

# **CALIFORNIA EXPOSITION & STATE FAIR**

Minutes of the Board of Directors Regular Meeting

Held Pursuant to Due Notice  
Friday, April 29, 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 David Mallel  
Director Hallie Ochoa  
Director Tony Ortiz

**Directors Absent**

Director Rex Hime

**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  
Paul Gillingham, Maintenance Operations Manager  
Jay Carlson, Interim Programs Director  
Chief Robert Craft, Chief of Police  
Jennifer Koga, Accounting Officer/Supervisor  
Don Callison, Interim Program Manager  
Sue O'Brien, Recording Secretary

**Others Present**

Michael Zislis, Rock & Brews  
Joe Johal, Rock & Brews  
Scott Hubbard, Rock & Brews  
Nick Nicora, Spectacor  
Carol Buchanan  
Amber Williams, Glass Agency  
Stacey Roberts, Deputy, Attorney General Office  
Brian Honebein, Event Partnership

\*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 1:03 p.m.

Chair O'Brien stated that the Mission Statement, Policy Statement and Public Comment Statement were printed in the Agenda and noted that copies of today's Agenda were available at the table.

## 2. PLEDGE OF ALLEGIANCE

Chair O'Brien asked Director Durfee and Director Ortiz 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. Director Hime was not present and had asked to be excused.

### **Motion:**

It was moved by Chair O'Brien and seconded by Director Ochoa to excuse the absence of Director Hime. **All in favor, motion carried unanimously.**

## 4. INTRODUCTION OF GUESTS & STAFF

Introduction of Guest and Staff were made around room.

## 5. PRESENTATION

### **a. Presentation to Carol Buchanan in Recognition of her Retirement**

DGM Brown presented Carol Buchanan with her Golden Bear award in honor of her years of service. DGM Brown thanked Carol helping to form the Competition Program/Fine Arts in her 12 years of service at Cal Expo. Carol thanked the Board for her Golden Bear and encouraged the Board to continue with the Competition Program/Fine Arts.

## 6. MINUTES OF MEETINGS

- a. Accept Cultural Advisory Council Meeting Minutes of January 21, 2016, as presented
- b. Accept Cultural Advisory Council Meeting Minutes of February 17, 2016, as presented
- c. Accept Agricultural Advisory Council Meeting Minutes of February 16, 2016 as presented
- d. Accept Agricultural Advisory Council Livestock & Animal Care Committee Meeting Minutes of May 20, 2015, as presented
- e. Approve Board Meeting Minutes of January 29, 2016, as presented

- f. Approve Board Committees and Meeting Minutes of February 26, 2016, as presented
- g. Approve Board Committee Meeting Minutes of March 25, 2016, as presented

**Motion:**

It was moved by Director Gallagher and seconded by Director Ochoa to accept and approve the Meeting Minutes 6a through 6g. **All in favor, motion carried unanimously.**

**7. COMMITTEE AND STAFF REPORTS**

**a. HORSE RACING COMMITTEE**

Committee Chair Chong reported that CEO Pickering provided the committee with a summary of our 2016 Racing License application. The Committee then discussed the possible extension of the Watch and Wager contract for Harness Racing.

Chair O'Brien suggested that item 11(a) 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 item 11(a) with item 7(b).

**b. LONG RANGE PLANNING COMMITTEE**

Committee Chair Hime had a prior obligation and was unable to attend the Board Meeting.

Chair O'Brien summarized that on or about April 14, 2016, Cal Expo received a letter from Rock & Brews wanting to enter into conversations about the potential of doing a transaction and making a presentation in front of the Committee and Board.

Nick Nicora of Spectacor presented a video production about the history of Rock & Brews. Mike Zislis Founder/Partner of Rock & Brews explained how he started brewing beer and that his first Brewery/Restaurant was Rubicon Brewing Company on Capital Avenue here in Sacramento. Mr. Nicora summarized that Rock & Brews does not want to change the footprint of the existing restaurant structure but to refurbish it as a family-friendly entertainment center.

**Motion:**

Director Mallel made a motion to direct staff to further explore the potential of a Rock & Brews facility and report back to the Board at its next meeting. It was seconded by Director Durfee. **All in favor, motion carried unanimously.**

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

**c. LEGISLATIVE COMMITTEE**

Committee Chair DiMare reported that the committee had a discussion on three bills that are of interest to Cal Expo.

**AB 1716** by Assembly Member McCarty would create a conservancy for the Lower American River Parkway. Director Hime, CEO Pickering, DGM Martinez and Director DiMare met with the Assembly Member to express interest in the bill, seek clarifications, and agreed to continue conversations. This bill is early in the process

**AB 2678** by Assembly Member Gray is of special interest to us. This bill would have a percentage of sales and use taxes that are generated at Fair, to be carved out and

redirected to CDFA to reallocate to the network of California Fairs. This bill is early in the process.

**AB2863** by Assembly Member Gray would establish the framework to authorize interstate internet poker and the internet poker consumer protection act. This bill has passed out of committee and will require a 2/3 vote.

**d. ANNUAL STATE FAIR**

Committee Chair Ochoa reported that the Committee heard updates from various Staff/departments.

Marketing Director Castleberry reviewed her staff report that was included in the Board packet. She provided updates on Radio and Television production, buys, and reviewed special promotions.

Interim Program Director Carlson noted that the Programs Department was fully engaged with design layout and build in the Exhibit Halls and that Competitions are under way.

CEO Pickering reported that the Sale of Champion date had been moved to Sunday, July 10, 2016 and that State Fair would have a 3<sup>rd</sup> community act stage. Chief Craft has schedule an active shooter drill for May 3, 2016.

CEO Pickering introduced the draft California Exposition and State Fair Code of Conduct to the Board of Directors. The code of conduct is on Cal Expo's web site for public comment and will be returned to the Board of Directors at its next meeting for consideration and possible approval.

**e. FINANCE COMMITTEE**

Committee Chair Gallagher reported and reviewed items in the staff report

**Motion:**

Finance Committee recommend to the Board approval of the Exclusive Tent Rentals, Inc. contract. Moved by Director Chong and seconded by Director Durfee. **All in favor, motion carried unanimously.**

**8. FINANCIAL REPORTS**

- a. Profit & Loss Statement for March 2016
- b. Balance Sheet for March 2016
- c. Aged Receivable Report
- d. Contracts Requiring Board Approval
- e. Contracts/Purchases Requiring Board Approval
- f. Grants Running Report

**Motion:**

Finance Committee recommended to the Board approval of items a, b, & c of the finance committee report. Moved by Director Durfee and seconded by Director Ochoa. **All in favor, motion carried unanimously.**

**9. CORRESPONDENCE**

**10. UNFINISHED BUSINESS**

**11. NEW BUSINESS**

**a.** Presentation by Rock & Brews, in support of their request for exclusive negotiation rights, to provide a full service restaurant at Cal Expo. (To be located at the Southwest corner of Exposition Blvd., Arden Way and Ethan Way) Item 11 a moved to Item 7b.

**b.** Status Of California Exposition and State Fair Code of Conduct and General Rules. Item 11 b moved to Item 7d.

**12. MATTERS OF INFORMATION**

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

**b.** Manager Comments

CEO Pickering reported that at the Annual Livestock and Animal Care committee Meeting the "Animal Welfare Practices" Handbook was reviewed. Eric Mills, from Animal Action stated that the California State Fair is the most humane State Fair in America. Professional Rugby had their first game and posted 3316 in attendance. Cal Expo will host two Pro Rugby games at Bonney Field during State Fair. Cal Expo received National media coverage on the Rugby games along with the 1<sup>st</sup> U.S. National Drone Race, which was held at Cal Expo last summer. This summer's Drone Races will be held at Governor's Island in New York and ESPN has purchase all TV rights for National/International Drone Racing. Thanks for every ones great work.

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

Director Gallagher Thanks to the team.

Director Chong, Welcome to the new Board Members and Tom Martinez.

Director Barkett Suggested that we should consider adding Cheese of the Day and Olive Oil of the Day. Remind everyone that at the Board Retreat one of the goals was to expand

the Farm and she is looking forward to hearing ideas.

**d.** Next Board Meeting – **Friday, June 3, 2016**

**e.** Other, if any

**13. CLOSED SESSION**

**14. ADJOURNMENT**

**Motion:**

It was moved by Director Gallagher and seconded by Director Ochoa to adjourn the Board Meeting. **All in favor, motion carried unanimously.**

The Board of Directors meeting adjourned at 2:30 p.m.

**CALIFORNIA EXPOSITION & STATE FAIR  
HORSE RACING COMMITTEE**

Committee Meeting Minutes

Friday, April 29, 2016

9:30 A.M.

**MINUTES**

Committee Members Present:

Sonney Chong, Chair  
Director Rina DiMare  
Director Rema Barkett  
Director Mark Nelson

Staff Present:

Chief Executive Officer (CEO)  
Chief Deputy General Manager (DGM)  
Deputy General Manager Administration (DGM)  
Expo Events Director (AGM)  
Marketing Director  
Interim Programs Director  
Maintenance Director  
Recording Secretary

Rick Pickering  
Tom Martinez  
Samantha Brown  
Marcia Shell  
Jennifer Castleberry  
Jay Carlson  
Paul Gillingham  
Sue O'Brien

Present In Audience

Michael Zislis, Rock & Brews  
Joe Johal, Rock & Brews  
Nick Nicora, Spectacor  
Jennifer Koga, Staff  
Scott Hubbard Rock & Brews  
Jim Perez, Executor Director CHRA  
Ben Kenny, Watch & Wager  
Christopher Schick, Watch & Wager

Chairperson Chong called the meeting or order at 9:33 a.m. and dispensed with reading the Mission Statement and Public Comments Statement.

**NEW BUSINESS**

1. 2016 State Fair Racing License Application

CEO Pickering reported that the License Application has already been submitted to the California Horse Racing Board (CHRB) for consideration and will be heard at their May meeting, which will take place in Santa Anita.

2015 State Fair racing was able to increase the Thoroughbred racing from 7 days to 11 days. This resulted with a Handle increase of approximately 38% and a racing attendance increase of approximately 43%. 2016 State Fair will have 10 days of horseracing due to Del Mars racing schedule. We expect that 2016 will be as successful as 2015.

The San Joaquin County Fair has voted to try to move their horseracing to the Alameda County Fair.

CEO Pickering announced that the Governor's Cup will be July 23, 2016 and is looking for Board Members to be in the Winners Circle.

2. Update and Discussion of possible extension of the Watch & Wager contract for Harness Racing

CEO Pickering summarized that harness racing has been at Cal Expo for many years. Cal Expo ran harness racing for several years and then entered into a 5-year lease agreement with Watch & Wager with several multi-year renewals. Watch & Wager has indicated to Cal Expo that they would like to start negotiating a 5-year extension to the existing lease agreement. Watch & Wager feels that a committed contract to extend operations would entice harness horse owners to invest in breeding and purchasing new harness horses for future competition. Over the last four years, Watch & Wager has collaborated with Cal Expo on several projects to improve the racetrack and the backstretch. Some of these projects include:

- Track maintenance and improvement (grading, chemical testing)
- New inside racing rail
- Backstretch access control
- Backstretch increase surveillance and security

Ben Kenny and Christopher Schick of Watch & Wager thanked Cal Expo for their support and reviewed the highs and lows of the past 4 years in harness racing.

**ADJOURNMENT**

Chair Chong entertained a motion to adjourn the meeting. Moved by Director Barkett and seconded by Director DiMare. **All in favor, motion carried unanimously.**

The Horse Racing Committee meeting was adjourned at 9:58 a.m.



**CALIFORNIA EXPOSITION & STATE FAIR**  
**Long Range Planning Committee**

Committee Meeting Minutes  
Friday, April 29, 2016  
10:00 A.M.

**MINUTES**

Committee Members Present:

Rex Hime, Chair  
Director Rema Barkett  
Director David Mallel  
Director Mark Nelson

Staff Present:

Chief Executive Officer (CEO)  
Chief Deputy General Manager (DGM)  
Deputy General Manager Administration (DGM)  
Expo Events Director (AGM)  
Marketing Director  
Interim Programs Director  
Maintenance Director  
Recording Secretary

Rick Pickering  
Tom Martinez  
Samantha Brown  
Marcia Shell  
Jennifer Castleberry  
Jay Carlson  
Paul Gillingham  
Sue O'Brien

Present in Audience:

Michael Zislis, Rock & Brews  
Joe Johal, Rock & Brews  
Scott Hubbard, Rock & Brews  
Nick Nicora, Spectacor

Chair Hime called the meeting to order at 10:00 a.m. and dispensed with reading the Mission Statement and Public Comments Statement.

**NEW BUSINESS**

1. Presentation by Rock & Brews, in support of their request for exclusive negotiation rights, to provide a full service restaurant at Cal Expo. (To be located at the Southwest corner of Exposition Blvd., Arden Way and Ethan Way)

Nick Nicora of Spectacor presented a video production about the history of Rock & Brews. Michael Zislis Founder/Partner of Rock & Brews commented that he started brewing beer at a young age and 25 years ago built his first Brewery/Restaurant, Rubicon Brewing Company on Capital Avenue, Sacramento

CA. After the beer business, Zislis built Hotels and Restaurants. The Furano Brothers liked his restaurants and this began the business of Rock & Brews. Mr. Nicora summarized that the project would rehabilitate the southwest corner of Exposition Blvd., Arden Way and Ethan Way and restore it as a family-friendly entertainment center. Mr. Nicora stated that he and Spectra would not be investors in the potential Rock & Brews at Cal Expo. However, they may partner in the future if Rock & Brews takes off around the Country.

Following discussion, Chair Hime made recommendation that staff works with Rocks & Brews to bring back a proposal that allows the Board to make an assessment on the income and all other factors to move forward or not. It was moved by Director Mallel and seconded by Vice-Chair Nelson. **All in favor, motion carried unanimously.**

### **ADJOURNMENT**

The Long Range Planning Committee was adjourned at 10:24 a.m.

**CALIFORNIA EXPOSITION & STATE FAIR**  
**LEGISLATIVE COMMITTEE**

Committee Meeting Minutes

Friday, April 29, 2016

10:30 A.M.

**MINUTES**

Committee Members Present:

Rina DiMare, Chair  
Jess Durfee, Director  
Patrick O'Brien, Board Chair

Committee Members Absent:

Rex Hime, Director

Staff Present:

Chief Executive Officer (CEO)  
Chief Deputy General Manager (DGM)  
Deputy General Manager Administration  
Expo Events Director (AGM)  
Marketing Director  
Interim Programs Director  
Maintenance Director  
Recording Secretary

Rick Pickering  
Tom Martinez  
Samantha Brown  
Marcia Shell  
Jennifer Castleberry  
Jay Carlson  
Paul Gillingham  
Sue O'Brien

Chair DiMare called the Legislative Committee meeting to order at 10:35 a.m.

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

**NEW BUSINESS**

1. AB1716 – Lower American River Conservancy-McCarty

Chair DiMare reported that Director Hime, CEO Pickering, DGM Martinez and she met with Assembly Member McCarty to express interest in the bill, seek clarifications, and agree to continue to have conversations as this bill directly affects State property.

CEO Pickering thanked Chair DiMare and Director Hime for setting up this meeting with Assembly Member McCarty and his Chief of Staff.

2. AB2678 - State Designated Fairs: Funding (Sales & Use Tax)-Gray

Chair DiMare stated that this bill is of direct interest to Cal Expo. This bill would specifically take a portion of sales and use taxes generated at Fairs and have it

designated to CDFA. CDFA would have a special account and then reallocate funds back to California Fairs. This bill was just starting to have interaction and conversation with the administration and will need a 2/3 vote.

3. AB2863 – Gambling: Internet Poker (Fee to support Fairs & Horse Racing)–Gray Chair DiMare summarized that this bill will establish the internet poker consumer protection act and would establish the framework to authorize interstate internet poker. This bill is just beginning discussions. A percentage of revenue would go back to Class 1 – 4 Fairs. This bill has passed out of committee and will require a 2/3 vote.

#### ADJOURNMENT

#### **Motion**

Chair DiMare entertained a motion to adjourn the meeting. Moved by Board Chair O'Brien and seconded by Director Durfee. **All in favor, motion carried unanimously.**

The Legislative Committee was adjourned at 10:55 a.m.

**CALIFORNIA EXPOSITION & STATE FAIR  
ANNUAL STATE FAIR COMMITTEE**

Committee Meeting Minutes

Friday, April 29, 2016

11:00 a.m.

**MINUTES**

Committee Members Present:

Hallie Ochoa, Chair  
Sonney Chong, Director  
Jess Durfee, Director  
Tony Ortiz, Director

Committee Members Absent:

Rex Hime, Director

Staff Present:

Chief Executive Officer (CEO)  
Chief Deputy General Manager (DGM)  
Deputy General Manager Administration  
Expo Events Director (AGM)  
Marketing Director  
Interim Programs Director  
Maintenance Director  
Recording Secretary

Rick Pickering  
Tom Martinez  
Samantha Brown  
Marcia Shell  
Jennifer Castleberry  
Jay Carlson  
Paul Gillingham  
Sue O'Brien

Chair Ochoa called the Annual State Fair Committee Meeting to order at 11:03 a.m.

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

**MATTERS OF INFORMATION**

1. Staff Updates – 2016 Annual State Fair  
Marketing Director Castleberry reviewed the Marketing-Programs and Operations State Fair Report. The Radio buys have been placed. Television ads are in the development and production phase. A comprehensive presentation will be available at the next Board Meeting. Director Castleberry reported on the Community Outreach, Group ticket Sales and the Read to Ride program. The Marketing Staff recently distributed information around the State and captured video and photographs that will be used in a social media campaign. We received a grant from the Sacramento Convention and Visitor Bureau that will help in

promoting competitions. Corporate sponsorships are tracking ahead of last year. Special promotions, Wednesday and Thursday will be a **\$2 Taste of the Fair**. From opening until 4 p.m. food vendors will be offering \$2 menu specials.

**Senior Savings Fridays** will be a discounted admission and a free ride on the Grand Carousel and Giant Wheel. **Wells Fargo \$2 Rides for all & Kids Free Tuesdays** is free admission for kids 12 and under and \$2 rides for all ages.

**Military Appreciation Day** is July 14<sup>th</sup> and free admission for military personnel with ID. **First Responders Appreciation Day** is July 21 and free admission all day for first responders and law enforcement with ID.

Director Castleberry mentioned that Glass Agency won a Gold Award for the California Expo State Fair campaign for the Sacramento Region. That elevated Glass Agency and the Cal Expo to the next level, which covers all of Northern California and Northern Nevada, where they won a Silver Award.

Interim Program Director Carlson reported that the Programs Department is fully engaged with design layout and build. Competitions are under way and some have closed. He thanked the Marketing Department for the promotion of the competitions. There has been an increase in every Competition Division.

CEO Pickering reported that at the Livestock and Animal Care Committee Meeting Eric Mills, Action for Animals reported that the California State Fair is the most humane fair in America.

CEO Pickering stated that the date for the Sale of Champions has been moved to Sunday, July 10, 2016.

In the Birthing Barn area, Cal Expo is always working to stay true to the concept of animal education and agricultural. Looking to refine the birthing barn and continue to showcase more education. We have created a 3<sup>rd</sup> community act stage in the kid's area. Jest in Time Circus will perform and after they are done, we will layer in community acts on this stage.

AGM Shell reported that indoor commercial space is sold out and there are a few outdoor spaces available. Food Concession contacts have gone out and initial payments are due in May. The giant slide is being removed so we are looking for additional food stands with non-competing menus.

CEO Pickering commented that Chief Craft is working with the Allied Law Enforcement Public Safety agency has scheduled an active shooter drill for May 3, 2016. Having this drill preformed prior to State Fair refreshes Highway Patrol, County Sheriff, Sac PD and fire departments knowledge of Cal Expo.

2. Update and discussion of the California Exposition and State Fair Code of Conduct

CEO Pickering reported that at the suggestion of our Deputy Attorney General, our Chief of Police, and Insurance Carrier it was time to update our Code of Conduct. This information has been placed on Cal Expo's website for public comment for the next 30 days. At which time it will be brought back to the Board for consideration and possible approval.

**ADJOURNMENT**

Chair Ochoa entertained a motion to adjourn the meeting. Moved by Director Chong and seconded by Director Durfee. **All in favor, motion carried unanimously.**

The Annual State Fair Committee was adjourned at 11:36 a.m.

**CALIFORNIA EXPOSITION & STATE FAIR  
FINANCE COMMITTEE**

Committee Meeting Minutes

Friday, April 29, 2016

11:30 a.m.

**MINUTES**

Committee Members Present:

Corny Gallagher, Chair  
David Mallel, Director  
Patrick O'Brien Board Chair

Committee Members Absent:

Rex Hime

Staff Present:

Chief Executive Officer (CEO)  
Chief Deputy General Manager (DGM)  
Deputy General Manager Administration  
Expo Events Director (AGM)  
Marketing Director  
Interim Programs Director  
Maintenance Director  
Recording Secretary

Rick Pickering  
Tom Martinez  
Samantha Brown  
Marcia Shell  
Jennifer Castleberry  
Jay Carlson  
Paul Gillingham  
Sue O'Brien

Chair Gallagher called the Finance Committee Meeting to order at 11:37 a.m.

**NEW BUSINESS**

Following discussion, Board Chair O'Brien entertained a motion to accept and recommend to the Board for approval the Exclusive Tent Rentals, Inc. contract. Moved by Committee Chair Gallagher and seconded by Director Mallel. **All in favor, motion carried unanimously.**

Chair Gallagher entertained a motion to accept and recommend to the Board for approval the Profit & Loss Statement for March 2016, Balance Sheet for March 2016 and Aged Receivable Report. Moved by Board Chair O'Brien and seconded by Director Mallel. **All in favor, motion carried unanimously.**



**ADJOURNMENT**

Chair Gallagher entertained a motion to adjourn the meeting. Moved by Board Chair O'Brien and seconded by Director Mallel.

The Finance Committee was adjourned at 11:58 a.m.