

MINUTES

REGULAR TELECONFERENCE MEETING OF CALIFORNIA FAIR SERVICES AUTHORITY BOARD OF DIRECTORS

December 5, 2018

1776 Tribute Road, Suite 100, Sacramento, CA 95815

In attendance:

Board Members

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

Jim Wolcott, Vice Chair
Lassen County Fair
(Via Phone)

Stephen Kenny, Director
Butte County Fair

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

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

John Quiroz, Director
CDFA Fairs & Expo Division

Jack Blyskal, Director
Public Member

Guests

Jeff Cesca
California Department of Food and
Agriculture

Steve Colangelo, CEO
San Joaquin County Fair (2nd DAA)

Joe Bacchetti, Board Chair
San Joaquin County Fair (2nd DAA)

Nikki Linnerman, Board Vice Chair
San Joaquin County Fair (2nd DAA)

CFSA Staff

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

Tom Amberson, Risk Department
Manager
California Fair Services Authority

Melissa Thurber, Communication Director
California Fair Services Authority

Kevin Wright, Mgr of Bus Svcs
California Fair Services Authority

Charlie Mitchell, Consultant
California Fair Services Authority

Christy Layton, Legal Counsel to CFSA
Sloan Sakai Yeung & Wong LLP

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 10:05 a.m., December 5, 2018, by Board Member Pat Conklin, in the conference room at 1776 Tribute Road, Suite 200, Sacramento, California.

II. APPROVAL OF MINUTES

Moved by Director Olcott and seconded by Director Blyskal to adopt **Resolution No. 18-27** approving the minutes of the regular teleconference meeting and Board Planning Session of October 22-23, 2018 as presented to the Board of Directors.

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

III. ADOPTION OF RESOLUTION APPROVING PAYMENT AGREEMENT WITH SAN JOAQUIN COUNTY FAIR/ 2ND DAA TO BRING DELINQUENT ACCOUNT CURRENT

As of November 20, 2018, the total amount due CFSA by the San Joaquin County Fair/2nd District Agricultural Association ("2nd DAA") is \$78,355.54. The monthly amount due from the 2nd DAA for pool fees, accounting services and PST and Employee benefits is approximately \$15,500. The 2nd DAA offered in their letter of October 16, 2018 to pay a weekly amount of \$3,000 towards the past due amount. The 2nd DAA has entered into four payment plans in the past five years with CFSA. Each of the payment plans was paid in full.

Conditional to the new payment plan agreement is the following:

- a. The 2nd DAA must keep current with its monthly charges for CFSA risk pool program fees, services, PST and employee benefits. Failure to do so will result in default of the payment plan;
- b. CFSA will conduct an audit of the 2nd DAA's contracts, including rental agreements, to insure that proper indemnification language and risk transfer language is incorporated, according to CFSA requirements. The 2nd DAA will endeavor to correct any contracts with deficient indemnification language and risk transfer requirements and will not conduct or allow to be conducted any events, facility rental, or activity on the fairgrounds without a proper contract in place; and
- c. Breach and/or default on the payment plan will result in termination of the 2nd DAA's participation in CFSA risk pool programs and other services without further action of the CFSA Board.

On behalf of the 2nd DAA, Steve Colangelo presented two checks at the board meeting, one for \$10,000 and one for \$3,000.

Moved by Director Olcott and seconded by Director Kenny to adopt **Resolution No. 18-28** approving the payment agreement with the 2nd DAA as presented.

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

IV. ADOPTION OF RESOLUTION APPROVING 2019 CFSA STRATEGIC GOALS AND “OUR PLEDGE TO OUR MEMBERS” VALUE STATEMENTS

At the planning retreat held October 22-23, 2018, the planning group worked on creating strategic goals for 2019 and identifying priorities.

Moved by Director Blyskal and seconded by Director Quiroz to adopt **Resolution No. 18-29** approving the CFSA 2019 strategic goals and “our pledge to our members” value statements as presented.

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

V. ADOPTION OF RESOLUTION APPROVING 2019 FEE SCHEDULE FOR CFSA FINANCIAL SERVICES

Financial Services have been a part of the ancillary services provided by CFSA for more than 25 years. Establishing a five-year business plan that turns around the ability for CFSA to offer Financial Services without the pools subsidizing the services will become a strategic goal of CFSA management.

Moved by Director Blyskal and seconded by Director Olcott to adopt **Resolution 18-30** approving the revised fee structure for CFSA Financial Services as presented.

Ayes: Chair Jacobs, Directors Olcott, Conklin, Quiroz, Blyskal
Noes: None
Abstain: None
Absent: Directors Wolcott (left the meeting at 11:12 a.m.), Kenny (was on a phone call)

VI. ADOPTION OF RESOLUTION APPROVING PRELIMINARY 2019 CFSA BUDGET

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Developing the preliminary 2019 CFSA budget began with the department managers proposing individual department budgets based on access to real-time financial data. The individual department budgets were rolled into an overall organizational budget at which point further adjustments were made to meet CFSA strategic goals. An ad hoc committee of the board met and reviewed the proposed budget with management staff. Input from the committee meeting was incorporated into the proposed budget. Following the actuary report next spring, staff will make the proposed adjustments to the budget and present a final budget for board review and approval in April 2019.

Moved by Director Olcott and seconded by Chair Jacobs to adopt **Resolution 18-31** to approve the preliminary 2019 CFSA budget as presented.

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

Noes: None

Abstain: None

Absent: Director Wolcott, Director Kenny

VII. **ADOPTION OF RESOLUTION APPROVING REVISIONS IN CFSA PERSONNEL POLICIES**

Earlier this year the Board of Directors approved a new resolution with Cal PERS under the Public Employee Hospital Care Act (PEMHCA) which establishes an employee vesting schedule for CFSA related to post employment medical benefits for retirees. This is one of several benefit changes CFSA is making to reduce operational costs of the agency. We now need to update current personnel policies to reflect that change.

In addition, CFSA is closing down its dental benefit pool that we and several fair clients participated in for many years. CFSA previously contracted with Delta Dental to administer the dental benefits and due to their increasing administrative fees and a large fair member withdrawing from the pool, we chose to move our dental benefits to a program administered by another JPA, Golden State Risk Management Authority. CFSA employees and two other fairs who are able to join with us will still have Delta Dental insurance through the new program, but at more affordable rates. The remaining balance in the CFSA dental pool, estimated at \$70,000, will be moved at the end of the 2018 year to the CFSA Adverse Development Fund.

The following revisions to CFSA Personnel Policies have been reviewed by our human resources consultant CPS and legal counsel.

Policy 350 Group Benefits:

1. Under Section II, Policy, we are recommending that the minimum number of hours worked per week by a part-time employee be changed from 20 hours to 30 hours in order to be eligible for benefits.

2. Section III, Group Benefits, Item C is a change to language charging employees and retirees the increased administrative fees imposed by Delta Dental under the old program. Due to our new program, premiums are lower than currently so we are proposing to pay 100% of employee and retiree dental premiums, leaving open the option to charge a portion to employees and retirees at a later time if necessary.
3. Section III, Group Benefits, Item E changes the language so that all premiums for Long Term Care are born by the employee and retirees beginning January 1, 2019. CFSA currently pays up to \$85 per pay period toward employee and retiree Long Term Care premiums.
4. Section III, Group Benefits, Item F will be eliminated entirely. This is an outdated program that has not been implemented for many years.
5. Section IV, Retirement, Item B incorporates the new PEMHCA vesting schedule related to medical benefits into retirement. Item C.2. incorporates the same change in language related to dental benefits as listed above for active employees.

Policy 010 Definition of Employment:

1. This revision matches that of Policy 350 and changes the minimum hours a part-time employee must work to receive benefits from 20 hours per week to 30 hours per week.

Policy 810 Employee Separation:

1. Section III, Procedure, Item H.3. conflicts with current policy approved by the board in 2013 where no CTO balance is paid to the employee upon separation from CFSA.

Moved by Director Blyskal and seconded by Director Quiroz to adopt **Resolution 18-32** approving the proposed revisions to CFSA Personnel Policies after changing Personnel Policy 810, Section III, Procedure, Item H.3. to read: "Unused CTO will not be paid to employees upon separation."

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

VIII. UPDATE TO BOARD AND DISCUSSION REGARDING ADMINISTRATIVE SERVICES AGREEMENT BETWEEN CFSA AND CFFA

Beginning in 2011, California Fairs Financing Authority (CFFA) entered into an Administrative Services Agreement with California Fair Services Authority (CFSA), under which CFSA provides administrative services to CFFA. The Agreement, among other things, defines each party's roles with respect to the administrative functions and staffing of CFFA. The Administrative Services Agreement calls for CFFA to reimburse CFSA for all costs, including a pro rata share of long term liabilities.

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The CFFA board of directors set a goal for CFFA to hire full time, active employees and significantly reduce the administrative services needed from CFSA in 2019. Staff has been working toward the goal of transition, the most complex aspect being transfer of CFSA construction department staff to become CFFA employees. CFFA has engaged consulting experts in human resources to assist in the rebuilding of CFFA's personnel structure and policies. This includes the activation of the CFFA contract with Cal PERS for "active" employee pension and health benefits. The reactivation of the CFFA Cal PERS contract is currently delaying the process.

In the meantime the CFSA construction department staff (existing five full time employees) will remain employed by CFSA and their services will continue to be provided in the existing administrative services agreement that does not expire until 12/31/19. As such, there is no need to create a new, revised contract between CFFA and CFSA until such time as the CFSA Construction Department staff become employees of CFFA.

No action taken.

IX. ADOPTION OF RESOLUTION HONORING BOARD MEMBER PATRICIA CONKLIN FOR HER SERVICE TO CFSA

Director Kenny read Resolution 18-34 into the record as follows: "Director Patricia Conklin has served CFSA as a board member beginning January 2011 through December 2018. In 2013 and 2014 Director Conklin lead CFSA as board chair. She is departing the CFSA board having served two full terms as a director.

Director Conklin has served this organization at the highest level of excellence. We have received the benefit of her selfless leadership, firmly focused character and values, tenacity in seeking the truth and her commitment to make decisions that are fair and benefit the greater good. CFSA is a better organization because of Director Conklin.

In gratitude for Director Conklin's courage, generous commitment of time and talent, and for the standard of excellence she set for all to follow, we honor and thank her for her service to CFSA."

Moved by Director Quiroz and seconded by Director Blyskal to adopt **Resolution 18-34** Honoring CFSA Board Member Patricia Conklin for her service to CFSA.

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

X. INFORMATION ITEMS

1. CFSA Investment reports were presented as written.
2. Staff reports were presented as written:
 - a. Administrative Services
 - b. Construction Department
 - c. Finance Department
 - d. Risk Department
3. Executive Director's Report
4. Director's Reports
 - a. Director Kenny reported on his experience with the Butte County Fairgrounds serving as an evacuation shelter for people and animals due to the Camp Fire.
5. Next Board Meeting is scheduled for February 6, 2019 at 10:00 a.m.

XI. CLOSED SESSION

Following a break from 12:22 p.m. to 12:49 p.m., the Board adjourned from regular session at 12:49 p.m. and went into closed session to discuss the following:

Liability/Special Events Claims – Government Code Sec. 54956.95

CLAIMANT: Joyce Dean Edwards
AGENCY CLAIMED AGAINST: 28th DAA San Bernardino County Fair

CLAIMANT: Chris Alderson
AGENCY CLAIMED AGAINST: Alameda County Fair

CLAIMANT: Aimee Bay
AGENCY CLAIMED AGAINST: Ventura County Fair, et al.

CLAIMANT: Wendy Bozigan and Maby Hernandez
AGENCY CLAIMED AGAINST: Antelope Valley Fair, et al.

CLAIMANT: Sherrie Collins-Salada
AGENCY CLAIMED AGAINST: California Fair Services Authority, et al.

CLAIMANT: Debbie Johnson
AGENCY CLAIMED AGAINST: State of California Department of Food and Agriculture

Workers' Compensation Claims (Government Code Section 54956.95)

CLAIMANT: Nancy Liddell
AGENCY CLAIMED AGAINST: Big Fresno Fair, 21st DAA

CLAIMANT: Jorge Melendez
AGENCY CLAIMED AGAINST: Santa Clara County Fair

CLAIMANT: Maria Flores
AGENCY CLAIMED AGAINST: Kern County Fair, 15th DAA

Conference with Legal Counsel – Existing Litigation

Name of Case: King v. California Fair Services Authority. Et al.; US District Court, Eastern District of California, Case No. 2:18-cv-02990-JAM-AC (paragraph (1) of subdivision (d) of Gov. Code Section 54956.9)

Director Quiroz left the meeting at 1:22 p.m. and did not return. He was not present for discussion of the Johnson claim.

Chair Jacobs left the meeting via telephone at 1:51 p.m. and did not return. He was not present for the discussion of the Bozigian/Hernandez claim.

Director Olcott stepped out of the meeting during the discussion of the Flores claim. He returned at 12:49 p.m.

VII. Open Session

The Board adjourned from Closed Session at 2:29 p.m. and resumed regular session. There was no reportable action taken during closed session.

IX. Adjournment

The meeting was adjourned at 2:30 p.m.

ATTEST:



SECRETARY



CHAIR