

MINUTES

REGULAR TELECONFERENCE MEETING OF CALIFORNIA FAIR SERVICES AUTHORITY BOARD OF DIRECTORS

December 6, 2017

1776 Tribute Road, Suite 100, Sacramento, CA 95815

Dan Jacobs, Board Chair
Antelope Valley Fair(50th DAA)

Stephen Kenny, Director
Butte County Fair

Michael Olcott, Director
Kern County Fair (15th DAA)

Patricia Conklin, Director
Dixon May Fair (36th DAA)

John Quiroz, Director
Division of Fairs & Expositions

Jack Blyskal, Director
Public Member

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

Charlie Mitchell, Consultant
California Fair Services Authority

Melissa Thurber, Communication Director
California Fair Services Authority

Kevin Bibler, Alliant

Mike Kielty, Consultant
California Fair Services Authority

Mark Stone, General Liability Claims
Administrator
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

11:10 a.m., December 7, 2017, by Board Chair Dan Jacobs, in the conference room at 1776 Tribute Road, Suite 200, Sacramento, California, and at the Lassen County Fair.

II. APPROVAL OF MINUTES

Moved by Director Olcott and seconded by Director Kenny to adopt **Resolution No. 17-37** approving the minutes of the regular teleconference meeting of October 11, 2017, as presented to the Board of Directors.

Ayes: Chair Jacobs, Directors Olcott, Kenny, Conklin, Quiroz and Blyskal
Noes: None
Abstain: None
Absent: Director Wolcott

III. ADOPTION OF RESOLUTION APPROVING CFSA PARTICIPATION IN THE CSAC EIA GENERAL LIABILITY RISK POOLING PROGRAM AND AUTHORIZING EXECUTIVE DIRECTOR TO SIGN RESULTING MEMORANDUM OF UNDERSTANDING

CFSA staff recommended placing the General Liability Risk Pool excess coverage with the California State Association of Counties – Excess Insurance Authority (CSAC-EIA) to obtain \$25 million per occurrence excess coverage with a \$100,000 Self-Insured Retention for the 2018 coverage year.

Moved by Director Blyskal and seconded by Director Conklin to adopt **Resolution No. 17-38** approving CFSA participation in the CSAC EIA General Liability Risk Pooling Program and authorizing Executive Director to sign resulting Memorandum of Understanding.

Ayes: Chair Jacobs, Directors Olcott, Kenny, Conklin, Quiroz and Blyskal
Noes: None
Abstain: None
Absent: Director Wolcott

IV. ADOPTION OF RESOLUTION APPROVING REVISIONS TO THE HAZARDOUS ACTIVITIES LIST AND APPROVING CFSA GENERAL LIABILITY OPERATING MEMORANDUM #18-01 REGARDING HAZARDOUS ACTIVITIES LIST AND OTHER REVISIONS

Due to provisions in the CSAC-EIA excess insurance coverage it is necessary to revise the CFSA Hazardous Activities List and Insurance Requirements to include a minimum level of \$5 million per occurrence coverage for all motorized events at member fairgrounds. In addition, California State Business & Professions Code Section 21669 requires all swap meets and/or flea markets held on public property be covered by a minimum of \$2 million per occurrence general liability insurance changing the current requirement of \$1 million per occurrence.

Staff also recommended a change to the contract insurance review language requesting a monthly contract log be sent by all General Liability Pool members to CFSA to assist with a thorough inspection of all required contracts and insurance certificates. The Board instructed staff to develop procedures for review at the February 2018 board meeting taking into consideration the large amount of reporting that all California fairs must do currently, most of which have limited administrative staff.

Moved by Director Kenny and seconded by Director Olcott to adopt **Resolution No. 17-39**, with amendments, approving revisions to the Hazardous Activities List and approving CFSA General Liability Operating Memorandum #18-01 regarding Hazardous Activities List Revisions and CFSA contract and insurance review requirements.

Ayes: Chair Jacobs, Directors Olcott, Kenny, Conklin, Quiroz and Blyskal
Noes: None
Abstain: None
Absent: Director Wolcott

V. ADOPTION OF RESOLUTION APPROVING 2018 GENERAL LIABILITY RATE

The past several years, the General Liability Program has been supplemented with money from the reserve funds. Program fees were kept stable and then decreased to assist member fairs with challenging economic conditions and the lack of State funding. It is prudent to continue contributing to the reserve funds that support the General Liability Program by aggressively working with member fairs to reduce risk and to raise fees conservatively, therefore the staff recommends the 2018 General Liability Program base fees be increased by 25%.

Moved by Director Blyskal and seconded by Director Olcott to adopt **Resolution No. 17-40**, with amendments, approving 2018 General Liability Rate.

Ayes: Chair Jacobs, Directors Olcott, Kenny, Conklin, Quiroz and Blyskal
Noes: None
Abstain: None
Absent: Director Wolcott

VI. ADOPTION OF RESOLUTION APPROVING CFSA GENERAL LIABILITY OPERATING MEMORANDUM #18-02 AND INSURANCE ALERT REGARDING AUTOMOBILE LIABILITY INSURANCE COVERAGE.

Due to a recent member lawsuit involving a General Liability Pool member that did not have automobile liability insurance coverage, staff analyzed the impact on General Liability Pool members and the pool itself of such claims as automobile liability is not covered in the pool. Staff believe it is critically important all members of the General Liability Pool to have outside automobile liability coverage.

Staff continues to analyze the level of coverage it believes is necessary and will report back to the Board in February with a recommendation.

No action taken.

VII. ADOPTION OF RESOLUTION APPROVING NEW ADMINISTRATIVE SERVICES CONTRACT WITH CALIFORNIA FAIRS FINANCING AUTHORITY.

At the most recent California Fairs Financing Authority (CFFA) strategic planning session, the CFFA Board of Directors determined that a priority goal is to develop a plan for CFFA to be its own independent entity with its own employees within five years. The current administrative services agreement between CFFA and CFSA expires on December 31, 2017. Staff presented a two-year agreement for CFSA to provide administrative services to CFFA for another two years.

Moved by Director Kenny and seconded by Director Quiroz to adopt **Resolution 17-42**, with amendments, approving new Administrative Services Contract with California Fairs Financing Authority and authorizing the Board chair to execute the contract on behalf of CFSA.

Ayes: Chair Jacobs, Directors Olcott, Kenny, Conklin, Quiroz and Blyskal
Noes: None
Abstain: None
Absent: Director Wolcott

VIII. ADOPTION OF RESOLUTION APPROVING RE-ENTRY OF THE 24TH DISTRICT AGRICULTURAL ASSOCIATION TULARE COUNTY FAIR AS A PARTICIPANT IN THE GENERAL LIABILITY RISK SHARING PROGRAM.

Staff reported to the Board that the 24th DAA Tulare County Fair had not yet met the requirement of re-entry to the General Liability Risk Pool due to the lack of availability of the fair staff and fairgrounds for a risk control inspection.

Moved by Director Blyskal and seconded by Chair Jacobs to to adopt **Resolution 17-43**, with amendments, NOT approving re-entry of the 24th District Agricultural Association Tulare County Fair as a participant in the General Liability Risk Sharing Program

Ayes: Chair Jacobs, Directors Olcott, Kenny, Conklin, Quiroz and Blyskal
Noes: None
Abstain: None
Absent: Director Wolcott

IX. ADOPTION OF RESOLUTION APPROVING THE CFSA 2018 PRELIMINARY BUDGET

Executive Director Becky Bailey-Findley presented the CFSA 2018 Preliminary Budget. A final 2018 budget will be presented in April after the Workers' Compensation and Special Events actuary studies are completed.

Moved by Director Olcott and seconded by Director Conklin to adopt **Resolution 17-44**, approving the CFSA 2018 Preliminary Budget.

Ayes: Chair Jacobs, Directors Olcott, Kenny, Conklin, Quiroz and Blyskal

Noes: None

Abstain: None

Absent: Director Wolcott

X. ADOPTION OF RESOLUTION CORRECTING THE NUMBERING OF CFSA GENERAL LIABILITY OPERATING MEMORANDUM, FAIR LEASED OFF-SITE PREMISES, TO OPERATING MEMO #17-02

Executive Director Becky Bailey-Findley reported that the numbering of the Operating Memo was duplicative and it is necessary to change it.

She also reported that the 35th DAA Merced County Fair and the 40th DAA Yolo County Fair had provided written notification to CFSA that they were returning to the General Liability Pool.

Moved by Director Blyskal and seconded by Director Kenny to adopt **Resolution 17-45**, Correcting the Numbering of CFSA General Liability Operating Memorandum, Fair Leased Off-Site Premises, to Operating Memo #17-02.

Ayes: Chair Jacobs, Directors Olcott, Kenny, Conklin, Quiroz and Blyskal

Noes: None

Abstain: None

Absent: Director Wolcott

XI. Break

A break was taken at 1:13 p.m., open session reconvened at 1:25 p.m.

INFORMATION ITEMS

1. The update of members re-entering the CFSA General Liability Pool was given in Agenda Item VIII above.
2. CFSA Investment Reports for the third quarter of 2017 were presented to the board.
3. Staff reports were presented as written:
 - a. Administrative Services

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- b. Construction Department
- c. Finance Department
- d. Risk Department

CFSA Controller Raechelle Gibbons updated the Aged Accounts Receivable Report reporting that full payment had been received from the Monterey County Fair and she was expecting a check from the Contra Costa County Fair for full payment at the end of November but it had yet to arrive.

- 4. Executive Director Report was presented by Becky Bailey-Findley.

XII. Director Quiroz departed the meeting at 1:47 p.m.

INFORMATION ITEMS cont.

- 5. Director's Reports
 - Chair Jacobs thanked the team for working so diligently and strategically on the General Liability excess coverage placement. He wished everyone a Happy Holidays and thanked staff for the directors' gifts of Korean pears.
- 6. Next Board Meeting is scheduled for February 14, 2018 at 10 a.m.

XIII. Closed Session

The Board adjourned from regular session at 1:58 p.m. and went into closed session to discuss the following:

Liability/Special Events Claims – Government Code Sec. 54956.95

CLAIMANTS: Clifford J. Gordon, II, Dana L. Bell, and Lyle L. Bell
AGENCY CLAIMED AGAINST: 28th District Agricultural Association, et al.

CLAIMANTS: Larry Reynolds.
AGENCY CLAIMED AGAINST: 31st DAA Ventura County Fair

CLAIMANTS: Donald Shields, Sr., et al.
AGENCY CLAIMED AGAINST: Cloverdale Citrus Fair, et al.

Conference with Legal Counsel – Anticipated Litigation

Significant exposure to litigation pursuant to paragraph (2) or (3) of subdivision (d) of Gov. Code Section 54956.9 (One potential case)

Public Employee Performance Evaluation (Government Code Section 54957)

Title: Executive Director

XIV. Open Session

The Board adjourned from Closed Session at 3:05 p.m. and resumed regular session.

There was no reportable action taken during closed session.

XV. Adjournment

The meeting was adjourned at 3:06 p.m.

CHAIR

ATTEST:

SECRETARY