

# MINUTES

## REGULAR TELECONFERENCE MEETING OF CALIFORNIA FAIR SERVICES AUTHORITY BOARD OF DIRECTORS

August 3, 2016

1776 Tribute Road, Suite 100, Sacramento, CA 95815

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

**John Scurfield**, Director  
Chowchilla-Madera County Fair  
(By Telephone)

**Patricia Conklin**, Director  
Dixon May Fair (36<sup>th</sup> DAA)  
(By Telephone)

**Jim Wolcott**, Director  
Lassen County Fair  
(By Telephone)

**Larry Moss**, Director  
Public Member  
(By Telephone)

**Christy Layton**, Legal Counsel to CFSA  
Renne Sloan Holtzman Sakai LLP

**Jamie Matthews**, Gilbert Assoc.

**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

**Kevin Wright**, Mgr of Business Services  
California Fair Services Authority

**Charlie Mitchell**, Risk Manager  
California Fair Services Authority

**Melissa Thurber**, Communication Director  
California Fair Services Authority

**Barbara Tyler**, Liability Claims Manager  
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 10:03 a.m., August 3, 2016, by Board Chair Brian Bullis, in the conference room at 1776 Tribute Road, Suite 200, Sacramento, California.

## II. APPROVAL OF MINUTES

Moved by Director Conklin and seconded by Director Bullis to adopt **Resolution No. 16-16** approving the minutes of the regular meeting of June 1, 2016, as presented to the Board of Directors.

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

## III. ADOPTION OF RESOLUTION APPROVING CHANGES IN CAPPING WORKERS' COMPENSATION LOSSES WHEN CLAIM IS PROVEN TO BE FRAUDULENT

This item was held over from the June 2016 board meeting due to the lack of a quorum.

As part of the process of developing the Loss Modification Factors, Risk Management uses the five-year loss history of workers' compensation claims for each participating fair. The total of capped claims is then used to compute the Loss Ratio for a fair. This Loss Ratio is then converted into the Loss Modification Factor for that fair.

It was recently brought to our attention that the current process of computing the Loss Modification Factor does not take into account the adverse impact on a fair of a known fraudulent claim. In that scenario, the Loss Modification Factor is increased by a fraudulent claim through no fault of the fair. CFSA staff agrees that, in this circumstance, the fair should not be penalized and that the capped value of the fraudulent claim should be reduced to no more than \$10,000. This value recognizes that CFSA will incur some expenses in investigating any fraudulent claim.

Moved by Director Moss and seconded by Director Jacobs to adopt **Resolution No. 16-14** approving changes in capping workers' compensation losses when a claim is proven to be fraudulent.

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

## IV. ADOPTION OF RESOLUTION ACCEPTING 2015 AUDIT REPORT

The 2015 audited financial statements with the implementation of the new accounting principle GASB68 Accounting and Financial Reporting for Pensions, including the following changes:

- The Balance Sheet is now changed to Statement of Net Position

Regular Teleconference Meeting  
 Page 3  
 August 3, 2016

- New categories of accounts: deferred outflows of resources, deferred inflows of resources, and net pension liability
- Net Position is categorized into "net investments in capital assets" and "unrestricted." The unrestricted amount represents on the internal report (Balance Sheet) now called Statement of Net Position, the accounts for confidence margins, dental reserves, adverse development fund, deferred maintenance fund, reserves-GASB68 pension, net GASB pension expense and net income (loss) from operations

Presented by Jamie Matthews from Gilbert Associates, Inc.

Moved by Director Moss and seconded by Director Jacobs to adopt **Resolution No. 16-17** accepting the 2015 Audit Report as presented.

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

Noes: None

Abstain: None

Absent: Directors Quiroz

## V. INFORMATION ITEMS

1. Worker's Compensation Audit Report from DIR Division of Workers' Compensation overview was presented by Executive Director.
2. Staff reports were presented as written:
  - a. Administrative Services
  - b. Construction Department
  - c. Finance Department
  - d. Risk Management
  - e. Risk Control
3. Executive Director Report was presented by Becky Bailey-Findley.
4. Director's Reports:
  - a. Chair Brian Bullis expressed appreciation for the service on the Board of director John Scurfield as this was his last meeting due to retirement.
  - b. Director Scurfield expressed gratitude for the learning opportunity.
5. Next Board Meeting is scheduled for October 5, 2016 at 10:00 a.m.

## VI. CLOSED SESSION

The Board adjourned from Regular Session at 11:08 a.m. and went into closed session to discuss:

Conference with Legal Counsel – Existing Litigation (Paragraph (1) of subdivision (d) of Government Code Section 54956.9)  
 Tim Crews dba Sacramento Valley Mirror v CFSA (Sacramento Superior Court

Regular Teleconference Meeting  
Page 4  
August 3, 2016

Case No. 34-2015-80002227

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)

**VII. REGULAR SESSION**

The Board adjourned from Closed Session at 11:20 a.m. and resumed Regular Session. There was no reportable action from Closed Session.

**VIII. ADJOURNMENT**

The meeting was adjourned at 11:21 a.m.

  
\_\_\_\_\_  
CHAIR

ATTEST:   
\_\_\_\_\_  
SECRETARY