

CALIFORNIA EXPOSITION & STATE FAIR

Minutes of the Board of Directors Regular Meeting

Held Pursuant to Due Notice
January 29, 2021

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

Director Absent

Director Erin Choi

Staff Present

Rick Pickering, Chief Executive Officer
Tom Martinez, Chief Deputy General Manager
Marcia Shell, Assistant General Manger Expo Events
Sue O'Brien, Recording Secretary

Others Present: 10 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.

2. CALL TO ORDER – Public Meeting

Chair Durfee called the public meeting to order at 1:03 p.m. Chair Durfee dispensed with the reading of the Mission Statement, Policy Statement and the Public Comment Statement.

3. ROLL CALL – Report out of Closed Session if any

Roll call was taken and a quorum was present. Director Choi was absent from the meeting and asked to be excused.

MOTION:

It was moved by Vice Chair Hime and seconded by Director Chong to excuse the absences of Director Choi. **All in favor, motion carries unanimously.**

Chair Durfee reported out that the Board met in closed session and there was no action taken.

4. INTRODUCTION OF STAFF

Chair Durfee introduced Executive Staff. Richardson Davis from the Sol Project and Chris Conlin, Assistant City Manager from the City of Sacramento introduced themselves.

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 Committee Meeting Minutes for December 11, 2020.

b. Approval of Board Meeting Minutes for December 11, 2020.

c. Service Contracts/Purchase Orders Requiring Board Notification/Approval.

MOTION:

Chair Durfee asked for a motion to approve the consent agenda.

The motion was made by Vice Chair Hime to accept items 6 a, b, and c of the Consent Agenda. Director Chong seconded the motion.

Discussion-None.

Chair Durfee asked for a roll call vote; Chair Durfee, yes; Vice Chair Hime, yes; Director Barkett, yes; Director Chong, yes; Director DiMare, yes; Director Mallel, yes; Director May, yes. **Motion carries unanimously.**

7. COMMITTEE AND STAFF REPORTS

Financial Committee

a. Review and Update of Cash Flow

CEO Pickering discussed the Cash Flow that was submitted to Department of Finance and Department of Food & Ag. Based on these documents Department of Finance has approved another \$1.5 million to move through Department of Food & Ag to Cal Expo open. You will note a significant change in Pay Roll as the layoffs were completed on January 21, 2021. There is now less than 30 full time employees working at Cal Expo. Jen Koga, Accounting Administrator summarized the Cash Flow Chart with the Board.

MOTION:

Vice Chair Hime moved to accept the financial report. Director Chong seconded the motion. Discussion – None

Chair Durfee asked for a roll call vote; Chair Durfee, yes; Vice Chair Hime, yes; Director Barkett, yes; Director Chong, yes; Director DiMare, yes; Director Mallel, yes; Director May, yes. **Motion carries unanimously.**

Audit Committee

Committee Chair Chong reported that the Audit Committee met with morning. Scott Brunner of MGO, reviewed the 2019 Audit with the committee and MGO issued a clean opinion with expanded liquidity risk comments.

MOTION:

Committee Chair Chong made a motion that the Audit Committee recommend that the Board accept the audit report for 2019. Director May seconded the motion.

Before any discussion Chair Durfee asked Scott Brunner of MGO to review their audit findings with the Board. Mr. Brunner reviewed his report that was presented to the Audit Committee.

Discussion-None

Chair Durfee asked for a roll call vote; Chair Durfee, yes; Vice Chair Hime, yes; Director Barkett, yes; Director Chong, yes; Director DiMare, yes; Director Mallel, yes; Director May, yes. **Motion carries unanimously.**

8. NEW BUSINESS

- a. Review of Independent Audit and Account's Report for Calendar Year 2019, Basic Financial Statement and Required Supplementary Information, as prepared by Macias Gini & O'Connell, LLP (MGO)
- b. Recommend to the Board Acceptance of 2091 Audit

9. MATTERS OF INFORMATION:

- a. Update on COVID-19 Emergency Support Provided by Cal Expo
CEO Pickering reported that there are 2 major vaccination efforts on the property. Sacramento County Health Department is doing drive-through vaccinations in the Pavilion. They began doing 700-800 vaccines a day and are increasing to 2000 or more a day if vaccination supply is available. On the West end of our property in buildings 5 & 6 Kaiser Permanente has opened their regional vaccination facility. They started vaccinating 150-200 people per day, mostly seniors age 75 or over and have notified their members that depending on the supply of the vaccine Kaiser plans on increasing their vaccinations to 2000 of their members per day. At the same time the drive through COVID testing was moved to parking Lot D. The 63 FEMA trailers on Lot 26 are still functioning as COVID Isolation trailers for homeless with COVID or tested positive for COVID. The City of Sacramento is exploring using some of the trailers as a warming center for women and children during the cold winter. Cal Expo hosted approximately 600 armed National Guard in January during the week of the inauguration and was activated by OES to be a regional law enforcement command center. Both vaccination centers have indicated that they are planning to be at Cal Expo until or through the month of June.
- b. CEO Comments
CEO Pickering stated in an effort to keep our Business Partners and Promoters informed we have told them that the Board has adopted the State Fair dates of July 16-August 1, 2021. However, we have also informed them that we will be meeting with Sacramento County Health Officials in mid-March to discuss what they may and may not allow in the way of events at Cal Expo particularly State Fair. Last week was the final day of lay-offs. A number of employees found a job with other State Agencies. Due to current staffing we have advised our current tenants and Business Partners that we will have to significantly prioritize their request for service assistance and it may take longer due to the emergencies on the list. Pickering continued with complementing the remaining staff for picking up the additional workloads. It has been suggested to move the board meetings to earlier in the day as the meetings are Zoom meetings and no one is traveling. Vice Chair Hime asked about how the County of Sacramento vaccine system (10 lanes) is compared to Disneyland or other large facilities. He also asked for clarification regarding the meeting with

Sacramento County Health Officials. In addition to discussing State Fair will there be a discussion of events returning to Cal Expo? CEO Pickering stated that we have been contacted by lead people of the larger facilities inquiring how the drive through vaccinations are working along with walk in vaccinations. Many of the facilities are heavily relying on the supply of the vaccines. Chief Deputy General Manager Martinez commented that what he's been learning is supply of the vaccines appears to be the hold up and with the addition of Kaiser, Cal Expo should be getting close to doing 5,000 vaccines per day. Chair Durfee commented that at Petco Park parking lot they have 12 rows of cars and each row has 10 stations and they issue about 4300 vaccines per day. The response to the 2nd part of Vice Chair Hime's question; Cal Expo along with many of our promoters are asking County Health when events can return to Cal Expo and then at that time figure out how to accommodate an event along with the COVID emergency responses Cal Expo is handling.

c. Directors Comments/Agenda Items for Future Meeting

Director Chong – Happy to see everyone smiling face and thank you to the remaining staff for keeping everything going.

Chair Durfee – Commented on how it's been hard to schedule anything during the day with the board meetings being in the middle of the day. With the goal of the board meetings done by noon that would leave time during the day to schedule other things. Noting however when our meetings return to in-person the time would change due to those that travel. Chair Durfee wanted to express his appreciation to the team for taking on the additional responsibilities.

d. Next Board Meeting – Friday, February 26, 2021, (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 by Director DiMare. **All in favor, motion carries unanimously.**

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

CALIFORNIA EXPOSITION & STATE FAIR
AUDIT COMMITTEE

Committee Meeting Minutes
Held via Teleconference
Friday, January 29, 2021
11:30 a.m.

MINUTES

Committee Members Present:

Sonney Chong, Chair
Director David Mallel

Staff Present:

Chief Executive Officer (CEO)
Chief Deputy General Manager
Expo Events Director (AGM)
Recording Secretary

Rick Pickering
Tom Martinez
Marcia Shell
Sue O'Brien

Others Present

Jess Durfee
Rex Hime
Rina DiMare
Brian May
Scott Brunner
Josie Lee
Brian May

Chair, Bd. of Directors
Vice Chair, Bd. of Directors
Director
Director
MGO
Staff
Director

Committee Chair Chong called the Audit Committee Meeting to order at 11:33 a.m. and dispensed with the reading of the Mission Statement and Public Comment Statement.

NEW BUSINESS

- a. Report to Audit Committee
- b. Review of Independent Audit and Accountant's Report for Calendar year 2019 Basic Financial Statement and Required Supplementary Information, as prepared by Macias Gini & O'Connell LLP (MGO)
Scott Brunner, of MGO reviewed the results of their audit for 2019. MGO issued a clean opinion with expanded liquidity risk comments. There were a few adjustments made however they did not find any deficiency or material weakness or significant deficiency in their internal controls audit.
- c. Recommend to the Board Acceptance of the 2019 Audit

Motion:

Director Mallel moved to recommend to the Board of Directors acceptance of the Audit for 2019 and Committee Chair Chong seconded the motion. **All in favor, motion carried unanimously.**

ADJOURNMENT

Motion:

It was moved by Director Mallel and seconded by Committee Chair Chong to adjourn the Audit Committee.

The Audit Committee meeting adjourned at 11:54 a.m.