



Friends and Neighbors of the Orange County Fairgrounds

Working for a Fairgrounds that is Focused on the Community

PMB 5014
600 W Santa Ana Blvd, Ste 114A
Santa Ana, CA 92701
vpollmeier@me.com

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VIA E-MAIL

Robert Ruiz, Chair, and
Board of Directors, 32nd District Agricultural Association
88 Fair Drive
Costa Mesa, CA 92626
E-Mail: rruiz@ocfair.com

RE: *Selection of Contractor for Board's Governance Review Consultant*

Dear Chair Ruiz:

I write on behalf of the Friends and Neighbors of the Orange County Fairgrounds and the public, generally, to request that the Board of Directors of the 32nd District Agricultural Association (“the 32nd DAA”) NOT follow the recommendation of the staff to approve the retention of MossAdams as the Board's governance review consultant.

There are important issues that arise from the proposal from MossAdams and the relative scoring by the Fairgrounds' staff of the two proposals. The most important of these issues is the statement made in p. 15 of the MossAdams proposal where they state:

[O]ur team frequently recommends implementing the John Carver Policy Governance Model, which is particularly effective in the public sector.

Members of the Board have expressed concern about the way the current Board policies are stated. The use of double and triple negatives in the policies, the lack of clear delineation of responsibilities between the Board and the CEO and staff, and the lack of ability to define practical constraints on the means by which the CEO and staff achieve the strategic goals that are properly defined by the Board have all been identified as shortcomings in the current policies.

Friends and Neighbors of the Orange County Fairgrounds has also been critical of these policies because they allow the CEO excessive latitude in how to perform her duties, fail to provide clear criteria for evaluating that performance, fail to include mechanisms for reflecting the state's interest implicated by the operation of the OCFEC, and fail to include mechanisms for reflecting the interests of the public-at-large in the operation of the OCFEC.

All of these criticisms, from both Board Member and FANSOCF, result from the fact that the current policies are based on the John Carver Policy Governance Model.¹ This model, generated by John Carver, currently an adjunct-professor at the University of Georgia's Institute for Non-profit Organizations, has been widely criticized for creating governance policies that result in the above identified shortcomings and, despite the statement in the MossAdams proposal, has been especially criticized as being inapplicable or, at minimum, difficult to implement for public agencies, where Board Members do not have the time to invest the high levels of involvement required.²

Also on p. 15 of their proposal, MossAdams provides the following diagram, which appears to support the fallacy that there should be a division of responsibility in governance between the Board and the management:



This reflects a failure on the part of MossAdams to understand the nuances of this model. We need only read the words of the models creator, John Carver to confirm this:

“because the board is accountable for everything, it is accountable for means as well. Accordingly, it must exercise control over both ends and means, so having the ends/means distinction does not in itself relieve boards from any responsibility.”³

MossAdams' proposal also reveals its failure to understand the unique nature of the 32nd DAA and understand the basic principles of the governance model it purports to recommend. MossAdams' proposal pays only lip service to the involvement of the public. This despite the fact that Principle #1 of the Carver Policy Governance Model states:

- 1 For more basic information on the John Carver Policy Governance Model, Board members are encouraged to review: https://en.wikipedia.org/wiki/Policy_Governance
- 2 The complexity of the Carver model is reflected in the web page dedicated to the Principles of Policy Governance, See: <https://governforimpact.org/resources/principles-of-policy-governance.html>
- 3 “Carver's Policy Governance® Model in Nonprofit Organizations,” John Carver and Miriam Carver, originally pub'd in *Gouvernance - revue internationale*, Vol. 2, nos. 1, Winter 2001, pp. 30-48, See: <http://www.carvergovernance.com/pg-np.htm>.

1. Ownership: The board connects its authority and accountability to those who morally if not legally own the organization—if such a class exists beyond the board itself—seeing its task as servant-leader to and for that group. “Owners,” as used in the Policy Governance model, are not all stakeholders, but only those who stand in a position corresponding to shareholders in an equity corporation. Therefore, staff and clients are not owners unless they independently qualify as such.

It cannot be disputed that the “Owners” of the 32nd DAA are the people of California, both morally and legally, but MossAdams only mentions the public at one point, in passing, in their proposal, when they say they will “assist the Committee in soliciting public and key stakeholder input.”

The MossAdams proposal should be rejected because of its promotion of the problematic Carver Governance Model and their clear failure to understand its shortcomings or appropriate application.

We recommend that the Board not accept the recommendations of staff and reject the MossAdams proposal. We ask that the Board then, enter into a contract with the other bidder, Kelly Associates, or direct that the RFP be re-issued with a specific admonition that the John Carver Policy Governance Model NOT be used by the winning bidder in updating and revising the 32nd DAA policies.

If this contract is awarded, and the John Carver Policy Governance Model is used, there will likely be no improvement in the shortcomings of the current policies, which are reflections of the Model, not shortcomings in its implementation,

On behalf of the Friends and Neighbors of the Orange County Fairgrounds, and the public generally, I thank you in advance for providing the sometimes onerous public service that results from your acceptance of an appointment as a State Officer.

Sincerely,



Vincent M. Pollmeier
Director, Friends and Neighbors of
the Orange County Fairgrounds

CC:
Board of Directors - 32nd District Agricultural Ass'n

Robert Ruiz, Chair rruiz@ocfairboard.com
Sandra Cervantes, Vice Chair scervantes@ocfairboard.com

Ashleigh Aitken	aaitken@ocfairboard.com
Barbara Bagneris	bbagneris@ocfairboard.com
Douglas La Belle	dlabelle@ocfairboard.com
Gerardo Mouet	gmouet@ocfairboard.com
Newton Pham	npham@ocfairboard.com
Natalie Rubalcava-Garcia	nrubalcava-garcia@ocfairboard.com
Andreas Meyer	ameyer@ocfairboard.com