



# **ORANGE COUNTY FAIRGROUNDS AUTHORITY BOARD AGENDA REPORT**

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MEETING DATE: June 22, 2010      ITEM NUMBER: VI

SUBJECT: BY-LAWS OF JOINT POWERS AUTHORITY

DATE: JUNE 21, 2010

FROM: CITY ATTORNEY/AUTHORITY ATTORNEY

PRESENTATION BY: KIMBERLY HALL BARLOW,  
CITY ATTORNEY/AUTHORITY ATTORNEY

FOR FURTHER INFORMATION CONTACT: KIMBERLY HALL BARLOW, 714 754-5339

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## **RECOMMENDATION:**

Approve the revised By-Laws of the Authority.

## **BACKGROUND:**

The Authority was created by action of the City Council and the Costa Mesa Finance Authority by resolution on May 18, 2010. A copy of the formation resolutions of both entities are attached hereto as Attachment 1. The Joint Powers Authority held its first meeting on June 15, 2010. The Board adopted By-Laws for the Authority on a vote of 2-1, with Member Bever dissenting and Chair Mansoor and Member Monahan absent. At adoption, the Board members present requested that the By-Laws be brought forward to the Authority's next meeting for ratification by the entire Board. Some minor amendments were also approved at the June 15<sup>th</sup> meeting. The revised By-Laws are attached to this report as Attachment 2.

## **ANALYSIS:**

Staff recommends that, in light of the City's goal of having the Authority acquire the Orange County Fair and Event Center from the State of California and to enter into a ground lease with a Tenant to operate the property and the Orange County Fair, the Authority Board voted to ratify the amended By-Laws of the Authority.

## **FISCAL VIEW:**

No fiscal review is necessary.

**CONCLUSION:**

Staff recommends that the Authority Board ratify the Authority's By-Laws.

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KIMBERLY HALL BARLOW

CITY ATTORNEY/AUTHORITY  
ATTORNEY

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ALLAN R. ROEDER

CITY MANAGER/EXECUTIVE  
DIRECTOR

**DISTRIBUTION:**

ATTACHMENTS    1    Formation Resolutions  
                         2    Revised By-Laws

Joint Powers Authority OCFEC

May 17, 2010

11:00 AM

RESOLUTION NO. 10-31

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COSTA MESA, CALIFORNIA, AUTHORIZING FORMATION OF THE ORANGE COUNTY FAIRGROUNDS AUTHORITY WITH THE COSTA MESA PUBLIC FINANCING AUTHORITY

THE CITY COUNCIL OF THE CITY OF COSTA MESA HEREBY RESOLVES AS FOLLOWS:

WHEREAS, the City of Costa Mesa (the "City") is undertaking proceedings for the potential purchase of the Orange County Fair and Event Center ("OCFEC") from the State of California; and

WHEREAS, in connection with such purchase, the City and the Costa Mesa Public Financing Authority (the "Authority") propose to form a joint powers authority pursuant to Articles 1 through 4 of Chapter 5 of Division 7 of Title 1 of the Government Code of the State of California (section 6500 *et seq.*) in order that such authority may purchase the OCFEC and manage the real and personal property which are purchased from the State of California, including the rights to operate the Orange County Fair; and

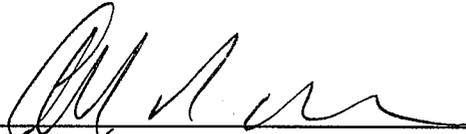
WHEREAS, the City is entitled to own property for recreational, fair, exposition or exhibition purposes, to operate such facilities, and to lease property owned by it to others for such purposes; and

WHEREAS, the assistance provided by such a joint powers authority to the City and the Authority in connection with such proceedings will result in significant public benefits to the City and the Authority.

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Costa Mesa, California, does hereby authorize the officers and staff members of the City to assist in the organization of a joint powers authority between the City and the Authority, to be known as the Orange County Fairgrounds Authority. The City Council hereby approves and authorizes the Mayor to execute and the City Clerk to attest the Joint Powers Agreement forming the Orange County Fairgrounds Authority, in substantially the form on file with the City Clerk.

BE IT FURTHER RESOLVED that the Mayor, the City Manager, Finance Director, City Clerk, and City Attorney of the City, and any other officers of the City, are hereby authorized and directed to take all actions and do all things necessary or desirable hereunder with respect to the formation of the Orange County Fairgrounds Authority, including, but not limited to, the execution and delivery of any agreements, certificates, instruments, and other documents, which they, or any of them, may deem necessary or desirable and not inconsistent with the purposes of this resolution.

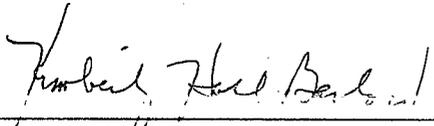
PASSED AND ADOPTED this 18<sup>th</sup> day of May, 2010.

  
\_\_\_\_\_  
Allan R. Mansoor, Mayor

ATTEST:

APPROVED AS TO FORM:

  
\_\_\_\_\_  
Julie Folcik, City Clerk

  
\_\_\_\_\_  
Kimberly Hall Barlow, City Attorney

STATE OF CALIFORNIA )  
COUNTY OF ORANGE ) ss  
CITY OF COSTA MESA )

I, JULIE FOLCIK, City Clerk of the City of Costa Mesa, DO HEREBY CERTIFY that the above and foregoing is the original of Resolution No. 10-31 and was duly passed and adopted by the City Council of the City of Costa Mesa at a special meeting held on the 18<sup>th</sup> day of May, 2010, by the following roll call vote, to wit:

AYES: COUNCIL MEMBERS: MANSOOR, LEECE, BEVER, FOLEY, MONAHAN  
NOES: COUNCIL MEMBERS: NONE  
ABSENT: COUNCIL MEMBERS: NONE

IN WITNESS WHEREOF, I have hereby set my hand and affixed the seal of the City of Costa Mesa this 19<sup>th</sup> day of May, 2010.

  
\_\_\_\_\_  
JULIE FOLCIK, CITY CLERK

(SEAL)

RESOLUTION NO. P.F.A. 10-1

A RESOLUTION OF THE BOARD OF THE COSTA MESA  
PUBLIC FINANCING AUTHORITY AUTHORIZING  
FORMATION OF THE ORANGE COUNTY  
FAIRGROUNDS AUTHORITY WITH THE CITY OF  
COSTA MESA, CALIFORNIA

THE BOARD OF THE COSTA MESA PUBLIC FINANCING AUTHORITY HEREBY  
RESOLVES AS FOLLOWS:

WHEREAS, the City of Costa Mesa (the "City") is undertaking proceedings for the potential purchase of the Orange County Fair and Event Center ("OCFEC") from the State of California; and

WHEREAS, in connection with such purchase, the City and the Costa Mesa Public Financing Authority (the "Authority") propose to form a joint powers authority pursuant to Articles 1 through 4 of Chapter 5 of Division 7 of Title 1 of the Government Code of the State of California (section 6500 *et seq.*) in order that such authority may purchase the OCFEC and manage the real and personal property which are purchased from the State of California, including the rights to operate the Orange County Fair; and

WHEREAS, the PFA is entitled to own property for recreational, fair, exposition or exhibition purposes, to operate such facilities, and to lease property owned by it to others for such purposes; and

WHEREAS, the assistance provided by such a joint powers authority to the City and the Authority in connection with such proceedings will result in significant public benefits to the City and the Authority.

NOW, THEREFORE, BE IT RESOLVED that the Board of the Costa Mesa Public Financing Authority, does hereby authorize the officers and staff members of the Authority to assist in the organization of a joint powers authority between the City and the Authority, to be known as the Orange County Fairgrounds Authority. The Board of the Authority hereby approves and authorizes the Chair of the Board to execute and the City Clerk, acting as Authority Secretary, to attest the Joint Powers Agreement forming the Orange County Fairgrounds Authority, in substantially the form on file with the City Clerk.

BE IT FURTHER RESOLVED that the Board Chair, the Executive Director, Treasurer, Secretary, and Authority Attorney of the Authority, and any other officers of the Authority, are hereby authorized and directed to take all actions and do all things necessary or desirable hereunder with respect to the formation of the Orange County Fairgrounds Authority, including, but not limited to, the execution and delivery of any agreements, certificates, instruments, and other documents, which they, or any of them, may deem necessary or desirable and not inconsistent with the purposes of this resolution.

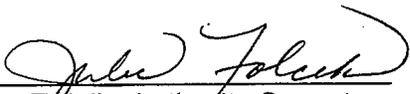
PASSED AND ADOPTED this 18<sup>th</sup> day of May, 2010.



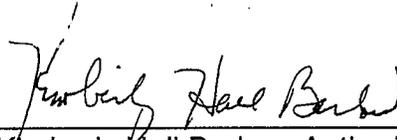
\_\_\_\_\_  
Allan R. Mansoor, Chair

ATTEST:

APPROVED AS TO FORM:



\_\_\_\_\_  
Julie Folcik, Authority Secretary



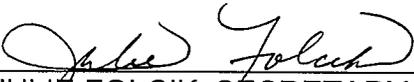
\_\_\_\_\_  
Kimberly Hall Barlow, Authority Attorney

STATE OF CALIFORNIA )  
COUNTY OF ORANGE ) ss  
CITY OF COSTA MESA )

I, JULIE FOLCIK, Secretary of the Costa Mesa Public Financing Authority, DO HEREBY CERTIFY that the above and foregoing is the original of Resolution No. P.F.A. 10-1 and was duly passed and adopted by the Board of the Costa Mesa Public Financing Authority at a special meeting held on the 18<sup>th</sup> day of May, 2010, by the following roll call vote, to wit:

AYES: BOARD MEMBERS: MANSOOR, LEECE, BEVER, FOLEY, MONAHAN  
NOES: BOARD MEMBERS: NONE  
ABSENT: BOARD MEMBERS: NONE

IN WITNESS WHEREOF, I have hereby set my hand and affixed the seal of the Costa Mesa Public Financing Authority this 19<sup>th</sup> day of May, 2010.

  
\_\_\_\_\_  
JULIE FOLCIK, SECRETARY

(SEAL)

**BYLAWS  
OF THE  
ORANGE COUNTY FAIRGROUNDS AUTHORITY**

**ARTICLE I**

**DEFINITIONS; OFFICES AND SEAL**

**Section 1. Definitions.** All capitalized terms used herein shall have the respective meanings given such terms in the Joint Powers Agreement establishing the Authority (the "Agreement").

**Section 2. Offices.** The principal office of the Authority for the transaction of business shall be City Hall, 77 Fair Drive, Costa Mesa, California. The Board may, however, fix and change from time to time the principal office from one location to another within the City of Costa Mesa by noting the change of address in the minutes of the meeting of the Board at which the address is fixed or changed. The fixing or changing of such address shall not be deemed an amendment to these Bylaws.

**Section 3. Seal.** The Authority shall have a seal, consisting of images and the words "Orange County Fairgrounds Authority" and with the date of establishment of the Authority, as reflected in Attachment "A" hereof.

**ARTICLE II**

**BOARD**

**Section 1. Powers.** Subject to the limitations of the Agreement, the terms of these Bylaws and the laws of the State of California, the powers of this Authority shall be vested in and exercised by, and its property controlled and its affairs conducted by, the Board of the Authority.

**Section 2. Number.** The Board shall have five (5) Directors, who shall be the members of the City Council of the City of Costa Mesa. Each Director shall hold office for a term which coincides with such Director's term of office as member of the City Council.

**Section 3. Compensation.** Each Director may be reimbursed his or her necessary and actual expense, including travel incident to his or her services as Director, pursuant to resolution of the Board. Any Director may elect, however, to decline reimbursement.

**Section 4. Regular Meetings.** Regular meetings of the Board shall be held at such time as the Board may fix by resolution from time to time, and if any day so fixed shall fall upon a legal holiday, then upon the next succeeding business day at the same hour. No notice of any regular meeting of the Board need be given to the Directors.

**Section 5. Special Meetings.** Special meetings of the Board shall be held whenever called by the Chair, any Vice Chair, or by a majority of the Board.

**Section 6. Public Meetings; Notice of Meetings.** All proceedings of the Board shall be subject to the provisions of the Ralph M. Brown Act, constituting Chapter 9 of Part 1 of Division 2 of Title 5 of the California Government Code, and notice of the meetings of the Authority shall be given in accordance with such Act.

**Section 7. Consent to Meetings.** The transactions of the Board at any meeting however called and noticed or wherever held, shall be as valid as though done at a meeting duly held after call and notice if a quorum is present and if either before or after the meeting each Director not present signs a written waiver of notice or a consent to the holding of such meeting or approval of the minutes thereof. All such waivers, consents or approvals shall be filed with the corporate records and made a part of the minutes of the meeting.

**Section 8. Quorum.** A quorum shall consist of a majority of the members of the Board unless a greater number is expressly required by statute, by the Agreement, or by these Bylaws. Every act or decision done or made by a majority of the Directors voting at a meeting duly held at which a quorum is present shall be the act of the Board.

**Section 9. Order of Business.** The order of business at the regular meeting of the Board and, so far as possible, at all other meetings of the Board, shall be essentially as follows, except as otherwise determined by the Directors at such meeting:

- (a) Report on the number of Directors present in order to determine the existence of a quorum.
- (b) Reading of the notice of the meeting and proof of the delivery or mailing thereof, or the waiver or waivers of notice of the meeting then filed, as the case may be.
- (c) Reading of unapproved minutes of previous meetings of the Board and the taking of action with respect to approval thereof.
- (d) Presentation and consideration of reports of officers and committees.

(e) Unfinished business.

(f) New business.

(g) Adjournment.

**Section 10. Non-liability for Debts.** The private property of the Directors shall be exempt from execution or other liability for any debts, liabilities or obligations of the Authority, and no Director shall be liable or responsible for any debts, liabilities or obligations of the Authority.

**Section 11. Indemnity by Authority for Litigation Expenses of Officer, Director or Employee.** Should any Director, officer or employee of the Authority be sued, either alone or with others, because he or she is or was a director, officer or employee of the Authority, in any proceeding arising out of his or her alleged misfeasance or nonfeasance in the performance of his or her duties or out of any alleged wrongful act against the Authority or by the Authority, indemnity for his or her reasonable expenses, including attorneys' fees incurred in the defense of the proceedings, may be assessed against the Authority or its receiver by the court in the same or a separate proceeding, as specified in California Government Code section 825. The amount of such indemnity shall equal the amount of the expenses, including attorneys' fees, incurred in the defense of the proceeding.

### ARTICLE III

#### OFFICERS

**Section 1. Officers.** The officers of the Authority shall be a Chair, a Vice Chair, a Secretary, a Treasurer, an Executive Director and such other officers as the Board may appoint. When the duties do not conflict, one person, other than the Chair, may hold more than one of these offices.

**Section 2. Election of Officers.** The Chair, Vice Chair and Secretary shall be chosen at every other annual meeting of the Board (to be set by Resolution), in the year in which elections of the City of Costa Mesa for City Council are held, and each shall hold office until he or she shall resign, be removed, otherwise be disqualified to serve, or until his or her successor is elected and qualified to serve.

**Section 3. Subordinate Officers.** The Board may elect or authorize the appointment of such other officers than those hereinabove mentioned as the business of the Authority may require, each of whom shall hold office for such period, have such authority and perform such duties as are provided in these Bylaws, or as the Board from time to time may authorize or determine.

**Section 4. Removal of Officers.** Any officer may be removed, either with or without cause, by a majority of the Directors then in office at any regular or special meeting of the Authority, or, except in the case of an officer chosen by the Board, by any officers upon whom such power of removal may be conferred by the Board. Should a vacancy occur in any office as a result of death, resignation, removal, disqualification or any other cause, the Board may delegate the powers and duties of such office to any officers or to any Directors until such time as a successor for said office has been elected or appointed.

**Section 5. Chair.** The Chair shall preside at all meetings of the Board and exercise and perform such other powers and duties as may be from time to time assigned to him or her by the Board or be prescribed by the Agreement or these Bylaws. The Chair shall have the general powers and duties usually vested in the office of Chair of a public corporation.

**Section 6. Vice Chair.** In the absence or disability of the Chair, the Vice Chair shall perform all the duties of the Chair and when so acting shall have all the powers of and be subject to all of the restrictions upon the Chair. The Vice Chair shall have such other powers and perform such other duties as may from time to time be assigned to him or her by the Board or be prescribed by the Board, the Agreement or these Bylaws.

**Section 7. Secretary.** The Secretary shall keep or cause to be kept a book of minutes at the principal office or at such other place as the Board may order, of all meetings of the Directors, with the time and place of holding, whether regular or special, and if special, how authorized, the notice thereof given, the names of those present at Directors' meetings and the proceedings thereof. The Secretary shall give or cause to be given notice of all meetings of the Board of the Authority, shall keep the corporate records in safe custody and shall have such other powers and perform such other duties as may from time to time be assigned to him by the Board or be prescribed by the Board, the Agreement or these Bylaws.

**Section 8. Treasurer.** The Treasurer shall be the chief financial officer of the Authority, shall have the general powers and duties usually vested in the chief financial officer of a public corporation and shall have such other powers and perform such other duties as may from time to time be assigned to him by the Board or be prescribed by the Board, the Agreement or these Bylaws.

**Section 9. Executive Director.** The Executive Director shall be the chief administrative officer of the Authority and shall, subject to the control of the Board, have general supervision, direction and control of the business and officers of the Authority, and shall have such other powers and perform such other duties as may from time to time be assigned to him or her by the Board or be prescribed by the Board, the Agreement or these Bylaws.

## ARTICLE IV

### OBJECTS AND PURPOSES

**Section 1. Nature of Objects and Purposes.** The business of this Authority is to be operated and conducted in the promotion of its objects and purposes as set forth in the Agreement.

**Section 2. Distribution of Assets during Continuance of Authority.** During the continuance of the Authority, it may distribute any of its assets to the members of the Authority. If, for any reason, the members are unable or unwilling to accept the assets of the Authority, said assets shall be distributed to the federal government, or to a state or local government for public purposes, or to a nonprofit fund, foundation or corporation which is organized and operated exclusively for charitable purposes.

**Section 3. Dissolution.** The Authority may, with the approval of all of the members, be dissolved by majority vote of the Directors if at the time of such dissolution the Authority has no outstanding indebtedness and is not a party to any outstanding material contracts. Upon the dissolution or termination of this Authority, and after payment or provision for payment, all debts and liabilities, the assets of this Authority shall be distributed to the members of the Authority. If for any reason, the members are unable or unwilling to accept the assets of the Authority, said assets will be distributed to the federal government or to a state or local government for public purposes, or to a nonprofit fund, foundation, or corporation which is organized and operated for charitable purposes.

## ARTICLE V

### GENERAL PROVISIONS

**Section 1. Payment of Money, Signatures.** All checks, drafts or other orders for payment of money, notes or other evidences of indebtedness issued in the name of or payable to the Authority and any and all securities owned by or held by the Authority requiring signature for transfer shall be signed or endorsed by the Treasurer.

**Section 2. Execution of Contracts.** The Board, except as otherwise provided in the Agreement or these Bylaws, may authorize any officer or officers, and agent or agents, to enter into any contract or execute any contract or execute any instrument in the name of and on behalf of the Authority, and such authority may be general or confined to specific instances. Unless so authorized by the Board, no officer, agent or employee shall have any power or authority to bind the Authority by any contract or engagement or to pledge its credit or to render it liable for any

purpose or in any amount.

**Section 3. Fiscal Year.** The fiscal year of the Authority shall commence on the 1st day of July of each year and shall end on the 30th day of June of the next succeeding year.

**Section 4. Amendment of Bylaws.** These Bylaws may be amended at any time and from time to time by majority vote of the Board.

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Secretary

APPROVED AS TO FORM.

By \_\_\_\_\_  
Kimberly Hall Barlow  
Authority Attorney

# ORANGE COUNTY FAIRGROUNDS AUTHORITY



## OFFICIAL SEAL