

# MINUTES

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

February 3, 2016

1776 Tribute Road, Suite 100, Sacramento, CA 95815

**Brian Bullis**, Board Chair  
Mariposa County Fair (35-A DAA)  
(By Telephone)

**Dan Jacobs**, Vice-Chair  
Antelope Valley Fair  
(By Telephone)

**Patricia Conklin**, Director  
Dixon May Fair (36<sup>th</sup> DAA)  
(By Telephone)

**Jim Wolcott**, Director  
Lassen County Fair  
(By Telephone)

**John Quiroz**, Director  
Division of Fairs & Expositions  
(By Telephone)

**Larry Moss**, Director  
Public Member  
(By Telephone)

**Christy Layton**, Legal Counsel to CFSA  
Renne Sloan Holtzman Sakai LLP

**Becky Bailey–Findley**, Executive Director  
California Fair Services Authority

**Rebecca Desmond**  
Deputy Executive Director

California Fair Services Authority  
**Raechelle Gibbons**, Controller

California Fair Services Authority

**Kevin Wright**, Mgr of Business Services  
California Fair Services Authority

**Charlie Mitchell**, Risk Manager  
California Fair Services Authority

**Tom Amberson**, Risk Control Manager  
California Fair Services Authority

**Melissa Thurber**, Communication Director  
California Fair Services Authority

**Bryan Eubanks**, Construction Manager  
California Fair Services Authority

**David Gutierrez**, Workers' Comp Adjuster  
California Fair Services Authority

**Barbara Tyler**, Liability Claims Manager  
California Fair Services Authority

### I. CALL TO ORDER

Pursuant to the meeting notice, a regular teleconference meeting of the California Fair Services Authority (CFSA) Board of Directors was convened at 10:07 a.m., February 3, 2016, by Board Chair Brian Bullis, in the conference room at 1776 Tribute Road, Suite 200, Sacramento, California.

**II. APPROVAL OF MINUTES**

Moved by Director Wolcott and seconded by Director Jacobs to adopt **Resolution No. 16-01** approving the minutes of the regular meeting of December 2, 2015, as presented to the Board of Directors.

Ayes: Chair Bullis, Directors Jacobs, Conklin, Wolcott, Quiroz

Noes: None

Abstain: Director Moss

Absent: Director Scurfield

**III. ADOPTION OF RESOLUTION DELEGATING TO CFSA'S TREASURER THE AUTHORITY TO INVEST FUNDS OR TO SELL OR EXCHANGE SECURITIES**

This is an annual delegation from the board to the treasurer for authority to invest funds or to sell or exchange securities for CFSA according to CFSA investment policies.

Moved by Director Jacobs and seconded by Director Conklin to adopt **Resolution No. 16-02** delegating authority to CFSA's Treasurer the authority to invest funds or to sell or to exchange securities.

Ayes: Chair Bullis, Directors Jacobs, Conklin, Wolcott, Quiroz, Moss

Noes: None

Abstain: None

Absent: Director Scurfield

**IV. ADOPTION OF RESOLUTION APPROVING CFSA'S INVESTMENT GOALS, OBJECTIVES AND POLICIES**

Government Code Section 53646 requires Board action on an annual basis to review and approve the agency's investment policies.

Moved by Director Wolcott and seconded by Director Conklin to adopt **Resolution No. 16-03** approving CFSA's investment goals, objectives, and policies as presented.

Ayes: Chair Bullis, Directors Jacobs, Conklin, Wolcott, Quiroz, Moss

Noes: None

Abstain: None

Absent: Director Scurfield

**V. ADOPTION OF RESOLUTION APPROVING LINE OF CREDIT (LOC) TO CALIFORNIA FAIRS FINANCING AUTHORITY AND AUTHORIZING BOARD CHAIR TO EXECUTE LOC AGREEMENT**

CFFA experience cash flow challenges due to the unpredictable nature of fairs' implementing construction projects, delays due to contract dispute(s), and the natural timing challenges of the fair season. Additionally, CFFA's business model was drastically altered when State funding was eliminated in 2011. Prior to that time, CFFA received baseline funding for operations of over \$2 Million.

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Like all California fairs, the elimination of State funding to fairs was devastating. CFFA operates in a new business model in which revenue is fee for services only.

In August, 2015 the CFFA board, through their strategic planning process, approved a 3-year business plan. The plan included a revised fee schedule, implemented January 1, 2016 and a contract with the Department of Food & Agriculture (CDFA) for the implementation of the \$7 Million in deferred maintenance projects.

As directed by the CFSA board, steps are being taken to participate in long term planning for CFFA and how the entity can operate independent of a contractual relationship with CFSA.

Moved by Director Jacobs and seconded by Director Wolcott to adopt **Resolution No. 16-04** approving (i) a Line of Credit in the amount of \$400,000 to the California Fairs Financing Authority (CFFA) for a term of 12 months; and (ii) authorizes the CFSA Board Chair to execute the Line of Credit Agreement with CFFA in a form as approved by legal counsel.

Ayes: Chair Bullis, Directors Jacobs, Conklin, Wolcott, Quiroz, Moss

Noes: None

Abstain: None

Absent: Director Scurfield

**VI. ADOPTION OF RESOLUTION AUTHORIZING EXECUTIVE DIRECTOR TO EXECUTE CONTRACT WITH CDFA FOR PROFESSIONAL DEVELOPMENT TRAINING AT CALIFORNIA FAIRS**

CFSA executive staff is working with CDFA's Branch of Fairs & Expositions on a contract to provide professional development training at California fairs during the 2015-2016 fiscal year. The contract includes two regional trainings in February, and a new CEO orientation in Sacramento in April. The regional trainings will include the IAFE consumer protection training program and board of directors training.

CDFA requires a resolution authorizing CFSA to enter into this contract with CDFA.

Moved by Director Moss and seconded by Director Jacobs to approve **Resolution No. 16-05** authorizing the Executive Director to execute a contract on behalf of CFSA for Professional Development for California Fairs with the California Department of Food & Agriculture Branch of Fairs & Expositions for the 2015-2016 fiscal year.

Ayes: Chair Bullis, Directors Jacobs, Conklin, Wolcott, Moss

Noes: None

Abstain: Quiroz

Absent: Director Scurfield

**VII. ADOPTION OF RESOLUTION APPROVING AMENDED AND RESTATED ADMINISTRATIVE SERVICES AGREEMENT WITH CFFA AND AUTHORIZING BOARD CHAIR TO EXECUTE AGREEMENT**

During the CFSA 2016 preliminary budget committee meeting, Directors Jacobs and Wolcott raised the issue of potential costs to CFSA of retiring employees who perform duties for CFFA and if their retirement benefit costs would be passed on to CFFA. This question also sparked conversation as to CFFA's financial and administrative abilities to have its own employees again. Staff brought together subcommittees of the CFSA and CFFA boards of directors who met at the WFA convention in January. Preliminary discussions began regarding CFFA's future sustainability and will continue through 2016. In the meantime, to ensure that CFSA is fully compensated for the administrative services it provides to CFFA, our legal counsel has added language to the current administrative agreement that clarifies under the compensation section that "the benefit costs to be reimbursed by CFFA for assigned CFSA staff include a prorated amount of (i) any unfunded amounts for pension or retirement health benefits which CFSA is subsequently required to pay, and (ii) any payments made by CFSA to provide benefits to CFSA retirees, including, but not limited to, health, dental and vision."

Moved by Director Wolcott and seconded by Director Jacobs to approve **Resolution No. 16-06** approving (i) the Amended and Restated Administrative Services Agreement with California Fairs Financing Authority (CFFA); and (ii) authorizes the CFSA Board Chair to execute the Amended and Restated Administrative Services Agreement.

Ayes: Chair Bullis, Directors Jacobs, Conklin, Wolcott, Quiroz, Moss  
Noes: None  
Abstain: None  
Absent: Director Scurfield

**VII. Informational Items**

1. Staff reports were presented as written:
  - a. Administrative Services (Kevin Wright)
  - b. Construction Department (Bryan Eubanks)
  - c. Finance Department (Raechelle Gibbons)
  - d. Risk Management (Charlie Mitchell)
  - e. Risk Control (Tom Amberson)
2. Executive Director Report was presented by Becky Bailey-Findley.
  - a. Many of the current policies and practices of CFSA's risk pooling programs were developed as the result of a study conducted in 1998. These policies and practices include how program fees are calculated and how members interact fiscally with the pools. In the time since that study, the operating circumstances of CFSA and its members have changed, the business environment is markedly different, fiscal

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support for our members from the State is minimal, there is competition from the private sector and we have 17 additional years of performance history. All these factors suggest a review of the risk pooling programs is warranted.

- b. It was proposed that a CFSA board committee be named to serve as a review and support committee for the anticipated organizational structure transition and study of the risk pooling programs. Chair Brian Bullis and Director Larry Moss volunteered to sit on that committee.

3. Director's Reports

- a. Director Jacobs said that staff did a great job at WFA and is doing a great job in developing relationships with fairs. Happy to see what the finances are now compared to where we were and staff is all a part of that.

4. Next Board Meeting is scheduled for April 6, 2016 at 10:00 a.m.

**VIII. Closed Session**

The Board adjourned from regular session at 11:05 a.m. and went into closed session to discuss the liability claims involving:

Tanya Purvis and Kyle Purvis and the 27<sup>th</sup> DAA

Stuart P. Titus and Caroline Titus and the Humboldt County Fair Association

Diane Quinones and the 21<sup>st</sup> DAA

And a Workers' Compensation Claim involving:

Anthony Medlock and California Exposition and State Fair

And a conference with Legal Counsel –Existing Litigation

Tim Crews dba Sacramento Valley Mirror v CFSA) Sacramento Superior Court Case No 34-2015-80002227)

**VII. ADJOURNMENT**

The Board adjourned from Closed Session at 11:26 a.m. and resumed regular session. There was no reportable action taken during closed session. The meeting was adjourned at 11:28 a.m.



CHAIR

ATTEST:



SECRETARY