

MINUTES

SPECIAL TELECONFERENCE MEETING OF CALIFORNIA FAIR SERVICES AUTHORITY BOARD OF DIRECTORS

April 8, 2020

1776 Tribute Road, Suite 100, Sacramento, CA 95815

In attendance:

Board Members

Stephen Kenny, Board Chair
Butte County Fair

Lori Marshall, Director
Cow Palace Arena

Jack Blyskal, Director
Public Member

John Quiroz, Director
CDFA Fairs & Expositions Branch

Mike Olcott, Director
Kern County Fair

Dan Jacobs, Director
Antelope Valley Fair

Consultants

Mike Harrington, Bickmore Actuarial

Derrick Burkholder, Bickmore Actuarial

Mary Ann Case, Bickmore Actuarial

Mike Kielty, Consultant
George Hills

CFSA Staff

Rebecca Desmond
Executive Director
CFSA

Raechelle Gibbons
Chief Financial Officer
CFSA

Tom Amberson
Risk Department Manager
CFSA

Melissa Thurber, Communication Director
CFSA

Kevin Wright, Business Services
Manager, CFSA

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

Multiple fair staff members and other stakeholders attended. All Board members, CFSA staff, consultants and other attendees attended remotely via Zoom and phone, pursuant to the requirements of California Government Code Section 54950, *et seq.* and Executive Order N-29-20.

I. CALL TO ORDER

Pursuant to the meeting notice, a special teleconference meeting of the California Fair Services Authority (CFSA) Board of Directors was convened at 10:04 a.m., April 8, 2020, by Board Chair Steven Kenny.

II. ADOPTION OF RESOLUTION APPROVING THE MINUTES OF THE SPECIAL TELECONFERENCE MEETING OF MARCH 10, 2020 AND THE MINUTES OF THE REGULAR TELECONFERENCE MEETING OF FEBRUARY 5, 2020

Moved by Director Blyskal and seconded by Director Marshall to adopt **Resolution No. 20-11** approving the minutes of the Special Teleconference Meeting of March 10, 2020; and the minutes of the Regular Teleconference Meeting of February 5, 2020.

Ayes: Chair Kenny, Directors Blyskal, Marshall, Quiroz, Olcott, Jacobs
Noes: None
Abstain: None
Absent: Wolcott
Motion Passed

III. ADOPTION OF RESOLUTION ACCEPTING 2019 ACTUARIAL REPORTS FOR GENERAL LIABILITY, WORKERS' COMPENSATION AND SPECIAL EVENTS

Mike Harrington from Bickmore Actuarial presented a report on CFSA's General Liability, Workers' Compensation and Special Events pools, summed up as follows:

General Liability pool losses have developed more than expected overall, driven by accident year 2017, which had another large loss emerge. Liabilities are up, with assets above the 75% confidence level.

Workers' Compensation pool development is less than expected with the exception of 2019 which had one claim emerge with an incurred value over \$900,000. Liabilities are down with assets above the 80% confidence level.

Special Events Liability pool loss development has been less than expected. Liabilities are up with assets above the 75% confidence level. Projected costs for 2020 at the \$250k SIR are down.

Moved by Director Marshall and seconded by Director Quiroz to adopt **Resolution No. 20-12** accepting 2019 actuarial reports for General Liability, Workers' Compensation and Special Events Risk Pool Programs.

Ayes: Chair Kenny, Directors Blyskal, Quiroz, Olcott, Jacobs, Marshall
Noes: None
Abstain: None
Absent: Wolcott
Motion Passed

IV. ADOPTION OF RESOLUTIONS APPROVING GENERAL LIABILITY RISK POOL PROGRAM 2020 BASE RATES, WORKERS' COMPENSATION RISK POOL PROGRAM 2020 RATES, AND CFSA 2020 FINAL BUDGET

Executive Director Rebecca Desmond led a discussion on General Liability and Workers' Compensation pool rates, and the CFSA 2020 final budget.

Because we have been able to put \$3 million toward our Confidence Margin Reserve and Agency Equity Reserve at the end of 2019, we feel reasonably comfortable in making a recommendation of no fee increases in 2020 over the 2019 fees as our members are facing an uncertain 2020 with their own budgets due to the COVID-19 pandemic. Depending on our pool performance in 2020 and the economic impacts of the pandemic on our members, even more difficult decisions may have to be made in 2021.

- A. Moved by Director Blyskal and seconded by Director Jacobs to adopt **Resolution No. 20-13** approving 2020 General Liability Risk Pool Program base rates remaining the same in 2020 as they were in 2019.

Ayes: Chair Kenny, Directors Blyskal, Quiroz, Olcott, Jacobs, Marshall
Noes: None
Abstain: None
Absent: Wolcott
Motion Passed

- B. Moved by Director Jacobs and seconded by Director Blyskal to adopt **Resolution No. 20-14** approving 2020 Workers' Compensation Risk Pool Program rates charged to member fairs remaining the same in 2020 as they were in 2019.

Ayes: Chair Kenny, Directors Blyskal, Quiroz, Olcott, Jacobs, Marshall
Noes: None
Abstain: None
Absent: Wolcott
Motion Passed

- C. Moved by Director Jacobs and seconded by Director Marshall to adopt **Resolution No. 20-15** adopting the final operating budget for CFSA for 2020 as presented.

Ayes: Chair Kenny, Directors Blyskal, Quiroz, Olcott, Jacobs, Marshall
Noes: None
Abstain: None
Absent: Wolcott
Motion Passed

V. ADOPTION OF RESOLUTION APPROVING REVISIONS TO CFSA PERSONNEL POLICIES: POLICY 210 WAGE HOURS & PAYDAYS; POLICY 313 SICK LEAVE; POLICY 324 FAMILY CARE AND MEDICAL LEAVE; POLICY 412 HARASSMENT-FREE WORKPLACE (INCLUDING SEXUAL HARASSMENT); AND POLICY 530 EMPLOYEE CONCERNS & COMPLAINTS

Staff is proposing revisions to five CFSA personnel policies. Some of the revisions are simple updates based on changes to CFSA internal needs and others are related to new laws and regulations, including recent federal legislation providing COVID-19 emergency paid leaves.

Moved by Director Marshall and seconded by Director Quiroz to adopt **Resolution No. 20-16** approving revisions to CFSA Personnel Policies 210 (Work Hours & Paydays), 313 (Sick Leave), 324 (Family Care and Medical Leave), 412 (Harassment-Free Workplace, Including Sexual Harassment), and 530 (Employee Concerns and Complaints), as presented.

Ayes: Chair Kenny, Directors Blyskal, Quiroz, Olcott, Jacobs, Marshall
Noes: None
Abstain: None
Absent: Wolcott
Motion Passed

VI. ADOPTION OF RESOLUTION APPROVING CFSA PERSONNEL POLICIES RELATED TO COVID-19: COVID-19 TELEWORK POLICY AND COVID-19 ADMINISTRATIVE TIME OFF POLICY

Due to the statewide COVID-19 shelter-in-place order, we have made arrangements for CFSA staff to work from their homes.

Due to the above circumstances, we are in need of two personnel policies directly related to teleworking and administrative time off.

Moved by Director Blyskal and seconded by Director Marshall to adopt **Resolution No. 20-17** approving COVID-19 Telework Policy and COVID-19 Administrative Time Off Policy, as presented.

Ayes: Chair Kenny, Directors Blyskal, Quiroz, Olcott, Jacobs, Marshall
Noes: None
Abstain: None
Absent: Wolcott
Motion Passed

VII. ADOPTION OF RESOLUTION DELEGATING TO THE EXECUTIVE DIRECTOR THE AUTHORITY TO ISSUE INTERIM PERSONNEL AND OTHER POLICIES RELATED TO COVID-19 UPON APPROVAL OF THE BOARD CHAIR

Circumstances regarding the spread of COVID-19 are changing daily. The State has advised that it has a well-developed pandemic plan, and that health and safety recommendations and directives to employers and citizens will evolve during the natural progression of the disease. The State has also advised that fairgrounds are critical infrastructure under the Governor's Executive Orders. As a governmental employer providing support services to critical infrastructure functions, CFSA must be ready to respond quickly and efficiently to changes in circumstances. Based on this situation, it is recommended by legal counsel, that the Board provide the Executive Director the ability to adopt interim policies as needed to address COVID-19 developments, subject to approval of the Board Chair and subsequent Board review.

Moved by Director Blyskal and seconded by Director Jacobs to adopt **Resolution No. 20-18** (i) delegating to the Executive Director the authority to issue interim personnel and other policies related to COVID-19 upon approval of the Board Chair; (ii) directing that the Executive Director distribute such interim policies to all Board Members upon issuance; and (iii) directing that such interim policies be placed on the agenda of the next regular Board meeting for Board review.

Ayes: Chair Kenny, Directors Blyskal, Quiroz, Olcott, Jacobs, Marshall
Noes: None
Abstain: None
Absent: Wolcott
Motion Passed

At 11:50 a.m. Director Olcott disconnected from the meeting.

VIII. TABLING OF RESOLUTION APPROVING A LINE OF CREDIT FOR THE 15TH DAA/KERN COUNTY FAIR

After discussion, it was moved by Director Blyskal and seconded by Director Marshall to table this resolution until the next Regular Board Meeting in June.

Ayes: Chair Kenny, Directors Blyskal, Quiroz, Jacobs, Marshall
Noes: None
Abstain: None
Absent: Wolcott, Olcott
Motion Passed

The board directed staff to the June Board meeting an agenda item suspending all lending by CFSA to fairs and further expressed its intent that, in the interim, no loans to fairs be approved by the Executive Director.

At 12:00 p.m. Director Olcott rejoined the meeting

IX. ADOPTION OF RESOLUTION PRECLUDING MONTHLY INSTALLMENT

PAYMENTS FOR 2020-2021 GROUP PURCHASE PROPERTY PROGRAM PREMIUMS

Early indications from CFSA's broker suggest continued challenges with the renewal of the group purchase property insurance program. A 20-27% increase is anticipated due to on-going, world-wide catastrophic large losses (wildfires, hurricanes, earthquakes, etc.).

There are also potential compounding factors brought on by the COVID19 pandemic. Cash flow and the ability to generate revenue for our members is a top concern. Many member fairs have had to cancel major events, including fair time and other events that are substantial elements of their revenue generation opportunities. With reduction in revenue comes tough decisions they will have to make, including participation in the CFSA group purchase property program known as APIP, which is a voluntary insurance program. Normally CFSA fronts the APIP premium in one check at the beginning of the policy year and participating fairs then pay CFSA. This year the premium is estimated to be around \$1.5 million.

With the unknown of when fairs will be opening again to traditional revenue-generating activities, their ability to pay for property insurance in July this year is very slim in our estimation. At the February board meeting staff was instructed to put the consideration of a payment plan option for the Group Purchase Property Program on the agenda for consideration. However, with the impacts of COVID-19 on CFSA and its members, the option may no longer be a consideration as CFSA does not have a guarantee that participants would be able to pay the full premiums even on a monthly installment plan.

Moved by Director Blyskal and seconded by Director Marshall to adopt a modified version of **Resolution No. 20-20** stating that the 2020-2021 APIP participants will **not** be allowed to pay their premiums for this policy year in monthly installments.

Ayes: Chair Kenny, Directors Blyskal, Quiroz, Olcott, Jacobs, Marshall

Noes: None

Abstain: None

Absent: Wolcott

Motion Passed

The Board directed staff to (1) conduct a survey of the fairs asking if they want to participate in the 2020-2021 APIP Program with a requirement that they make their full premium payment up front and (2) make a determination whether a special Board meeting is necessary prior to the June 3, 2020 Board meeting for the Board to make additional decisions about the 2020-2021 APIP program.

X. ADOPTION OF RESOLUTION TEMPORARILY SUSPENDING CFSA AGED ACCOUNTS RECEIVABLE POLICY

Moved by Director Blyskal and seconded by Director Jacobs to adopt a modified version of **Resolution No. 20-21** that the Board of Directors hereby: (i) temporarily suspends the current CFSA Aged Accounts Receivable Policy, adopted in 2015 under Resolution No. 15-16, through June 3, 2020; (ii) authorizes and directs the CFSA Executive Director and Chief Financial Officer to work with individual risk pool members and business service clients on payment plans for all accounts past 60-days due without the threat of termination from risk pools or services through June 3, 2020, but with the requirement by CFSA that such risk pool members and business service clients must use any AB 1499 monies received to make immediate payment to CFSA or be terminated from all CFSA risk pools and business services; and (iii) directs staff to update the Board of Directors at the June 3, 2020 regular board meeting regarding the status of the Aged Accounts Receivable report and members' ability to pay.

Ayes: Chair Kenny, Directors Blyskal, Quiroz, Olcott, Jacobs, Marshall

Noes: None

Abstain: None

Absent: Wolcott

Motion Passed

XI. INFORMATION ITEMS

1. Risk Department Manager Tom Amberson briefly presented the Workers' Compensation Audit – Final Report.
2. Report from Ad Hoc Committee regarding policy recommendations related to CFSA Risk Programs and non-covered entities - Due to COVID-19 and other priorities, this committee has not met as of yet.
3. CFSA Investment Report was presented as written.
4. Staff Reports were presented as written.
5. Executive Director's Report was presented as written with Executive Director Rebecca Desmond adding a verbal addition commending the CFSA staff for their adaptability to teleworking without a loss in service to our members.
6. Director's Reports
 - a. Jack Blyskal advised that he will be moving to Reno, Nevada half-time in the summer months. He reported that he was advised by CFSA legal counsel that as long as there is a quorum of Board Members participating in Board meetings from locations within California, he is allowed to teleconference in to Board Meetings from his home in Reno.
7. The Next Regular Board Meeting is June 3, 2020.

XII. CLOSED SESSION

The Board adjourned from regular session at 1:02 p.m. and took a short break. Director Jacobs left the meeting and did not return. The Board went into closed session at 1:14 p.m. to discuss the following:

Workers' Compensation Claims – Government Code Sec. 54956.95

Special Teleconference Meeting

Page 8

April 8, 2020

Claimant: Pedro Olgiun-Valera

Agency Claimed Against: Alameda County Fair

Conference with Legal Counsel – Existing Litigation

Name of Case: Noceti Group, et al. v. Covello, et al.; San Joaquin Superior Court, Case No. STK-CV-UBC-2018-0012544 (paragraph (1) of subdivision (d) of Gov. Code Section 54956.9)

Public Employee Performance Evaluation – Government Code Sec. 54957

Title: Executive Director

XIII. OPEN SESSION

The Board adjourned from closed session at 1:44 p.m. and resumed regular session.

The Board reported the following regarding Workers' Compensation claim Olgiun-Valera v. Alameda County Fair:

Moved by Director Blyskal and seconded by Director Marshall to approve authority for settlement of the claim.

Ayes: Chair Kenny, Directors Blyskal, Quiroz, Olcott, Marshall
Noes: None
Abstain: None
Absent: Wolcott, Jacobs
Motion Passed

There was no other reportable action taken during closed session.

XIV. ADJOURNMENT

The meeting was adjourned at 1:45 p.m.



Stephen J. Kenny **CHAIR**

ATTEST:



Kevin Wright **SECRETARY**