

CALIFORNIA EXPOSITION & STATE FAIR

Minutes of the Board of Directors Regular Meeting

Held Pursuant to Due Notice
April 24, 2020

The meeting was conducted by teleconference originating at
California Exposition & State Fair
1600 Exposition Boulevard
Sacramento, CA 95815

Directors Present

Director Jess Durfee Chair
Director Rex Hime, Vice Chair
Director Rima Barkett
Director Sonney Chong
Director Rina DiMare
Director David Mallel
Director Brian May

Staff Present

Rick Pickering, Chief Executive Officer (CEO)
Tom Martinez, Chief Deputy General Manager (CDGM)
Samantha Brown, Deputy General Manager, Administration
Margaret Mohr, Deputy General Manager, Business Development & Marketing
Marcia Shell, Assistant General Manager Expo Events
Rachelle Weir, Programs Manager
Jay Carlson, AG Programs Manager
Sue O'Brien, Recording Secretary

Others Present 85 as identified by Zoom

1. CALL TO ORDER

Chair Durfee called the meeting to order at 12:30 p.m. Chair Durfee dispensed with the reading of the Mission Statement, Policy Statement and the Public Comment Statement.

2. ROLL CALL

Roll call was taken and a quorum was present. Board Members convened into Closed Session at 12:34 p.m.

MOTION:

Chair Durfee asked for a motion to adjourn into Closed Session. It was moved by Director Chong and seconded by Director DiMare. **All in favor, motion passes unanimously.**

3. CLOSED SESSION

The Board will convene in closed session as authorized by Government Code Section 11126(e)(2)(B) to confer with legal counsel regarding a matter that presents a significant exposure to litigation against California Exposition & State Fair, based on the facts and circumstances.

4. RETURN TO OPEN SESSION

- a. Report out of Closed Session, if needed

At 1:00 p.m. the public meeting resumed. Chair Durfee reported out that during closed session the Board received advice from legal counsel and no action was taken.

5. PLEDGE OF ALLEGIANCE

Chair Durfee lead the Pledge of Allegiance.

6. INTRODUCTION OF STAFF

7. PUBLIC COMMENT ON MATTERS NOT ON THE AGENDA

In accordance with state law, the Board will not comment or otherwise consider Public Comment matters until and unless such item has been properly noticed for future meeting.

Chair Durfee asked to move item 13 a under New Business be heard out of order. There were no objections.

8. CONSENT AGENDA

All items on the consent agenda are to be approved in one motion unless a Board Member request a separate action on a specific item.

- a. Approval of Board Meeting Minutes for March 13, 2020.
- b. Approval of Board Committee Minutes for March 13, 2020.
- c. Accept Notification of Contracts/Purchases under \$100,000.
- d. Approval of Contracts/Purchases over \$100,000.

Deputy General Manager Brown reported that item c and d were fair related and are no longer needed and can be struck from the Consent Agenda.

MOTION:

Chair Durfee called for a motion to adopt items a & b of the Consent Agenda. Director May moved to adopt items a & b of the Consent Agenda and it was seconded by Director Chong. **All in favor, motion passes unanimously.**

9. COMMITTEE AND STAFF REPORTS

a. Finance Committee

Vice Chair Hime reported that the committee reviewed the financials that are in your meeting packet and they are self-explanatory. Moving forward it needs to recognize by not having a State Fair there will be a negative financial impact to Cal Expo and its actives and need to make sure that the Governing Bodies in California understand and recognize that these actions taken were necessary and they will hopefully help us meet our budgetary needs. The committee discussion in detail the implications of AB 1499 and made a determination that it should be an item acted upon in the full Board meeting. CEO Pickering reviewed with the Board that AB1499 basically pulls $\frac{3}{4}$ of 1% of sales tax from taxable and use tax sales generated at the California Network of Fairs. Then the $\frac{3}{4}$ of 1% goes to Department of Finance and then to California Department of Food & Ag. CDFA creates a funding formula for the fairs that choose to participate. As part of your staff report there is an outline of how CDFA plans to distribute those funds. These funds are tied to the size of the fair. The other part of AB 1499 has to do with seasonal employees being paid overtime which was discussed at length in the Finance Committee. As there will not be a State Fair this year it is staff's recommendation to participate in this funding for this year. There are four documents in your staff report that the Board would need to adopt and authorize the Board Chair and CEO to sign on behalf of the Board. Vice Chair Hime asked for a motion to accept staff's recommendation to participate in AB 1499 for the year 2020.

MOTION:

Chair Durfee asked for a motion to approve the resolution for the new fair funding allocation and to enter into the MOU for the year 2020. It was moved by Director Chong and seconded by Director Mallel. A roll call vote was taken: Chair Durfee, yes, Vice Chair Hime, yes, Director Barkett, yes, Director Chong, yes, Director DiMare, yes, Director Mallel, yes and Director May, abstain. **Motion carries 6 ayes and 1 abstention.**

10. FINANCIAL REPORTS

a. 2019 Financial Statements

MOTION:

The Chair entertained a motion to accept the 2019 financial statements. Vice Chair Hime moved the motion and it was seconded by Director Chong. Discussion – None **All in favor, motion carries unanimously.**

- b. Aged Accounts Receivable Report
- c. Request for Relief of Accountability

MOTION:

The Chair entertained a motion to accept the Request for Relief of Accountability report. Vice Chair Hime moved the motion and it was seconded by Director Chong. Discussion – None **All in favor, motion carries unanimously.**

11. CORRESPONDENCE

None

12. OLD BUSINESS

- a. California State University, Sacramento Request for support of Bushy Lake Conceptual Restoration Plan.

Chief Deputy General Manager Martinez reported that since the March, 2020, Board meeting Cal Expo staff has been meeting with representative from CSU Sacramento regarding a number of the Board concerns. As a result of these meetings staff has been able to resolve the concerns of the Board. Staff therefore recommends that the Board supports CSU Sacramento in this effort including their grant from the Wildlife Conservation Board.

Motion:

Vice Chair Hime made a motion that the Board accept the proposal from CSU Sacramento for the Bushy Lake Conceptual Plan. Motion was seconded by Director Chong. Discussion None

Chair Durfee restated the motion, to accept staff's recommendation to give Professor Stevens and the Wildlife Conservation Fund approval for use of the site as required for the development of a draft conceptual plan for Bushy Lake Habitat and Education. **All in favor, motion carries unanimously.**

13. NEW BUSINESS

- a. Discuss and Action regarding COVID-19 and potential impacts to the Annual State Fair, July 17-August 2, 2020

Vice Chair Hime stated that he could never image these times happening. We have heard many times the Governor's executive order to shelter in place and then outline indicators he's looking for to reopen California. The public health situation has seemed to level off but has not gone away. The public health crisis that COVID-19 has created continues to haunt every activity that we are involved in. Based on these indicators I would like to make a motion to the Board.

MOTION:

I respectfully moved that in accordance with Cal Expo's values, and the directives and guidance issued by the Governor and the California Department of Public Health, the 2020 California State Fair be cancelled due to the extensive challenges posed by the COVID-19 public health crisis. Director Mallel seconded the motion.

Discussion:

Chair Durfee – The significance of this decision has not been taken lightly. As Board Members it is our responsibility to protect the health and welfare of our guest, business partners and staff.

Director Barkett – Agrees with Chair Durfee and restated that our 1st duty is to make sure that our staff and visitors are safe and their health is not put in jeopardy.

There was no further discussion and a roll call vote was taken. Chair Durfee, yes, Vice Chair Hime, yes, Director Barkett, yes, Director Chong, yes, Director DiMare, yes, Director Mallel, yes and Director May, yes. **Motion passed unanimously.**

Public Comment on item 13 a – Ashley Anderson – had concerns regarding the decision being made now for an event that was going to happen in late July and early August. She also voice concern about the animal producers and the youth purchasers that have put a lot of money into their projects.

Mike Curry – commented on the technical difficulties and having the discussion without any input. He wanted to point out the economic impact this will have on the producers of these animals and the juniors exhibiting these animals. He stated that the decision is being made too soon. He would urge the Board and California State Fair to keep an open mind, keeping in mind the health and safety of the public, to open up something this summer to have an avenue for the animal exhibitors, animal producers and small businesses to participate.

b. AB 1499 Executive Order N-40-20

- Approval of Board Resolution for New Fair Fund Allocation
- Approval of Memorandum of Understanding (MOU) for New Fair Fund Allocation
- Approval of Required Employee Work Conditions Policy for New Fair Fund Allocation

The motion and approval were done under item 9 a.

c. Approval of 2020 Industry Awards

Ag Programs Manager Carlson reviewed the staff report with the Board and ask that the Board approve the following:

- Wine Lifetime Achievement Award - Randall Graham
- Vineyard of the Year Award - Sangiacomo Vineyard
- California All Stars Award – Margrit Mondavi and Barden Stevenot

MOTION:

Chair Durfee asked for a motion to accept staff and the California State Fair Wine Advisory Task Force 2020 Wine Industry Awards. The motion was moved by Director Chong and seconded by Director DiMare.

Discussion – None **All in favor, motion carries unanimously.**

14. MATTERS OF INFORMATION:

- a.** Update on COVID-19 Emergency Support Provided by Cal Expo
CEO Pickering gave an update on the COVID-19 drive-through testing and the 63 isolation trailers. He also stated that having cancelled events

for March, April, May and June this has created a financial challenge not only for the promoters but also Cal Expo. As we continue in our emergency services support for the region, state and federal government we wrestle with how to keep the doors open with little to no income coming in.

b. CEO Comments

CEO Pickering thanked everyone that participated in the Zoom call and apologized for the technical difficulty. We will take the Boards direction to look into ways to support livestock in the state and continue to reach out to other fairs. Staff will also look into the State Fair Gala and the 4th of July fireworks show and provide an update to the Board.

c. Directors Comments/Agenda Items for Future Meetings

Director Chong – Would like staff to look into a virtual livestock auction.

Director DiMare – Staff has been working very hard and wants to say thank you to everyone and would support staff looking into ways supporting our livestock program.

Vice Chair Hime – Is unhappy to have to make this decision that was made to cancel State Fair. There was a lot of discussion about the programs like livestock and what could be done. Thank you to staff who has already been working months on the fair.

Director Barkett – Very hopeful to keep having a Jr .Livestock auction.

Director May – Agree with Director Barkett.

Chair Durfee – Thank you to staff weather you're working from home or reporting to Cal Expo. We appreciate all you are doing and hope and pray stay safe and healthy. That we can continue to provide the emergency services that are at Cal Expo and that hopefully we are saving lives because of the difficult decision that was made today.

d. Next Board Meeting – Friday, May 29, 2020 (Subject to change due to COVID-19 emergency)

15. ADJOURNMENT

Vice Chair Hime moved to adjourn the meeting and Director Chong seconded the motion. **All in favor, motion carries unanimously.**

The Board of Directors meeting was adjourned at 1:45 p.m.