

# MINUTES

## REGULAR MEETING OF CALIFORNIA FAIR SERVICES AUTHORITY BOARD OF DIRECTORS

August 3, 2011

1776 Tribute Road, Suite 200, Sacramento, CA 95815

John Root, Board Member  
Public Member

Brian Bullis, Board Member  
Mariposa County Fair (35–A DAA)

Richard Persons, Board Member  
Lake County Fair (49<sup>th</sup> DAA)

Patricia Conklin, Board Member  
Sonoma–Marin Fair (4<sup>th</sup> DAA)

Rebecca Desmond, Board Member  
Division of Fairs & Expositions

Donna Horner, Secretary/Treasurer  
California Fair Services Authority

Rick Wood, Controller  
California Fair Services Authority

Donna Bardaro, Executive Director  
California Fair Services Authority

Charlie Mitchell,  
California Fair Services Authority

Tom Allen,  
California Fair Services Authority

Sue Leavitt,  
California Fair Services Authority

Melissa Thurber,  
California Fair Services Authority

Kevin Wright,  
California Fair Services Authority

Christy Layton, Legal Counsel to CFSA  
Miller & Owen

### I. CALL TO ORDER

A regular meeting of the California Fair Services Authority (“CFSA”) Board of Directors was convened, pursuant to the meeting notice at 10:02 a.m. in the conference room at 1776 Tribute Road, Suite 200, Sacramento, California and by teleconference at the Sonoma–Marin Fair, Mariposa County Fair, and Lake County Fair on Wednesday, August 3, 2011.

### II. APPROVAL OF MINUTES

Moved by Director Bullis and seconded by Director Desmond to adopt **Resolution Number 11–23** approving the minutes of the regular meeting of June 1, 2011. Motion passed unanimously. Moved by Director Desmond and seconded by Director Conklin to adopt **Resolution Number 11–24** approving the minutes of the special teleconference meeting of July 19, 2011. Motion passed unanimously.

### III. APPOINTMENT OF 2012 BUDGET COMMITTEE

The Budget Committee works with CFSA staff on internal budget issues and future program direction, including review and comment on a draft budget package prior to presentation to the full Board for approval. The Committee consists of three (3) Board members and one (1) alternate member.

Moved by Director Persons and seconded by Director Desmond to adopt **Resolution Number 10–25** appointing Directors Root, Goody, and Conklin to serve on CFSA's 2012 Budget Committee and Director Bullis to serve as the alternate member. Motion passed unanimously.

### IV. INFORMATIONAL ITEMS

#### 1. Staff Reports

**Administrative Services**— CFFA has been moved downstairs, and information has been sent to each fair with revised phone numbers and email addresses. Staff continues to provide whatever transition support necessary to Bryan Eubanks, Amy Coleman–Casias and David Freese in their efforts to take this program to the next level of efficiency and accountability.

**CFSA's Annual Report** By August first, all fairs, CFSA's Board and alternates, and industry related agencies will receive one copy each of CFSA's 2010 annual report, "CFSA Now ~ More than Ever." Fairs desiring additional copies will be directed to CFSA's website where the annual report can be downloaded. Remaining copies of the report will be used throughout 2011 for marketing purposes, including conventions, conferences and as part of CFSA's information folder.

As was the case with the 2009's annual report, this report reused photographs taken for the 2008 annual report. This cost saving step, combined with a significant reduction in the number of copies printed and the use of the economy grade paper reduced the cost by nearly half the cost of the 2009's report.

**Play It Safe Hand–Washing Video** CFSA wrote, directed and produced "Play It Safe! A Livestock Barn Germ Safari" video for the Consumer Protection Toolkit. Footage for the video was taped at the Sacramento County Fair. Staff had help from several 4–H and FFA chapters, along with volunteers from Western Fairs Association ("WFA") and CFSA.

Along with the video, the kit includes a brochure and **Play It Safe** signage. CFSA assisted WFA with the copywriting on both the brochure and the signs, in addition to designing the DVD label and overseeing DVD duplication. WFA will distribute the toolkit to all fairs and agriculture teachers in California. The toolkit is a joint project of the Division of Fairs and Expositions, Western Fairs Association and CFSA.

**Finance** — CFSA's financial statements and quarterly investment portfolio required by Government Code Section 53646 were submitted to the Board and are in compliance with CFSA's investment policy. The financials exhibit the pools' ability to meet the expenditure requirements for the next six (6) months and include a schedule of the monthly investment transactions, in accordance with Government Code Section 53607.

**PST Program** CFSA acts as the pass through for the Part Time, Seasonal and Temporary Employee (PST) Program administered by the Department of Personnel Administration (DPA). Through June 2011 the PST Program has saved the fairs \$349,832.53. Had the PST Program not been in place, the fairs would have paid Social Security taxes of \$389,259.53 compared to the administration fees of \$39,427 paid to DPA and CFSA. Of this administration fee, DPA collected \$21,707 and CFSA retained \$17,720 for administration of the Program.

**Unemployment Insurance** CFSA administers the Unemployment Insurance ("UI") Reimbursement Program on behalf of the Division of Fairs and Expositions. As of July 26, 2011 CFSA was holding \$262,208 for future UI reimbursements.

**FlexNet** CFSA provides various fiscal and accounting, services including IT services to members. Currently staff assists 36 fairs with accounting services, twelve (12) fairs with IT or Direct Deposit services and three (3) JPA's with services.

**Risk Management** — Staff recently renewed the insurance coverages for the excess coverages that expired on July 1, 2011 which included Workers' Compensation and Pooled Property Protection Programs.

**Pooled Property Protection Program** Since 2002, the Pooled Property Protection Program has had a total of seventy-seven (77) reported claims of which only one (1) claim from 2008 remains open.

**Contract Review** Our Risk Analyst continues to process contracts received from DAAs as well as from other CFSA member fairs. For DAAs, all non-hazardous contracts over \$15,000 and up to \$75,000 for which liability insurance is required and all hazardous contracts up to \$75,000 are sent directly to CFSA for insurance certificate review and approval. For all other member fairs, all fair contracts involving hazardous activities or all contracts over \$15,000 involving non-hazardous activities are submitted to CFSA for an insurance certificate review.

Staff efforts to continue to focus its outreach efforts on getting all member fairs in the Liability Program to submit their contracts for insurance certificate review and approval through contacts with fairs has noted significant improvement as compared to 2010. As of July 26, 2011, staff had reviewed 2,017 contracts, 312 more than the previous year, which represents an increase of seventeen percent (17%) from 2010.

**Special Events** Revenues for the Special Events Program through the end of June 2011 totaled \$341,320 which is 43% of the budgeted 2011 revenue of \$795,000. For the same period in 2010 the total revenue was \$357,5383, which represents a five percent (5%) decrease in 2011 revenues.

Claims activity in the Special Events Program included 21 open claims with total reserves of \$247858 as of June 30, 2011 as compared with nineteen (19) open claims and \$278,972 in reserves as of April 30, 2011.

**General Liability** Claims activity includes fifty (50) open claims with reserves of \$1,253,883 as of June 30, 2011. For comparison, as of April 30, 2011 CFSA had fifty (50) open claims with reserves of \$1,138,749.

**Safety** — June 2011 through August 2011 has resulted in staff involvement in various projects, including member training and fair inspections conducted at fair facilities for member fairs. These projects, training programs, and inspections are part of the value added safety services provided to all CFSA member fairs. The majority of services provided at member fairs over this three (3) month period have been or will be Pre-Fair or program services such as training, development or program enhancements. CFSA Pre-Fair and Fairtime visits often include training of temporary staff, as well as the

bulk of Fire and Life Safety inspections being done in cooperation with the California State Fire Marshal's Office.

**Workers' Compensation** — As of June 30, 2011, total open claims reserves were \$9,696,287 (including pre-94 Cal Expo outstanding reserves of \$429,571.) There were 224 open claims, of which 179 were indemnity claims and forty-four (44) medical only (this includes one Information Only claim open for administrative purposes). As a comparison, in July 2010, the reserves were \$8,250,824 and there were 223 open claims, of which 168 were indemnity claims and fifteen (15) were medical only.

## 2. **Executive Director's Report**

Donna Bardaro, CFSA's Executive Director, reported briefly on current CFSA issues which included:

**Member Withdrawal** — Tawny Tesconi, Sonoma County Fair, notified CFSA on June 28, 2011, of the fair's intent to withdraw from the California Fair Services Authority's Workers' Compensation Pool effective January 1, 2012.

Because of the very close connection to the County, the County wants the fair to be a part of their workers' compensation policy. The rate quoted by the County was less per year than what CFSA was able to offer the fair. Tawny realizes that the quality of training and oversight will likely not be as good as the fair receives from CFSA, but the pressure from the County and the cost savings was too great to pass up.

**CDFA Fairs Consortium** — As Executive Director of CFSA, Donna was invited to serve with Secretary Karen Ross on the California Department of Food and Agriculture ("CDFA") Fairs Consortium. The first meeting of the full Consortium is scheduled for August 15<sup>th</sup> in CDFA's Auditorium.

With the elimination of the \$32 million in General Fund support for the network of California fairs, CDFA is embarking on a new path of oversight and assistance to fairs in the new light of complete fair self-sufficiency. The Consortium will be working closely with all the district agricultural associations and assisting those that will be seeking alternative forms of governance, funding, and operations to ensure they remain vital community assets.

**CFFA Transition** — We are into our fourth week of managing CFFA activities and things are going very well. Bryan Eubanks, a former field inspector and supervisor for CCA, was hired on July 1, 2011 to manage CFSA's new construction department. Bryan has the expertise to manage all aspects of the construction area and he is proving to be a tremendous asset to this program. Working alongside Bryan is David Freese, a former CCA project manager, who we have hired as a retired annuitant to assist Bryan in the office during the transition. Amy Casias and Rick Wood continue to provide financial management assistance and Amy will be moving in to an administrative role to assist Bryan in implementing new and improved procedures.

Fairs are continuing to use CFFA and there are numerous projects in the works and on the horizon. For the first time in CFFA's history, services are being provided on a fee for service basis and client fairs seem to be responsive. Fees collected for the work being performed, along with CFFA's proposed operating budget, are projected to pay all costs associated with CFFA projects and activities. Staff is doing a lot of research on revising previous contract documents including bidding procedures. Staff is also looking at enforcement of labor codes and construction codes and we are contemplating the need to for training at the Manager's Fall Conference.

Updates will be provided as the program develops and progresses. The initial start-up of this program has proven time intensive as well as a tremendous task and workload for CFSA's management. However, staff believes that we are on the right track and the program is moving forward.

### **3. Next Board Meeting**

The next Board meeting is scheduled for Wednesday, October 5, 2011.

## **XI. CLOSED SESSION**

The Board adjourned from regular session at 10:45 a.m. and went into closed session to discuss Liability Claims involving Mark Ennis and Deniz Bolbol, and Eloina Balcazar.

**XII. REGULAR SESSION**

The Board adjourned from closed session at 11:05 a.m. and regular session was reconvened. The Board took no reportable action on the liability claims.

**XIII. ADJOURNMENT**

Moved by Director Bullis and seconded by Director Conklin to adjourn. Motion passed unanimously. The meeting was adjourned at 11:06 a.m.

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**CHAIR**

**ATTEST:**

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**SECRETARY**