

MINUTES

REGULAR TELECONFERENCE MEETING OF CALIFORNIA FAIR SERVICES AUTHORITY BOARD OF DIRECTORS

February 6, 2019

1776 Tribute Road, Suite 100, Sacramento, CA 95815

In attendance:

Board Members

Dan Jacobs, Director
Antelope Valley Fair (50th DAA)

Jim Wolcott, Director
Lassen County Fair
(Via Phone)

Stephen Kenny, Director
Butte County Fair

Lori Marshall, Director
Cow Palace Arena & Event Center
(1-A DAA)

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

John Quiroz, Director
CDFA Fairs & Expo Branch

Jack Blyskal, Director
Public Member

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., February 6, 2019, by Board Chair Dan Jacobs, in the conference room at 1776 Tribute Road, Suite 200, Sacramento, California.

II. ELECTION OF CFSA OFFICERS

The bylaws of CFSA state that the board of directors shall elect a Chair of the Authority and Vice Chair of the Authority from among its members. Said officers shall each serve a two-year term unless the Board specifies otherwise. Chairman Jacobs entertained nominations for the position of chair. Director Blyskal nominated Director Steve Kenny to serve as Chair. Director Jacobs then nominated Director Jack Blyskal to serve as Vice Chair.

Moved by Director Blyskal and seconded by Director Marshall to adopt **Resolution No. 19-01** appointing Director Stephen Kenny to serve as Chair and Director Jack Blyskal to serve as Vice Chair of the California Fair Services Authority Board of Directors for two-year terms commencing February 6, 2019.

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

Chair Kenny took over running the meeting following the vote.

III. APPROVAL OF MINUTES

Moved by Director Jacobs and seconded by Director Blyskal to adopt **Resolution No. 19-02** approving the minutes of the regular teleconference meeting of December 5, 2018 and the Special Teleconference Meeting of December 21, 2018, as presented to the Board of Directors.

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

IV. ADOPTION OF RESOLUTION DELEGATING TO CFSA'S TREASURER THE AUTHORITY TO INVEST FUNDS OR TO SELL OR EXCHANGE SECURITIES

This is an annual delegation from the board to the treasurer for authority to invest funds or to sell or exchange securities for CFSA according to CFSA investment policies. Executive Director Becky Bailey-Findley is the CFSA Treasurer.

Moved by Director Jacobs and seconded by Director Marshall to adopt **Resolution No. 19-03** delegating to CFSA's Treasurer the authority to invest funds or to sell or exchange securities.

Ayes: Chair Kenny, Directors Blyskal, Jacobs, Wolcott, Olcott, Quiroz, Marshall
Noes: None

Abstain: None

Absent: None

V. ADOPTION OF RESOLUTION APPROVING CFSA'S INVESTMENT GOALS, OBJECTIVES AND POLICIES

Government Code Section 53646 requires Board Action on an annual basis to review and approve the agency's investment policies.

Moved by Director Blyskal and seconded by Director Marshall to adopt **Resolution No. 19-04** approving CFSA's investment goals, objectives and policies as presented.

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

Noes: None

Abstain: None

Absent: None

VI. ADOPTION OF RESOLUTION APPROVING THE CFSA EQUITY ALLOCATION POLICY

The purpose of the Equity Allocation Policy, formerly known as Risk Pool Goals, is to give guidance to the Board of Directors in making annual funding decisions for the General Liability and Workers' Compensation Programs. By adoption of this policy, the Board of Directors acknowledges that the long-term financial strength of the General Liability and Workers' Compensation programs are of utmost importance. As a result of our analysis of the pools and our work in the CAJPA accreditation process, we believe that the Risk Pool Goals need added detail and clarity, and a new name. The Equity Allocation Policy incorporates the Risk Pool Goals originally adopted by CFSA. We also updated terms in the policy. What has been called the Adverse Development Fund will be named the Agency Equity Reserve. The term Risk Pool Goals will be changed to Annual Funding Goal.

Moved by Director Blyskal and seconded by Director Jacobs to adopt **Resolution 19-05** approving the CFSA Equity Allocation Policy.

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

Noes: None

Abstain: None

Absent: Director Wolcott (left the meeting at 10:15 am)

VII. ADOPTION OF RESOLUTION APPROVING REVISED CFSA UNDERWRITING POLICY

The purpose of the Underwriting Policy is to establish the criteria and process for

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new and returning participating members, calculations for setting fees and possible surcharges or assessments, determination of risk retention levels, compatibility between members and serviceability by staff. It provides a summary of and highlights much of the criteria utilized to complete the underwriting process. Adherence to these Board approved standards and guidelines guarantees the continued financial viability and security of CFSA pool programs. The Underwriting Policy for CFSA has been edited and updated with 2018 data, and a new section has been added to clarify how the Board of Directors might assess fees against all fairs and other entities that participate in the core risk pools if the financial status of the pools require such action.

Moved by Director Blyskal and seconded by Director Jacobs to adopt **Resolution 19-06** to approve the revised CFSA Underwriting Policy after changing the phrase "a member" to "an applicant" in the second paragraph of item "C".

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

VIII. ADOPTION OF RESOLUTION APPROVING APPOINTMENT OF LIANNE LEWELLEN TO FILL THE CRITICALLY NEEDED POSITION OF PART-TIME RISK SERVICES CONSULTANT (LIMITED DURATION EMPLOYMENT CONTRACT)

CFSA's Risk Analyst position is integral to comprehensive risk control programs for CFSA's member fairs, with the main emphasis on risk transfer through member contract insurance certificate review, the Master Insurance List, and member contract indemnification language. These functions are critical to the California fairs' effective management of extensive public buildings, lands and facilities throughout the state. The Risk Analyst function for CFSA requires a broad range of duties, requiring specific expertise and organizational skill, along with frequent communication with member fairs. The expertise, institutional knowledge and counsel of Lianne Lewellen are needed to help support a smooth staffing transition, along with launching the enhancement of a critical outreach, intervention and training program. Pursuant to Government Code Section 7522.56, the Board is required to review and approve of Ms. Lewellen's appointment to the critically needed position in a public meeting.

Moved by Director Marshall and seconded by Director Quiroz to adopt **Resolution 19-07** approving the appointment of Lianne Lewellen to fill the critically needed position of part-time Risk Services Consultant.

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

IX. ADOPTION OF RESOLUTION APPROVING CFSA BUSINESS PLAN 2019-2023

Part of the California Association of Joint Powers Authorities' (CAJPA) accreditation process is to prepare a multi-year business plan that addresses CFSA's long-term liabilities and claims reserves. The new GASB 68 and GASB 75 accounting requirements and the impact on agency equity that the unfunded pension and OPEB long-term liabilities have, are central to the evaluation of our assets. As part of our 2018 CAJPA Accreditation review, CAJPA has asked for a business plan that demonstrates how CFSA intends to increase revenues and cut expenses to produce positive net assets with a reasonable contingency margin.

Moved by Director Blyskal^[CL1] and seconded by Director Jacobs to adopt **Resolution 19-08** approving CFSA's Business Plan 2019-2023.

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

X. ADOPTION OF RESOLUTION APPROVING RESCISSION OF 12/27/18 TERMINATION AGREEMENT BETWEEN CFSA AND NAPA COUNTY FAIR ASSOCIATION TO REINSTATE NAPA COUNTY FAIR ASSOCIATION'S PARTICIPATION IN THE CFSA GENERAL LIABILITY AND WORKERS' COMPENSATION RISK POOL PROGRAMS FOR 2019

At a special board meeting, held December 21, 2018, the board authorized the Executive Director to execute a termination agreement with the Napa County Fair Association (NCFA) regarding their participation in the Workers' Compensation and General Liability risk pool programs. The termination agreement was executed on December 27, 2018. At that time, the operating contract between NCFA and the County of Napa was on track to expire December 31, 2018, and there was no indication from the County as to their intent to enter into a new agreement with NCFA. As of January 2019, the County of Napa has determined that they desire to contract with NCFA to put on the four fair events which constitute the Napa County Fair programs, including the annual Fair and Fiesta. NCFA Board Chair, Karan Schlegel has requested that the Napa County Fair Association, Inc. be reinstated to participation in the Workers' Compensation and General Liability risk pooling programs, effective January 1, 2019. CFSA legal counsel has determined that this can be achieved most easily by the parties agreeing in writing to rescind the termination agreement.

Moved by Director Marshall and seconded by Director Jacobs to adopt **Resolution 19-09** approving the rescission of the 12/27/18 termination agreement between CFSA and NCFA and to reinstate NCFA in the CFSA General Liability and Workers' Compensation Risk Pool Programs for 2019.

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

XI. ADOPTION OF RESOLUTION APPROVING A LINE OF CREDIT FOR THE 19TH DAA SANTA BARBARA FAIR & EXPO

The 19th DAA/Santa Barbara Fair & Expo has applied for a \$175,000 line of credit to assist with cash flow needs leading up to fair time in April. The term of the line of credit will be 12 months from the date of the first draw and the loan will be secured with fairgrounds revenues.

Moved by Director Blyskal and seconded by Director Jacobs to approve a \$175,000 line of credit for the 19th DAA Santa Barbara Fair & Expo and authorize the Executive Director to execute the Line of Credit Agreement.

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

XII. 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
 - a. The Executive Director extended appreciation to Dan Jacobs for serving as Chair of the Board of Directors for two years.
 - b. The Executive Director thanked Charlie Mitchell for his service to CFSA as a Retired Annuitant.
4. Director's Reports
 - a. The directors added their thanks to Directors Jacobs and Wolcott for serving as Chair and Vice-Chair of the Board.
 - b. Director Jacobs reported that his fair has been working with the Eastern Sierra Tri-County fair and the check is really in the mail for their aged A.R.
 - c. Director Blyskal expressed his thanks for having confidence in him as the new Vice-Chair of the Board.

- d. Director Quiroz said that he is working with CDFA executive management on establishing minimum limits for insurance.

5. Next Board Meeting is scheduled for April 3, 2019.

XIII. CLOSED SESSION

Following a break at 11:41 a.m., the Board adjourned from regular session at 12:11 p.m. and went into closed session to discuss the following:

Liability/Special Events Claims – Government Code Sec. 54956.95

CLAIMANT: Francine Roy

AGENCY CLAIMED AGAINST: Santa Clara County Fair

CLAIMANT: Chris Alderson

AGENCY CLAIMED AGAINST: Alameda County Fair

Workers' Compensation Claims (Government Code Section 54956.95)

CLAIMANT: Johnny Shirts

AGENCY CLAIMED AGAINST: Eastern Sierra Tri-County Fair, 18th 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)

XIV. OPEN SESSION

The Board adjourned from Closed Session at 1:41 p.m. and resumed regular session. There was no reportable action taken during closed session.


XV. ADJOURNMENT

The meeting was adjourned at 1:41 p.m.

ATTEST:



SECRETARY



CHAIR