

MINUTES

REGULAR MEETING OF CALIFORNIA FAIR SERVICES AUTHORITY BOARD OF DIRECTORS

December 2, 2015

1776 Tribute Road, Suite 100, Sacramento, CA 95815

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

Dan Jacobs, Vice-Chair
Antelope Valley Fair

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

Jim Wolcott, Director
Lassen County Fair

John Scurfield, Director
Chowchilla-Madera County Fair

John Quiroz, Director
Division of Fairs & Expositions

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

Kevin Wright, Mgr of Business Services
California Fair Services Authority

Michel Klebsch, Safety Specialist
California Fair Services Authority

Raechelle Gibbons, Controller
California Fair Services Authority

Charlie Mitchell, Risk Manager
California Fair Services Authority

Bryan Eubanks, Construction Manager
California Fair Services Authority

I. CALL TO ORDER

Pursuant to the meeting notice, a regular meeting of the California Fair Services Authority (CFSA) Board of Directors was convened at 10:04 a.m., December 2, 2015, by Board Chair Brian Bullis, in the conference room at 1776 Tribute Road, Suite 200, Sacramento, California.

II. APPROVAL OF MINUTES

Moved by Director Jacobs and seconded by Director Wolcott to adopt **Resolution No. 15-24** approving the minutes of the regular meeting of October 2, 2015, as presented to the Board of Directors.

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

III. ADOPTION OF RESOLUTION APPROVING THE 2016 PRELIMINARY OPERATING BUDGET

CFSA Executive Director Becky Bailey-Findley reported that developing the preliminary 2016 CFSA budget began with 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 on November 10th and reviewed the proposed budget with management staff. Input from the committee meeting was incorporated into the proposed budget that is now presented.

Moved by Director Jacobs and seconded by Director Scurfield to adopt **Resolution No. 15-25** approving the 2016 Preliminary Operating Budget as presented.

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

IV. ADOPTION OF RESOLUTION APPROVING CHANGES IN THE CFSA DENTAL SELF INSURANCE POOL AND REVISIONS TO CFSA PERSONNEL POLICY 350 (GROUP BENEFITS) PERTAINING TO THE EMPLOYEE DENTAL INSURANCE

- a. Increasing administrative fees to operate dental self-insurance pool
- b. Sharing premium costs with active and retired CFSA employees

CFSA's contract with Delta Dental to administer our self-insured dental pool is up for renewal on January 1, 2016. CFSA's current contract with Delta Dental costs 18% of claims annually. The 2016 contract will increase to 21.18%

Delta Dental has conducted an actuary study and is recommending an increase in the premiums for the program.

In order to make the self-insured dental pool sustainable into the future, staff is recommending the following:

- a. An increase of the current \$2.00 per employee per month administration fee to \$3.00 per employee per month for all pool participating entities (not

including CFSA).

- b. A revision of CFSA Personnel Policy 350 (Group Benefits) to pass on any increased dental premiums to active employees and retirees and their dependents beginning January 1, 2016.

Moved by Director Conklin and seconded by Director Jacobs to adopt **Resolution No. 15-26** approving an increase in CFSA Dental Self-Insurance Pool administrative fees, and **Resolution No. 15-27** approving revisions to CFSA Personnel Policy No. 350 (Group Benefits).

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

Noes: None

Abstain: None

Absent: Directors Quiroz, Moss

V. ADOPTION OF RESOLUTION APPROVING CHANGES TO THE REVENUE PROTECTION PROGRAM

- a. Changes to the Memorandum of Coverage regarding coverage when fairgrounds are used for emergency services in the event of a disaster
- b. Changes to the financing of the Revenue Protection Program

CFSA staff proposed two revisions to the current Revenue Protection MOC to address the use of fairgrounds for emergency services. The first revision would change the Subsection 6 of Article J. "Occurrence" in Section 6 definitions to include "or an act of government resulting in activation of a fire camp, an evacuation center, or other emergency services at the Participating Entity's site". The second revision would change Subsection N. "Revenue(s)" in Section 6 definitions as follows: "Included are any revenues paid to the Participating Entity by a government entity or other entity for use of the fairgrounds for emergency services."

The Revenue Protection Committee met on November 3, 2015 and voted to approve the two proposed revisions to the MOC and to submit these recommended revisions to the CFSA Board for final approval for inclusion in the 2016 Revenue Protection Program MOC.

Moved by Director Conklin and seconded by Director Jacobs to adopt **Resolution 15-28** approving changes to the CFSA Revenue Protection Memorandum of Coverage when fairgrounds are used for emergency services in the event of a disaster.

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

Noes: None

Abstain: None

Absent: Directors Quiroz, Moss

Moved by Director Conklin and seconded by Director Scurfield to adopt **Resolution 15-29** approving increase to CFSA Revenue Protection Program fees to 2% of purchased coverage, effective January 1, 2016, but leaving the minimum coverage offered at \$50,000.

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

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Noes: None
Abstain: None
Absent: Directors Quiroz, Moss

VI. ADOPTION OF RESOLUTION APPROVING CHANGES TO THE CFSA LOAN PROGRAM, INCLUDING PROPOSED CHANGE ALLOWING LOANS OR LINES OF CREDIT TO FAIR-RELATED AGENCIES

At the October Board meeting, the cash flow challenges of California Fairs Financing Authority (CFFA) were discussed. It is the recommendation of staff that the Loan Program guidelines be revised to authorize loans and lines of credit to fair-related local agencies, including joint powers authorities, in order to help CFFA manage cash flow in a manner beneficial to both CFFA and CFSA.

Moved by Director Jacobs and seconded by Director Conklin to approve **Resolution 15-30** approving changes to the CFSA Loan Program, including proposed change allowing loans or lines of credit to fair-related public agencies.

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

Director John Quiroz arrived at the meeting at 11:29 a.m.

VII. DISCUSSION AND POSSIBLE ACTION REGARDING GENERAL LIABILITY, WORKERS' COMPENSATION AND PROPERTY INSURANCE COVERAGE FOR MEMBER FAIRS THAT SUSPEND AND/OR CEASE OPERATIONS

Risk Manager Charlie Mitchell opened a discussion about the potential closing or suspending of operations of the Modoc District Fair, the 34th DAA. In general, the liability and risks are higher to the pools when there is no one on site daily to oversee operations and buildings, especially in the colder climates where the 34th DAA is located.

Director Quiroz presented an update that the full-time maintenance person at Modoc is scheduled to be on site full time for the next six months, even though operations at the fairgrounds may be suspended. The board agreed that while this situation needs to be watched, the immediate need is alleviated with the knowledge that someone will be on site. The Board directed staff to communicate clearly both to the fair and to the State the potential of the loss of insurance coverage by CFSA if and when the time comes that the site not in use.

VII. Informational Items

1. The Workers' Compensation program audit was presented by the Executive Director.
2. Staff reports were presented as written:
 - a. Administrative Services (Kevin Wright)

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- b. Risk Management (Charlie Mitchell)
- c. Construction Department (Bryan Eubanks)
- d. Finance Department (Raechelle Gibbons)
- e. Risk Control (Michel Klebsch)

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

4. Director's Reports:

- a. Director Pat Conklin gave an overview of the sessions that she attended at the recent IAFE Conference.
- b. Director John Quiroz is excited for the addition of Dave Dillabo to the F&E staff, and mentioned the importance of continued training of Fair Boards of Directors.
- c. Director Dan Jacobs offered a Merry Christmas and a thanks to the staff of CFSA for jobs well done.

5. Next year's Board meeting schedule:

February 3, April 6, June 1, August 3, October 5, December 7, 2016, all at 10:00 a.m.

VIII. Closed Session

The Board adjourned from regular session at 1:44 p.m. and went into closed session to discuss the liability claims involving:

Tanya Purvis and Kyle Purvis and the 27th DAA
Stuart P. Titus and Caroline Titus and the Humboldt County Fair Association
Lucy Miranda and the National Orange Show

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 2:02 p.m. and resumed regular session. There was no reportable action taken during closed session. The meeting was adjourned at 2:02 p.m.

CHAIR

ATTEST:

SECRETARY