m.

MINUTES

Committee Members Present: Hallie Muller, Chair
Director Corny Gallagher
Director Mark Nelson

Committee Member Absent: Director Rima Barkett

Other Board Member Present: Director David Mallel

Staff Present:

Chief Executive Officer (CEO)	Rick Pickering
External Affairs Director	Sonya Logman
Assistant General Manager, Operations (AGM)	Marcia Shell
Chief of Police	Robert Craft
Financial Officer (FO)	Samantha Brown
Programs Director	Carrie Wright
Ag Program Manager	Jay Carlson
Deputy Manager, Programs	Greg Kinder
Accounting Officer/Supervisor	Jennifer Koga
Sponsorship Sales	Jodi Moreno
Admin Assistant	Erick Bi
Marketing Assistant	Maricela Ramirez
Recording Secretary	Linda Contreras

Others Present:
Ovations FanFare Nick Nicora

Chair Muller called the meeting to order at 10:02 a.m. and dispensed with reading the Mission Statement and Public Comments Statement, as there were no members of the public in the audience.

Director Barkett was not present and had asked to be excused.

NEW BUSINESS

1. Review for Approval Staff's Recommendation of the 2014 Golden Bear Award Recipient
2. Review for Approval Agricultural Advisory Council's Recommendation of the 2014 Wine Lifetime Achievement Award Recipient

3. Review for Approval Agricultural Advisory Council's Recommendation of the 2014 Vineyard of the Year Award Recipient
4. Review for Approval Agricultural Advisory Council Support of Staff's Recommendation of the 2014 Agricultural Progress Award Recipient
5. Review for Approval Scoring Committee's Recommendation of the Technology Champion Award Recipient
6. Review for Approval Agricultural Advisory Council's Recommendation of New Members to the Agricultural Advisory Council

Programs Director, Carrie Wright distributed to the Committee information on the 2014 Golden Bear Award Recipient, 2014 Vineyard of the Year Award Recipient the 2014 Agricultural Progress Award Recipient information. Copies for review are on file.

CEO Pickering reported that for the awards listed, staff would like to see these brought to the Board in April next year. Staff needs time to notify the recipients of the awards being presented at the State Fair Gala. Staff will take this into consideration for next year's Board's notification.

Programs Director, Carrie Wright reported the recipient of the 2014 Golden Bear Award is Golden1. CEO Pickering reported that when Golden1 was notified, they were very honored and humbled. As you recall, Golden1 provided \$100,000 towards the installation of the CALIFORNIA letters at Cal Expo.

Director Nelson asked with only two members present can the Committee approve.

CEO Pickering responded that it can be reported that it was the consensus of the Committee members present to recommend for approval.

Programs Director, Carrie Wright reported that the Agricultural Advisory Council's Recommendation for the 2014 Wine Lifetime Achievement Award Recipient, has decline due to the fact that they are unable to attend the State Fair Gala to accept the award. They would prefer to accept the award in person. Staff's recommendation is to hold this award until next year.

Programs Director, Carrie Wright reported that the Agricultural Advisory Council's Recommendation for the 2014 Vineyard of the Year Award Recipient is Bechthold Vineyard. Bechthold Vineyard is the longest operating vineyard in Lodi since 1886.

Programs Director, Carrie Wright reported the Agricultural Progress Award will be presented to two recipients, Harold Petersen who retired from the Milk Advisory Board and Patsy Gilbert who developed the Livestock Quality Assurance Program. These awards have previously been awarded at the State Fair Gala but this year there is a change and the awards will be presented during the State Fair. The awards will be presented to Ms. Gilbert during Junior Livestock week and Mr. Petersen's during Dairy week at the Livestock Show Ring.

CEO Pickering reported Ms. Gilbert currently is on the Alameda County Fair Board and developed the Youth Ethic Training Program Statewide for 4H.

External Affairs Director, Sonya Logman reported that in partnership with the Department of Technology, the Technology Champion Award was established this year. The recipient is Robert Tse, who is with the U.S. Department of Agriculture Rural Development, for all his contributions to technology in California.

Programs Director, Carrie Wright reported the Agriculture Advisory Council is recommending Brian Watson and Sarah Watkins as members to the Council.

Chair Muller commented we need to take a good look at the members of the Agriculture Advisory Council and create a good practice for keeping the membership list up to date, make sure members are attending meetings, and being active contributors to the State Fair.

MATTERS OF INFORMATION

1. Staff Reports

Programs Director, Carrie Wright reported Staff is continuing to oversee State Rules. Staff is also talking to different Fairs about the Porcine Epidemic Diarrhea Virus (PEDV).

Programs Director, Carrie Wright reported the Agricultural Advisory Council's Livestock & Animal Care Committee was held on May 15th. There was a lot of policy review, good feedback and general information. There were public comments which mostly revolved around goldfish being given out as "prizes" by the Carnival. The public supported the concept of the possibly creating a dog adoption program at the State Fair.

Chair Muller asked if there have been any reports of the PEDV virus at any County Fairs. Ms. Wright reported there have been no cases at County Fairs, but 7 reported cases in California.

Programs Director, Carrie Wright reviewed her staff reports included in the Board packet.

External Affairs Director, Sonya Logman reported Glass Agency continues to work on the advertising campaign for the 2014 State Fair and distributed samples to the Committee for their review, including the official poster. The Sacramento News & Review will provide a publication on the 2014 State Fair. The State Fair's new website, CA**StateFair**.org is up and more user-friendly. State Fair programming is expected to be up by June 1st.

External Affairs Director, Sonya Logman reported on promotions and opportunities for State Fair ticket sales with Costco and SaveMart.

External Affairs Director, Sonya Logman reviewed her staff reports included in the Board packet.

Sponsorship Sales, Jodi Moreno distributed to the Committee an updated Sponsorship Sales report. A copy for review is on file.

Director Gallagher arrived at 10:42 a.m.

Programs Director, Carrie Wright provided an update on the Read to Ride program with the Elk Grove School District.

Chair Muller thanked both Sonya and Carrie for assisting with the Marketing program for the State Fair in the absence of a Marketing Director.

Programs Director, Carrie Wright reported on the State Fair Gala and some changes have been made to the awards program, so as not to be so long. Staff is in discussion with the Friends of the Fair on whether the Silent Auction will be held.

2. State Fair 2014 General Update

CEO Pickering reported changes have been made to several sight lines at the Farm, the Forest Center and the Racetrack area. In addition, new locations will be added for some food booths outside of the Blues & Brews area.

CEO Pickering reported signage will be placed around the Fairgrounds regarding the drought and our part in conserving water.

CEO Pickering reported the California Horse Racing Board meeting was hosted by Cal Expo last month at the Racetrack. Directors Pelote and Nelson attended the meeting.

CEO Pickering asked the Committee, now that a quorum was present, to approve the agenda items listed under New Business.

Motion:

It was moved by Director Nelson and seconded by Director Gallagher to approve and recommend to the Board for approval the award recipients for the 2014 Golden Bear Award, 2014 Vineyard of the Year Award, 2014 Agricultural Progress Award and the 2014 Technology Champion Award. **All in favor, motion carried.**

Motion:

It was moved by Director Gallagher and seconded by Director Nelson to approve and recommend to the Board for approval the Agricultural Advisory Council's Recommendation of New Members to the Council. **All in favor, motion carried.**

ADJOURNMENT

The State Fair, Agriculture & Marketing Committee meeting adjourned at 11:00 a.m.