

MINUTES

REGULAR TELECONFERENCE MEETING OF CALIFORNIA FAIR SERVICES AUTHORITY BOARD OF DIRECTORS

June 4, 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

John Quiroz, Director
CDFA Fairs & Expositions Branch

Mike Olcott, Director
Kern County Fair

Dan Jacobs, Director
Antelope Valley Fair

Consultants

Kevin Wong, Gilbert Associates

Jessica Agee, Gilbert Associates

Evan Washburn, Alliant

CFSA Staff

Rebecca Desmond
Executive Director
CFSA

Raechelle Gibbons
Chief Financial Officer
CFSA

Tom Amberson
Risk Department Manager
CFSA

Melissa Thurber, Communication Director
CFSA

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

Kevin Wright, Business Services
Manager
CFSA

All Board members, CFSA staff and other participants attended remotely via Zoom or 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 and Notice of Adjournment, a regular teleconference meeting of the California Fair Services Authority (CFSA) Board of Directors was convened at 3:05 p.m., June 4, 2020, by Board Chair Stephen Kenny and roll call was taken.

II. ADOPTION OF RESOLUTION ACCEPTING THE 2019 FINANCIAL AUDIT REPORT

Kevin Wong and Jessica Agee of Gilbert Associates presented the 2019 Financial Audit Report.

Moved by Director Marshall and seconded by Director Quiroz to adopt **Resolution No. 20-25** accepting the Final 2019 Financial Audit Report as presented.

There was no public comment.

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

III. ADOPTION OF RESOLUTION PROHIBITING ANY NEW LOANS UNDER CFSA LOAN PROGRAM

Director Mike Olcott left the meeting at 3:25 p.m. for this discussion and vote and for the subsequent agenda item.

The onset of the COVID-19 pandemic has had a tremendous impact on CFSA member fairs' ability to generate revenue since March 19, 2020. Several of our members are currently, or soon will be, unable to pay CFSA risk pool and business services fees for the rest of this calendar year.

Moved by Director Jacobs and seconded by Director Marshall to adopt **Resolution No. 20-28** as amended (i) prohibiting any new loans, including any new lines of credit, under the CFSA Loan Program effective immediately and (ii) that the Board will reconsider this matter at its October 2020 Board meeting or at an earlier special Board meeting.

There was no public comment.

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

IV. TABLING OF RESOLUTION APPROVING/DENYING THE LINE OF CREDIT

APPLICATION FROM THE 15TH DAA/KERN COUNTY FAIR

Moved by Director Jacobs and seconded by Director Marshall to table this item until the regular meeting of the Board of Directors in October, 2020.

There was no public comment.

Ayes: Chair Kenny, Directors Quiroz, Jacobs, Marshall

Noes: None

Abstain: None

Absent: Directors Blyskal, Wolcott, Olcott

Motion passed.

Director Mike Olcott rejoined the meeting.

V. ADOPTION OF RESOLUTION APPROVING THE MINUTES OF THE SPECIAL TELECONFERENCE MEETING OF APRIL 8, 2020 AND THE SPECIAL TELECONFERENCE MEETING OF APRIL 30, 2020

Moved by Director Jacobs and seconded by Director Marshall to adopt **Resolution No. 20-24** approving the minutes of the Special Teleconference Meetings of April 8, 2020 and April 30, 2020 with the revision of changing the title of the "Regular" meeting to "Special" meeting of April 8, 2020.

There was no public comment.

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

Noes: None

Abstain: None

Absent: Directors Blyskal, Wolcott

Motion passed.

VI. DISCUSSION ITEM: UPDATE ON IMPACT OF COVID-19 ON THE NETWORK OF CALIFORNIA FAIRS AND CFSA

Discussion item only, no action or vote taken. There was no public comment.

Director Marshall left the meeting at 3:53 p.m.

VII. ADOPTION OF RESOLUTION APPROVING TEMPORARY MODIFICATION TO CFSA ADMINISTRATIVE POLICY NO. AD 041 CFSA CLAIMS CHECKING ACCOUNT DELEGATED SIGNING AUTHORITY

On April 8, 2020, via Resolution 20-18, the CFSA Board of Directors delegated authority to the Executive Director the authority to issue interim personnel and other policies related to COVID-19 upon approval of the Board Chair. On May 1, 2020, the Executive Director, with approval from the Board Chair, modified Administrative Policy No. AD 041 Claims Checking Account Delegated Signing Authority suspending the requirement in

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Administrative Policy 041 CFSA Claims Checking Account Delegated Signing Authority that the board chair “must” be the second signatory claims checks over the amount of \$50,000, due to the state issued stay-at-home order, and

On May 1, 2020, the Executive Director distributed the modified policy to all Board members upon issuance and, per Resolution 20-18, the above action was placed on this agenda for ratification of the full board.

Moved by Director Quiroz and seconded by Director Olcott to adopt **Resolution No. 20-26** approving the temporary modification to CFSA Policy No. AD 041 as presented.

There was no public comment.

Ayes: Chair Kenny, Directors Quiroz, Jacobs, Olcott

Noes: None

Abstain: None

Absent: Directors Blyskal, Wolcott, Marshall

Motion passed.

VIII. REPORT FROM AD HOC COMMITTEE ON PROPERTY INSURANCE GROUP PURCHASE PROGRAM AND BOARD ACTION REGARDING PROGRAM

Risk Department Manager Tom Amberson presented an update on the Property Insurance Group Purchase Program.

Discussion only, no action or vote taken. There was no public comment.

IX. ADOPTION OF RESOLUTION APPROVING REVISED CFSA AGED ACCOUNTS RECEIVABLE POLICY

The information available to date is not encouraging for the Network of California Fairs as their ability to generate revenue and in turn pay their CFSA obligations is in jeopardy. While CFSA is doing all it can to lower the 2020 risk pool rates due to lowered exposure, we are not in a position to cover risk pool and financial service fees for fairs that cannot pay their bills through the end of 2020.

Therefore, it is necessary to change CFSA’s Aged Accounts Receivable Policy to the following:

1. The CFSA Chief Financial Officer will track aged accounts receivables for all risk pool/Joint Protection Program participants (“risk pool program participants”) and business/Service Program participants (“business services participants”) and provide a written Aged Accounts Receivable Report to the Executive Director on a weekly basis.
2. The Executive Director and/or the Chief Financial Officer will communicate with all risk pool program participants and/or business services participants in

writing when accounts are more than **60 days past due**, alerting the participant's Chief Executive Officer, the participant's Board Chair or President, and any other appropriate entities including Counties and the California Department of Food and Agriculture, to the status of the participant's account. The letter will include notice that CFSA executive staff will refer the matter to the CFSA Board of Directors at a special or regular board meeting for recommended termination from participation in CFSA risk pool programs and/or business services programs or other termination as allowed by the CFSA Joint Powers Agreement. Per Section 21 of the Joint Powers Agreement, the Board must provide 60 days advance written notice to the participant once it takes termination action.

3. At all stages of the above processes, CFSA will attempt to enter into an interest-bearing payment plan agreement with risk pool participants and business services participants as a resolution. Under such payment plan agreements, the participant shall waive the 60 days' advance written notice of termination requirement described above in the event of default under the payment plan by the participant. The Board delegates authority to the Executive Director to enter into payment plan agreements with risk pool participants and/or business services participants in a form as approved by CFSA legal counsel.

Moved by Director Jacobs and seconded by Director Quiroz to adopt **Resolution No. 20-27** approving the revised CFSA Aged Accounts Receivable Policy as amended.

There was no public comment.

Ayes: Chair Kenny, Directors Quiroz, Jacobs, Olcott

Noes: None

Abstain: None

Absent: Directors Blyskal, Wolcott, Marshall

Motion passed.

X. **REQUESTS FOR DEFERMENT OF PAYMENTS UNDER EXISTING LOAN AGREEMENTS**

a. **ADOPTION OF RESOLUTION APPROVING DEFERMENT OF LOAN PAYMENTS FOR THE 9TH DAA/REDWOOD ACRES FAIR**

Moved by Director Jacobs and seconded by Director Quiroz to adopt **Resolution No. 20-29** as amended approving the deferment of loan payments until March 31, 2021 and authorizing the Executive Director to enter into a payment deferment agreement in a form approved by CFSA legal counsel, including terms requiring any 2020 Revenue Protection funds or other governmental funding due to the Fair to be applied first to all past due CFSA loan amounts.

There was no public comment.

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

b. ADOPTION OF RESOLUTION APPROVING DEFERMENT OF LOAN PAYMENTS FOR THE 25TH DAA/NAPA VALLEY EXPO

Moved by Director Olcott and seconded by Director Jacobs to adopt **Resolution No. 20-30** as amended approving the deferment of loan payments until May 31, 2021 and authorizing the Executive Director to enter into a payment deferment agreement in a form approved by CFSA legal counsel, including terms requiring any 2020 Revenue Protection funds or other governmental funding due to the Fair to be applied first to all past due CFSA loan amounts.

There was no public comment.

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

XI. TABLING OF RESOLUTION APPROVING/DENYING REQUEST FOR ADVANCE UNDER, AND/OR TERMINATING, THE LINE OF CREDIT AGREEMENT WITH THE 19TH DAA/SANTA BARBARA FAIR & EXPO

Moved by Director Jacobs and seconded by Director Quiroz to table this item until the regular meeting of the Board of Directors in October, 2020.

There was no public comment.

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

XII. ADOPTION OF RESOLUTION DELEGATING TO BOARD CHAIR THE AUTHORITY TO FORM AN AD HOC COMMITTEE TO REVIEW ACTUARIAL AND OTHER FINANCIAL UPDATES AND MAKE RECOMMENDATIONS REGARDING CFSA'S RISK AND SERVICES PROGRAMS.

Moved by Director Quiroz and seconded by Director Olcott to adopt **Resolution No. 20-33** delegating to the Board Chair the authority to form an Ad Hoc

Committee to review actuarial and other financial updates and make recommendations regarding CFSA's risk and services programs.

There was no public comment.

Ayes: Chair Kenny, Directors Quiroz, Jacobs, Olcott

Noes: None

Abstain: None

Absent: Directors Blyskal, Wolcott, Marshall

Motion passed.

Chair Kenny appointed himself, Dan Jacobs, and Jack Blyskal to the committee.

XIII. INFORMATION ITEMS

1. CFSA Investment Report was presented as submitted. There was no public comment.
2. Staff Reports were presented as submitted. There was no public comment.
3. There were no Directors' Reports and no public comment.
4. The next Regular Board Meeting is August 5, 2020.

XIV. PUBLIC COMMENT

Santa Cruz County Fair CEO Dave Kegebein said that he appreciated CFSA and its efforts on behalf of the fair industry, and that he had now completed a life-long dream by attending a CFSA board meeting. CEO Kegebein commented on COVID-19 and its impact on fairs' ability to stay current on payments.

XV. CLOSED SESSION

The Board adjourned from regular session at 5:26 p.m. and went into closed session to discuss the following:

Liability/Special Events Claims – Government Code Sec. 54956.95

Claimant: David Abundio Cruz

Agency Claimed Against: Dixon May Fair/36th DAA, et al.

Public Employment – Government Code Sec. 54957

Performance Evaluation
Title: Executive Director

XVI. OPEN SESSION

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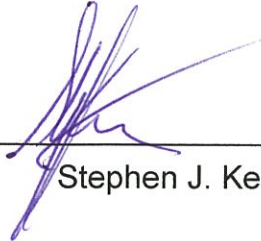
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The Board adjourned from closed session at 6:12 p.m. and resumed regular session. There was no reportable action taken in closed session.

XVII. ADJOURNMENT

The meeting was adjourned at 6:12 p.m.



Stephen J. Kenny **CHAIR**

ATTEST:



Kevin Wright **SECRETARY**