

CALIFORNIA EXPOSITION & STATE FAIR

Minutes of the Board of Directors Regular Meeting

Held Pursuant to Due Notice
Friday, August 22, 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 Rima Barkett
Director Corny Gallagher
Director Rex Hime
Director Hallie Muller
Director Mark Nelson
Director Patrick O'Brien

Directors Absent

Director Willie Pelote

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
Jennifer Castleberry, Marketing and Public Relations Director
Samantha Brown, Financial Officer (FO)
Carrie Wright, Programs Director
Marcia Shell, Assistant General Manager, Operations (AGM)
Robert Craft, Chief of Police
Jay Carlson, Ag, Programs Manager
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*

Jerry Blair, Deputy Attorney General (DAG)
Eric Mills, Action for Animals
Galen Hazelhofer, Animal Advocate
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 10:45 a.m.

2. PLEDGE OF ALLEGIANCE

Chair Chong asked Director Hime to lead the Board, Staff and Guests in the Pledge of Allegiance.

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

3. ROLL CALL

Roll call was taken by CEO Pickering and a full quorum was present. Director Pelote was not present and had asked to be excused.

Motion:

It was moved by Chair Chong and seconded by Vice Chair Mallel to excuse the absence of Director Pelote. **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 Committees & Meeting Minutes of May 23, 2014, as presented

Motion:

It was moved by Director Hime and seconded by Director O'Brien to approve the Board Committees & Meeting Minutes of May 23, 2014, as presented. **All in favor, motion carried unanimously.**

6. COMMITTEE AND STAFF REPORTS

- a. Legislative Committee – Director Hime

Director Hime reported that CEO Pickering had reviewed a few bills currently in the legislative process or on the Governor's desk. Director Hime reported the Kirk Breed Memorial Bill SCR-95 has been chaptered and work is being done to determine the appropriate type, size, and location and possibly mobile, as well as how to solicit funding donations.

Director Hime provided a report on AB-2592, California Horse Racing Board; fair horse racing calendar; economic analysis and noted the Committee recommends that a letter be sent to the Governor in opposition to this Bill, and asked for a motion from the Board.

Motion:

It was moved by Director Gallagher and seconded by Vice Chair Mallel to support the opposition of AB-2592 and to send a letter to the Governor. **All in favor, motion carried unanimously.**

b. Cal Expo Renewal Committee – Director Hime

Director Hime provided an update on the soccer field activities noting it is progressing very positively. Director Hime reported there are still some changes and loose ends being worked out. There was some discussion on the future of Major League Soccer in Sacramento and the desire that Cal Expo continue to be in the mix of this discussion.

The Committee discussed moving forward with the Cal Expo Renewal Request for Qualifications and it was determined to schedule a meeting of the Renewal Committee for Monday, September 15, 2014 at 9:00 a.m. in the Boardroom. At that time the Committee will review the draft Request for Qualifications document, make recommendations and return the document to the Board. In the meantime, materials will be sent out by Staff to the Board for review.

c. State Fair, Agriculture & Marketing Staff Reports

CEO Pickering introduced newly appointed Marketing and Public Relations Director, Jennifer Castleberry to the Board.

A short video of photographs taken at the 2014 State Fair was presented to the Board by Ms. Castleberry.

Director Hime asked if the Board could be given a copy of the video. Also, Director Hime would like a copy sent to the Governor with a letter from the CEO and Chair thanking him for his support and providing an overview of the success of the 2014 State Fair.

Carrie Wright, Programs Director reviewed her reports that were included in the Board packet. Ms. Wright reported a pilot school tour at the Farm will be held on September 4th. One of our goals is to eventually have year round programming at the Farm.

Chair Chong complimented Staff on the Beach Buddy Nature Exhibit program.

Ms. Wright reported that a Joint Agricultural Advisory Council and Cultural Advisory Council meeting will be held on Thursday, September 18th. The two Advisory Councils will discuss the 2014 State Fair and outline common goals for 2015.

Vice Chair Mallel complemented the entertainment at the Dream Big exhibit, very high quality and energy. He noted that the Brewer's Fest was well attended.

Chair Chong asked Staff to consider having some type of cell phone charging center at the State Fair. Also, the shaded areas in the food courts were very noticeable in use, and the TORO exhibit was well received.

Jennifer Castleberry, Marketing and Public Relations Director, thanked Carrie and Sonya and the entire Cal Expo team for supporting our marketing efforts prior to her starting at Cal Expo.

Ms. Castleberry reviewed her staff reports included in the Board packet.

Chair Chong asked about the Read to Ride program.

Carrie Wright, Programs Director reported that the Read to Ride program was able to double its distribution to 75,000 students. Ms. Wright cannot recall the redemption numbers but will provide this information in her staff report for next month's Board meeting. She noted that the Cultural Advisory Council members assisted with the distribution to local Sacramento schools.

Jennifer Castleberry reported there was a lot of great coverage about the Read to Ride on News10 and Sacramento & Company.

Vice Chair Mallel asked if there was a Groupon Sales breakdown by region.

FO Brown reported there were over 75,000 admissions sold through Groupon. More detail admissions information will be provided to the Board at their Fall Retreat.

CEO Pickering reported on the 2014 State Fair Horse Race Meet – Overview report distributed to the Board. A copy for review is on file.

d. Operations & Planning Staff Reports

Marcia Shell, Assistant General Manager, reviewed her staff reports included in the Board packet.

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

7. FINANCIAL REPORTS

- a. Profit & Loss Statement for June 2014
- b. Point Sheet –Profit & Loss for June 2014
- c. Balance Sheet for June 2014
- d. Point Sheet-Balance Sheet for June 2014
- e. Aged Receivable Report
- f. Contracts/Purchases Requiring Board Approval
- g. Contracts/Purchases Requiring Board Notification

Director Gallagher reviewed the financial reports included in the Board packet.

Motion:

It was moved by Director Gallagher and seconded by Director O'Brien to approve the Contracts/Purchases Requiring Board Approval.

Director Hime inquired regarding the Coulter Associates LLC Contract for Carnival Inspection Services. Staff confirmed that Butler Amusements reimburses Cal Expo for 75% of these costs.

Director Hime inquired as to where the sand from the Hastie Capitol Sand & Gravel Purchase Order is located. Staff noted that this sand is used on the racetrack.

Chair Chong had a question about the Design Space Modular Buildings Purchase Order. Where was this modular building located? Staff noted that the modular building is located at the Backstretch, as a requirement of the office of the State Fire Marshal. **All in favor, motion carried unanimously.**

Motion:

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

Director Gallagher reviewed the Aged Receivable Report and the State Fair Revenue Report included in the Board packet.

8. CONSENT CALENDAR

No items for consideration.

9. CORRESPONDENCE

No items for consideration.

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 congratulated and thanked the Board for having the most humane State Fair in the country this year.

Mr. Mills commented that it was wonderful that there were no sows and farrowing crates at the State Fair and hopes they will not be returning to the Fair next year. Mr. Mills read from his letter to the Board. A copy for review is on file.

Galen Hazelhofer

Ms. Hazelhofer supports Mr. Mills' comments and asked the Board to discontinue the use of farrowing crates. Ms. Hazelhofer also opposes the live birth exhibit.

Ms. Hazelhofer expressed concern about horse racing and all the cruelty that she believes is involved with racing. She wants to make sure that all horses at Cal Expo are treated humanely.

b. Manager Comments

CEO Pickering complimented and thanked the Board and Staff for a spectacular 2014 State Fair, and for all their support.

CEO Pickering thanked Staff for their support during the 4th of July event, soccer game and the 168 acre fire that burned on Cal Expo's property. In addition, during the State Fair there were three more fires adjacent to Cal Expo on the American River Parkway.

CEO Pickering reported the soccer stadium is currently operating under a conditional occupancy permit from the office of the State Fire Marshal. Cal

Expo crews have been working on the horse barn area, and the tack rooms have been signed off by the office of the State Fire Marshal.

CEO Pickering reported Staff has met with Global Winter Wonderland promoters which is a Christmas Holiday Lantern Light Show. The light show consists of Chinese type Lanterns and will be a six week show from Thanksgiving to New Year's. The location will be in Parking Lot A and Lot B and Bonney Field, and it should be a spectacular show.

CEO Pickering reported the Country in the Park Music Festival was held at the racetrack. An estimated 17,000 people were in attendance. In addition, on the same night, there was a soccer game held at Bonney Field.

Mayor Kevin Johnson attended the soccer game and CEO Pickering was able to speak with him about the opportunities of Major League Soccer coming to Sacramento.

CEO Pickering reported Staff continues to work on numerous events and have started the planning for the 2015 California State Fair.

c. Director Comments

Director Gallagher asked to make the following motion. First, I think there is a direct responsibility of the Chair of the Board that made the 2014 State Fair a success, so special thanks is a motion to you. Second, to our Chief Executive Officer, Third to the Leadership Staff, Fourth to our General Staff and Fifth, to all of the Volunteers. Director Gallagher asked to take the acclamation vote with a round of applause.

Director O'Brien fully supports what Director Gallagher said and thanked the entire State Fair team.

Director Muller was able to attend the State Fair several times and thanked everyone who made the State Fair so special. The State Fair provides families with a really tremendous experience. Director Muller looks forward to the Farm Tours and to participating in the pilot school tour.

Director Barkett thanked everyone on the great jobs they have done. Director Barkett commented on the great changes she has seen in the State Fair and was honored to be a part of it.

Director Hime commented he would be willing to buy a scrolling electronic marquee sign to be placed at the entertainment stage in the food area, so people eating would know who is performing on stage. Also, have we reduced

the flow of water to Bushy Lake? Staff responded, yes by 20%. And finally, the monorail, we need to include the 9/11 Memorial in the recording next year.

Director Hime thanked Staff very much and concurred with Director Barkett on the many positive changes that have been made.

Director Nelson commented how everyone in attendance at the State Fair appeared to be happy and enjoying themselves.

Chair Chong thanked the Staff for all their hard work, especially with the many challenges and events, during the State Fair. Chair Chong thanked Police Chief Craft and his staff for helping to keep everything under control. Cal Expo Volunteer, Randy Brink provided his report to the Board.

Chair Chong acknowledge Mono Foster of the Cultural Advisory Council, and thanked her for her help during the State Fair.

Ms. Foster announced the Sacramento Aloha Festival is scheduled for Saturday, October 4, 2014 at Cal Expo. Also, Ms. Foster asked if it would be possible to see reports on the State Fair and made public from what when on during the State Fair, especially at the Cultural Advisory Council Meetings in terms of how it impacts our communities.

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

e. Other, if any

RECESS

The Board Meeting was recessed at 12:35 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 12:35 p.m. pursuant to Government Code §11126(e) to confer with and/or receive legal advice from counsel on:

- a. Potential Litigation – Debra Petterborg v. Cal Expo
- b. Personnel

Chair Chong reconvened the Board meeting at 1:05 p.m. The Board reached an agreement with the Potential Litigation – Debra Petterborg v. Cal Expo. With no further business to discuss Chair Chong asked for a motion to adjourn the regular meeting.

14. ADJOURNMENT

MOTION:

It was moved by Director O’Brien and seconded by Director Muller to adjourn the Board Meeting. **All in favor, motion carried unanimously.**

The Board of Directors meeting was adjourned at 1:05 p.m.

CALIFORNIA EXPOSITION & STATE FAIR

Cal Expo Renewal Committee Meeting Minutes
Friday, August 22, 2014
9:30 a.m.

MINUTES

Committee Members Present:

Rex Hime, Chair
Director David Mallel
Director Mark Nelson
Director Patrick O'Brien

Other Board Members Present:

Director Rima Barkett

Staff Present:

Chief Executive Officer (CEO)
External Affairs Director
Marketing and Public Relations Director
Programs Director
Assistant General Manager, Operations (AGM)
Financial Officer (FO)
Recording Secretary

Rick Pickering
Sonya Logman
Jennifer Castleberry
Carrie Wright
Marcia Shell
Samantha Brown
Linda Contreras

Others Present:

Public

Norm Towne

Chair Hime called the meeting to order at 9:30 a.m. and dispensed with reading the Mission Statement.

Roll call was taken by CEO Pickering and a full quorum was present.

On behalf of the Committee, Chair Hime thanked the Staff for a great State Fair.

UNFINISHED BUSINESS

1. Update on Status of Community Multi-use Sports Field

CEO Pickering provided an update on the Status of the Community Multi-use Sports Field. CEO Pickering reported the field was up and running on June 20th. There are some changes still being completed to the soccer field and the office of the State Fire Marshal has allowed a temporary occupancy permit "game by game", based on the progress of changes. Ovation's hopes to receive a final occupancy permit soon.

CEO Pickering reported an informal request has been received by Sacramento Republic Football Club and Ovations to consider adding 4,000 to 6,000 more temporary bleacher seats to Bonney Field. Staff is waiting to receive a formal written request from SRFC and Ovations. In anticipation of a formal request, we have been negotiating a possible Letter of Understanding. It is anticipated we will have the formal written request for the Board at the September Board meeting.

CEO Pickering reported Major League Soccer is planning to visit Sacramento to look at potential sites at one of three locations, Cal Expo, Downtown Railyards, and the River District.

CEO Pickering reported FO Brown is working with the Ovations Management team to obtain financial information on how the first series of games have gone. Ovations have been invoiced for security services, supplies, janitorial, etc., for support services that have been provided by Cal Expo.

FO Brown reported that a profit and loss report was received from Ovations which included the games at Hughes Stadium. Staff will work with Ovations to show the financial activities for the Sports Field without Hughes Stadium.

Committee Members noted that Cal Expo, with its many existing amenities, would be an extremely cost effect site with existing parking and infrastructure.

Chair Hime continued that the biggest problem in considering Cal Expo for projects that would benefit the community is the cumbersome and slow state processes. This could be addressed if the local legislators were more involved and more importantly, if the Governor really believes that this is an opportunity to help re-shine the jewel here at Cal Expo.

Director O'Brien asked what the Downtown Railyards and River District property status are. Discussion ensued.

CEO Pickering reported media inquiries have been received asking what action has been taken to clear the path for Major League Soccer. We continue to point out that Cal Expo stepped forward and has provided a key role in proving that there is a strong soccer market in the local community. Cal Expo remains the single largest event facility in our entire region.

2. General Discussion of Cal Expo Renewal Purpose and Process

CEO Pickering provided an update on the Cal Expo Renewal Plan Purpose and Process.

FO Brown reported \$506,000 has been paid to consultants for Cal Expo Renewal efforts to date. CEO Pickering noted that this amount doesn't include internal efforts or Staff time.

Chair Hime suggested that we have reached a point now that we ought to be near sending out a Request for Proposal (RFP) or Request for Qualifications (RFQ).

Director Mallel commented it's time that we need to see what people are willing to bring to us. We need to get a Request for Qualifications issued immediately.

CEO Pickering provided an update on the Request for Qualifications process and the draft RFQ that was brought to the Board in late 2012. He also outlined discussions that have been held over the past year with the Department of General Services.

Director O'Brien asked how we can get something definitive that says we are on task to look at the future of the Cal Expo property, at the same time, not create an environment that hurts our short term operations or over taxes our Staff.

The Committee asked that the existing Draft Request for Qualifications be emailed to them for their review. The Committee would like to have the draft Request for Qualifications document agendaized for the Board's review and approval at their September 26th meeting.

The Cal Expo Renewal Committee scheduled a meeting for Monday, September 15th at 9:00 a.m. for review of the Draft Request for Qualifications and possible recommendation to the Board.

CEO Pickering reminded the Committee that media may be in attendance at the September 26th Board Meeting to cover the possible expansion of seating at Bonney Field. He further noted that the Board and Staff needed to be clear on how they will succinctly "message" the Cal Expo Renewal Request for Qualifications to the public, elected officials, and the media.

Chair Hime commented that the Request for Qualifications has been voted on twice in 2012 and it did not get much press coverage at either time. Our message is simply that we just want to learn what our options are to be able to provide the best Fair for the people of California in the 21st Century and we cannot continue to keep holding off on issuing an Request for Qualifications.

ADJOURNMENT

Motion:

It was moved by Director O'Brien and seconded by Director Mallel to adjourn the Cal Expo Renewal Committee meeting. **All in favor, motion carried.**

The Cal Expo Renewal Committee meeting adjourned at 10:20 a.m.

CALIFORNIA EXPOSITION & STATE FAIR

Legislative Committee Meeting Minutes
Friday, August 22, 2014
9:00 a.m.

Committee Members Present:	Rex Hime, Chair Director Patrick O'Brien
Committee Member Absent:	Director Willie Pelote
Other Board Members Present:	Director Rima Barkett Director Sonney Chong Director David Mallel
Staff Present:	
Chief Executive Officer (CEO)	Rick Pickering
External Affairs Director	Sonya Logman
Marketing and Public Relations Director	Jennifer Castleberry
Financial Officer	Samantha Brown
Programs Director	Carrie Wright
Assistant General Manager, Operations (AGM)	Marcia Shell
Recording Secretary	Linda Contreras
Others Present:	
Public	Norm Towne

Chair Hime called the meeting to order at 9:00 a.m. and dispensed with reading the Mission Statements and the Public Comments Statement. Director Pelote was not present and had asked to be excused.

MATTERS OF INFORMATION

1. Staff Reports
 - a. Legislative Update

CEO Pickering distributed to the Committee a Legislative Committee Report. A copy for review is on file.

CEO Pickering provided an update on the Senate Concurrent Resolutions No. 95 relative to the Kirk Breed Memorial Race Track. CEO Pickering reported Staff has met with Mary Ann Breed to discuss the type, size, and location of the memorial at the racetrack, as well as private fundraising efforts.

CEO Pickering reported the Friends of the Fair as a 501(c) (3) has offer to assist with this process once we can determine the design and potential cost. The Senate Resolution makes it clear that there are to be no cost to the State of California or Cal Expo for this project.

Chair Hime suggested that a portable type and size of a memorial should be considered.

CEO Pickering introduced newly appointed Marketing and Public Relations Director, Jennifer Castleberry, to the Committee.

Sonya Logman, External Affairs Director, reported that AB-1069 introduced by Assemblymember Roger Dickinson had died in Appropriations Committee earlier in the year. It was noted that we should continue to pursue this legislation into the future.

Chair Hime commented that what we are trying to achieve could actually be made part of the State's budget bill next year and let's take care of it that way. Chair Hime continued, we could take the time, in the interim, to speak to Secretary Ross and the appropriate administration about doing that. And if they don't object then go talk to incoming leadership in both houses and stop this charade. Otherwise, we will be dealing with all new leadership next year.

CEO Pickering provided an update on the status of the Western Fairs Association legislation, SB-741. For the past several years, Western Fairs Association has attempted legislation to help California Fairs.

CEO Pickering reported on AB-2444, which would ban the sale of Confederate Flags on government and state property.

CEO Pickering reported on AB-2005, which adds Ex Officio members to the California Horse Racing Board. CEO Pickering reported that members of the horse racing industry have asked Cal Expo to oppose this particular piece of legislation. Cal Expo has made the industry aware that Cal Expo's Board has Ex Officio members of legislature.

CEO Pickering reported on AB-2592 that would require an economic impact analysis be performed should any Fair run the risk of having 3 days of live racing taken away from it and moved to either another Fair or moved to a private track. The California Association of Racing Fairs (CARF) and the Thoroughbred Owners of California (TOC) have opposed this bill, and have asked Cal Expo to do the same. Through CARF, we have submitted a number of questions to the author, such as who pays for an economic impact analysis, when does the economic impact analysis have to be conducted, who does the analysis, what are the parameters of the analysis, and what is the scope of the analysis. The

industry felt that the Bill may die in Appropriations Committee because nobody was answering key questions.

Motion

It was moved by Director O'Brien and seconded by Chair Hime to recommend to the Board to support the opposition of AB-2592 as requested by the Horse Racing Industry, and send a letter to the Governor. **All in favor, motion carried.**

ADJOURNMENT

Motion

It was moved by Director O'Brien and seconded by Chair Hime to adjourn the Legislative Committee meeting. **All in favor, motion carried.**

The Legislative Committee meeting was adjourned at 9:20 a.m.