

CALIFORNIA EXPOSITION & STATE FAIR

Minutes of the Board of Directors Regular Meeting

Held Pursuant to Due Notice
August 28, 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 Erin Choi
Director Sonney Chong
Director Rina DiMare
Director David Mallel
Director Brian May

Staff Present

Rick Pickering, Chief Executive Officer
Tom Martinez, Chief Deputy General Manager
Samantha Brown, Deputy General Manager, Administration
Marcia Shell, Assistant General Manger Expo Events
Jay Carlson, AG Programs Manager
Sue O'Brien, Recording Secretary
Rachel Finkes, Programs Department
Jen Koga Finance Department
Jaclyn Zdanowski, Executive Office

Others Present 2 as identified by Zoom

1. CLOSED SESSION

The Board will convene in closed session as authorized by Government Code Section 11126(e), (2), and (B), to confer with and receive advice from legal counsel regarding potential litigation involving the California Exposition and State Fair. Based on existing facts and circumstances, there is significant exposure to litigation against California Exposition & State Fair.

The Board Meeting was called to order at 12:30 p.m. and the Board immediately convened into closed session.

Chair Durfee reported out that the Board met to discuss legal issues that might involve potential litigation. No action was taken.

2. CALL TO ORDER – Public Meeting

Chair Durfee called the public meeting to order at 1:32 p.m. Chair Durfee dispensed with the reading of the Mission Statement, Policy Statement and the Public Comment Statement.

3. ROLL CALL

Roll call was taken and a quorum was present.

4. INTRODUCTION OF STAFF

5. 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.

6. 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 July 24, 2020.
- b. Approval of Board Committee Minutes for July 24, 2020.
- c. Approval of Emergency Board Meeting Minutes for July 31, 2020.

MOTION:

Chair Durfee called for a motion to approve the consent agenda. The motion was moved by Vice Chair Hime and seconded by Director Chong. **All in favor, motion carries unanimously.**

7. COMMITTEE AND STAFF REPORTS

Finance Committee

- a. Review and Update of Cash Flow

Committee Chair Hime reported that all Committee members were in attendance. The Committee reviewed the Cash Flow working draft chart, Balance Sheet – 06-30-2020, Profit/Loss Statement 06-30-2020 and Emergency Support Services charts. Committee Chair Hime asked Deputy General Manager Brown to review these charts with the full board.

b. 2020 2nd Quarter Financials

Deputy General Manager Brown reviewed the second quarter financials with the Board. She stated that most of the items discrepancy is related to COVID. The biggest impact will be seen in July. The Profit/Loss discrepancy are tied to COVID. The Balance sheet is very reflected of the COVID-19 issues we are facing. The cash balanced is significantly less than last year due to COVID.

MOTION:

Chair Durfee asked for a motion to accept the committee's recommendation to approve the second quarter financial statements. It was moved by Vice Chair Hime and Director May seconded the motion. Discussion – None Chair Durfee asked for a roll call vote. Chair Durfee, yes; Vice Chair Hime, yes; Director Barkett, yes; Director Choi, yes; Director Chong, yes; Director DiMare, yes; Director Mallel, yes; Director May, yes. **Motion passes unanimously.**

c. Aged Receivable

d. Update on Emergency Support Services

Deputy General Manager Brown asked to correct a statement she had made in the Finance Committee meeting. The correct statement is that the City of Sacramento has paid approximately \$37,000 out of the amount owed. Brown continued to report the non-reimbursed items are permanent full time staff to support the 2 COVID sites. She stated that any kind of emergency services in the past they never pay for permanent full time staff. Only for staff overtime or temporary help. It is unlikely that we would receive payment for these items. However, we want to capture this time as it is diverted from their full time job and it's important to track the value of that time. She then explained the Emergency Support Services spread sheet as a whole.

8. NEW BUSINESS

a. Request from the City of Sacramento for an extension on the current License Agreement to December 31, 2020, for the use of Lot 26, which currently houses 63 FEMA RV Trailers as a COVID19 Emergency Isolation and Recovery Facility of homeless persons.

Chief Deputy General Manager Martinez reviewed the staff report with the Board. He mentioned that the board in June had extended the contract for the COVID19 Emergency Isolation and Recovery Facility to September, 2020 and that the City of Sacramento would like to extend the contract again to December, 31, 2020. He stated that there are several

opportunities to cancel this contract for either side. Chief Deputy General Manager Martinez respectfully asked the Board to approve staff's recommend to approve the extension of the contract with the City of Sacramento for the COVID-19 Isolation Trailer Facility and to execute an appropriate amendment to the contract.

MOTION:

Chair Durfee asked for a motion. Director Barkett moved that the Board approve staff's recommendation to extend the contact for the COVID-19 Emergency Isolation and Recovery Facility. Vice Chair Hime seconded the motion. Discussion: Director Chong asked if there would be any financial impact to Cal Expo. Chief Deputy General Manger Martinez stated that the City of Sacramento agreed to pay for security services as mentioned in the contract. Chair Durfee re-stated the motion:

To approve the recommendation for the request from the City of Sacramento for an extension on their current lease agreement to December 31, 2020, for use of Lot 26. Chair Durfee asked for a roll call vote. Chair Durfee, yes; Vice Chair Hime, yes; Director Barkett, yes; Director Choi, yes; Director Chong, yes; Director DiMare, yea; Director Mallel, yes; Director May, yes. **Motion passes unanimously.**

- b.** Request from the County of Sacramento for an extension of License Agreement No. 20-0827 to December 31, 2020, for the continued use of the Pavilion, western end of L-2 and all of L-3 for the COVID-19 drive-through testing site.

Chief Deputy General Manager Martinez reviewed the staff report with the Board. He stated that Sacramento County Department of Public Health request to extend their current lease agreement of the Pavilion, western end of L-2 and all of L-3 for COVID-19 drive-through testing. He mentioned that this site is one of the most active sites in the State. Chief Deputy General Manager Martinez respectfully asked the Board to approve staff's recommendation to approve the extension of the lease of the Pavilion, western end L-2 and all of L-3 with the County of Sacramento for the COVID-19 drive through testing facility and to execute an appropriate amendment.

MOTION:

Chair Durfee asked for a motion. Director Barkett moved that the Board accept staff's recommendation to extend the lease agreement to December 31, 2020, for the use of the Pavilion, western end of L-2 and all of L-3 for the COVID-19 testing site that is operated by the Sacramento County Department of Public Health. Director Chong seconded the motion. Discussion: CEO Pickering mentioned that later this week the site will have tested 30,000 people. Chair Durfee asked for a roll call vote. Chair Durfee, yes; Vice Chair Hime, yes; Director Barkett, yes; Director Choi, yes;

Director Chong, yes; Director DiMare, yes; Director Mallel, yes; Director May, yes. **Motion passes unanimously.**

9. MATTERS OF INFORMATION:

- a. Update on COVID-19 Emergency Support Provided by Cal Expo
CEO Pickering mentioned that Cal Expo is on stand by for support of Fire Camps, evacuations or housing of large animals by Cal OES. Solano County Fair asked to borrow some of our large animal panels to help with their emergency support. Cal Expo is supporting the Northern CA Red Cross as they are having emergency supplies drop shipped to Cal Expo and then re-distributing out to Northern California.
- b. CEO Comments
CEO Pickering commented that several of the staff were able to go out to the State Fair Farm and pick the produce and then donate it to a local food bank. Cal Expo hosted a Blood Drive that had its challenges with social distancing but was successful. Cal Expo along with SMUD and others will be hosting a school supply drop off that will benefit the Sacramento Children's home. Rock & Brews is continuing to move forward and planning on opening by the end of the year. Sac Republic continues to have games without fans as approved by County Health. Recently we were notified that Brenda Davis, former Board Member, current member of the Agricultural Advisory Council was appointed to the California Horse Racing Board. Senator Pan sent an Op Ed letter to the Sacramento Bee which was published last week and generated some media interest. Pickering commented that Cal Expo has sent out over 100 letters to our business partners explaining where we are financially and what our financial challenges are. #morethanafair is a new page on our website with incredible comments for key business partners outside of State Fair. Compliments to the Board, our team members and all of our staff. Cal Expo as many other organization is balancing the devastating health impacts and financial impacts of COVID along with the fires and smoke and a great job is being done by all. Sadly Cal Expo will have to continue with our lay off plan even if we are fortunate and able to obtain some emergency funding and support from the State. Cal Expo is working on a letter of support for Congressman Josh Harder's federal initiative for funding relief for fairs across the nation. CEO Pickering reported that the 9-11 program that we have hosted for the pasted 4-5 years will not be happening here at Cal Expo this year due to COVID but we are looking forward to its return next year.
- c. Directors Comments/Agenda Items for Future Meeting
Director Chong – Thank you to Senator Pan for his letter and support. Appreciates staff and leadership during this period of time.

Vice Chair Hime – Understands that the Governor’s office has made some changes in our appointment staff and would like to wish Rachelle and Margaret Godspeed and an offer to help when needed.

Chair Durfee – Would like to echo the comments about reaching out to Rachelle and Margaret as a Board to express our appreciation and sadness that under these circumstances the Governor’s office felt a need to reduce our staffing. Also a great thank you to staff for working with the Department of Finance and others to find the funding we need to keep the doors open. It’s been a trying task and moving forward we should do more of it. Looking forward to our Board Retreat, rather than taking 2 days let’s look at taking 3 hours in the morning before our October 30 board meeting to discuss where we are, where we need to go and what thing we need to do to get there.

- d. Next Board Meeting – **Friday, September 25 2020** (Subject to change due to COVID-19 emergency)

10. ADJOURNMENT

MOTION:

Chair Durfee called for a motion to adjourn. The motion was moved by Vice Chair Hime and seconded b Director Chong. **All in favor, motion carries unanimously.**

The Board of Directors meeting was adjourned at 2:32 p.m.