

CALIFORNIA EXPOSITION & STATE FAIR

Minutes of the Board of Directors Regular Meeting

Held Pursuant to Due Notice
June 1, 2018

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

Directors Present

Director Rima Barkett, Chair
Director Rina DiMare, Vice Chair
Director Sonney Chong
Director Jess Durfee
Director Corny Gallagher
Director Rex Hime
Director David Mallel
Director K. Mark Nelson
Director Tony Ortiz

Staff Present

Rick Pickering, Chief Executive Officer (CEO)
Tom Martinez, Chief Deputy General Manager (CDGM)
Samantha Brown, Deputy General Manager, Administration (DGM)
Margaret Mohr, Deputy General Manager, Business Development & Marketing (DGM)
Marcia Shell, Assistant General Manager, Expo Events (AGM)
Rachelle Weir, Programs Manager
Jay Carlson, Ag Programs Manager
Sue O'Brien, Recording Secretary
Jen Koga, Finance
Darla Givens, Marketing
Sabrina Washington, Marketing

Others Present

Brian Honebein, Event Partnership
John Savage, Cal Expo Police Department
Randy Brink, Goodwill Ambassador

*May not include all others present in the room or arriving late.

1. CALL TO ORDER

The meeting was called to order by Randy Brink at 12:35 p.m. Chair Barkett dispends with the reading of the Missions Statement, Policy Statement and Public Comment Statement.

2. ROLL CALL

Roll call was taken and a quorum was present.

3. PLEDGE OF ALLEGIANCE

Chair Barkett asked Director Ortiz to lead the Board and Staff in the Pledge of Allegiance.

4. INTRODUCTION OF GUESTS & STAFF

Introduction of Guests and Staff were made around the room.

5. PRESENTATION

- a. Presentation to Don Callison in recognition of his retirement.
This presentation will be re-scheduled to a future meeting.

6. MINUTES OF MEETING

- a. Approve Board Meeting Minutes for March 23, 2018, as presented.

Motion:

Director Hime moved to approve the Board Meeting Minute for March 23, 2018, as presented. Director Mallel seconded the motion. . **All in favor, motion carried, unanimously.**

- b. Approve Board Committee Minutes for April 27, 2018, as presented.

Motion:

Director Hime moved to approve the Board Committee Meeting Minute for April 27, 2018, as presented. Director Mallel seconded the motion. **All in favor, motion carried, unanimously.**

- c. Approve Board Meeting Minutes for April 27, 2018, as presented.

Motion:

Director Durfee moved to approve the Board Meeting Minute for April 27, 2018, as presented. Director Mallel seconded the motion. **All in favor, motion carried, unanimously.**

7. COMMITTEE AND STAFF REPORTS

- a. Horse Racing Committee – Director Nelson

Director Nelson reported that the committee was updated on Watch & Wagers 2017/2018 Harness Racing Meet and their plans for 2018/2019. CEO Pickering summarized the 2018 Horse Racing application. CEO Pickering updated the committee on the future of horse racing in Northern California based on the Stronach Group moving forward with their racing model that does not include the fairs.

b. Annual State Fair Committee – Director Durfee

Director Durfee reported that there were no action items coming out of the Annual State Fair Committee meeting. The Committee was briefed by staff on the upcoming 2018 State Fair.

c. Finance Committee – Director Gallagher

I. Consideration of Delegated Authority to the Finance Committee to act on behalf of the Board in Cash Flow Matters Between the June 1, 2018 and September 28, 2018, Board Meetings.

Motion:

After a discussion Director Gallagher reported that the Finance Committee recommends to the full Board of Directors approval of a delegation of authority to a two (2) members sub-committee from the Finance Committee to act on behalf of the entire Board of Directors in any cash flow matters that need to be addressed between June 1, 2018 and September 28, 2018. Motion was seconded by Director Durfee. Chair Barkett recommended Vice Chair DiMare and Director Hime to be the two (2) member sub-committee. **All in favor, motion carried, unanimously.**

II. Consideration of Requesting that the Board Establish a Subcommittee to focus on the potential Development of a State Fair Foundation.

Motion:

After a discussion Director Gallagher reported that the Finance Committee recommends to the Board of Directors establishing a two (2) member sub-committee to research, articulate the issues and make recommendations to the Board of Directors regarding establishing a Foundation. The Finance Committee recommends to the Board of Directors that Director Hime be one of the two members of the sub-committee. Motion was seconded by Director Durfee. Chair Barkett recommended Director Hime and Director Mallel to be the two (2) member sub-committee. **All in favor, motion carried, unanimously.**

III. Matters referred to the Finance Committee from the Board's Financial Workshop of March 23, 2018, for monitoring, discussion and possible recommendations:

- i. Continued Review and Strategic Discussion of Operational Expenses
- ii. Continued Review and Strategic Discussion of the Sierra West Infrastructure Study
- iii. Continued Review and Discussion of Potential Energy Savings and Energy Generation Programs

Director Gallagher gave a summary on each sub-item and no action was taken.

d. Audit Committee – Director Ortiz

Director Ortiz reported that after being briefed by Macias, Gini & O’Connell, LLP the Audit Committee accepted the 2017 audit as is.

Motion:

Director Ortiz reported that the Audit Committee recommends to the Board of Directors approval of the 2017 audit. The motion was moved by Director Gallagher and seconded by Director Durfee. **All in favor, motion carried, unanimously.**

8. FINANCIAL REPORTS

a. Service Contracts Requiring Notification

b. Purchase Orders Requiring Notification/Approval

Motion:

Director Gallagher reported that the Finance Committee recommends approval of two purchase orders for California Fair Service Authority. Motion was moved by Director Durfee and seconded by Director Ortiz. **All in favor, motion carried, unanimously.**

c. Profit/Loss Statement

d. Point Sheet – Profit/Loss Statement

e. Balance Sheet

f. Point Sheet – Balance Sheet

g. Cash Flow Statement

h. AR Report

Motion:

Director Gallagher reported that the Finance Committee recommends to the Board of Directors approval of the Financial Reports as presented. Motion was seconded by Director Ortiz. **All in favor, motion carried, unanimously.**

9. CORRESPONDENCE

None

10. OLD BUSINESS

None

11. NEW BUSINESS

a. Review of Independent Audit and Accountant’s Report for Calendar Year 2017, Basic Financial Statement and Required Supplementary Information, as prepared by Macias Gini & O’Connell LLP (MGO)

b. Recommend to the Board Acceptance of the 2017 Audit

12. MATTERS OF INFORMATION

a. Public Comment on Matters not on the Agenda

b. CEO Comments

CEO Pickering reported that May had many large events with approximately 168,000 people in attendance. Cal Expo was notified that Sac Metro Fire and

Cal Fire would be doing training burns in early June. CEO Pickering gave updates on Rock & Brews and Drive Shack. Pickering reported that Farm Tours have ended and will resume in the Fall. He gave updates on the Mariachi Competition and Cannabis Events. CEO Pickering briefed the Board of Directors on Chief Craft and his retirement.

- c. Directors Comments/Agenda Items for Future Meetings
 - Director Durfee – Looking forward to the fair.
 - Director Gallagher – Thank Sam and the entire team to achieve a clean audit and thank to the Legislative Team for trying to finding new sources of revenues help support Cal Expo.
 - Director Hime – Ditto
 - Director Ortiz – Double Ditto and looking forward to the fair.
 - Director Chong – Happy to hear the update about Mariachi and has an idea for the Gala and will get with Marketing. Happy to be back.
 - Director Nelson – In 42 days he will eat his 1st bacon wrapped pineapple wedge dipped in chocolate.
 - Director Mallel- Remember to email Tom to coordinate official duties of Board Members.
 - Chair Barkett- CEO Pickering and I had a positive meeting with the Governor.
- Next Board Meeting – **Friday, June 1, 2018**
- d. Other, if any.

The Board of Directors adjourned into Closed Session at 1:45 p.m.

13. CLOSED SESSION

- a. Pursuant to Government Code section 11126(e) (1), the Board will meet in closed session. The purpose of the closed session is to confer with and receive legal advice from counsel regarding pending litigation to which California Exposition and State Fair is a party. *Offray, et al. v. California Exposition and State Fair, et al.*, Sacramento County Superior Court, Case Number: 34-2016-00200690.
- b. Pursuant to Government Code section 11126(e) (1), the Board will meet in closed session. The purpose of the closed session is to confer with and receive legal advice from counsel regarding pending litigation to which California Exposition and State Fair is a party. *Lozada v. Sacramento County Sheriff's Department, et al.*, United States District Court, Eastern District of California, Case Number: 2:10-CV-01102-JAM-KJN.

For purposes of discussing matters of 1) pending litigation, 2) real property negotiations, 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.

CEO Pickering reported out of closed session that there was no reportable action taken. The September 28, 2018 Board Meeting will be moved to September 14, 2018.

14. ADJOURNMENT

Motion to adjourn was made by Director Nelson and seconded by Director DiMare to adjourn. **All in favor, motion carried unanimously.**

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