

# MINUTES

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

April 1, 2015

1776 Tribute Road, Suite 100, Sacramento, CA 95815

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

Pat Conklin, Director  
Dixon-May Fair (36<sup>th</sup> DAA)

Sarah Watkins, Alternate Director  
Division of Fairs & Expositions

Jim Wolcott, Director  
Lassen County Fair

Christy Layton, Legal counsel to CFSA  
Miller & Owen

Mike Harrington, Actuary  
Bickmore Risk

Jamie Matthews  
Gilbert Associates

Jacquelyn Flickinger  
Gilbert Associates

Becky Bailey-Findley, Executive Director  
California Fair Services Authority

Rebecca Desmond  
Deputy Executive Director  
California Fair Services Authority

Tom Amberson, Risk Control Manager  
California Fair Services Authority

Kevin Wright, Mgr of Business Services  
California Fair Services Authority

Melissa Thurber, Communications  
California Fair Services Authority

Raechelle Gibbons, Controller  
California Fair Services Authority

Charlie Mitchell, Risk 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 10:05 a.m., April 1, 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 Conklin and seconded by Director Wolcott to adopt **Resolution No. 15-10** approving the minutes of the regular meeting of February 4, 2015, as presented to the Board of Directors.

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

**III. ADOPTION OF RESOLUTION ACCEPTING THE ACTUARIAL REPORTS FOR GENERAL LIABILITY, WORKERS' COMPENSATION, AND SPECIAL EVENTS AS OF DECEMBER 31, 2014**

Executive Director Becky Bailey-Findley introduced Mike Harrington from Bickmore Risk Services. Mr. Harrington explained the printed report and shared this summary:

Liability Pool is funded at 75-80% confidence level. Loss development is unfavorable.

Workers' Compensation Pool is funded at 85%-90% confidence level. Loss development is favorable.

Special Events Pool is at 80%-85% confidence level. Loss development is favorable.

Moved by Director Conklin and seconded by Director Wolcott to adopt **Resolution No. 15-11** accepting the 2014 actuarial reports.

Ayes: Directors Bullis, Wolcott, Conklin, and Watkins  
Noes: None  
Abstain: None  
Absent: Directors Jacobs, Scurfield, Moss

**IV. ADOPTION OF RESOLUTION ACCEPTING THE 2014 AUDIT REPORT**

Executive Director Becky Bailey-Findley introduced Jamie Matthews and Jaquelyn Flickinger from Gilbert Associates who then presented the 2014 Audit Report. The audit report had no findings.

Moved by Director Conklin and seconded by Director Wolcott to adopt **Resolution No. 15-12** accepting the 2014 Audit Report.

Ayes: Directors Bullis, Wolcott, Conklin and Watkins  
Noes: None  
Abstain: None  
Absent: Directors Jacobs, Scurfield, and Moss

**V. ADOPTION OF RESOLUTION APPROVING THE 2015 GENERAL LIABILITY BASE RATE**

Executive Director Becky Bailey-Findley recommended that the base rates be increased 5% for 2015, based on the following:

- For the past several years, the General Liability Pool Program has been supplemented with money from the reserve funds.
- General Liability Pool claims have developed greater than expected
- General Liability Pool fees were kept stable to assist members with challenging economic conditions and the lack of State funding.
- Costs related to claims continue to increase
- It is prudent to begin contributing to the reserve funds that support the General Liability Pool program by aggressively working with fairs to reduce risk and to raise fees conservatively

Moved by Director Conklin and seconded by Alternate Director Watkins to adopt **Resolution No. 15-13** approving the 2015 General Liability Base Rate.

Ayes: Directors Bullis, Wolcott, Conklin and Watkins  
Noes: None  
Abstain: None  
Absent: Directors Jacobs, Scurfield, and Moss

**VI. ADOPTION OF RESOLUTION APPROVING THE 2015 WORKERS' COMPENSATION BASE RATE**

Executive Director Becky Bailey-Findley recommended that the Workers' Compensation rate remain at 6% of payroll and volunteer wages because claims have developed as expected, or less, and fees are adequately covering claims expenses and have been contributing to reserve funds.

Moved by Director Conklin and seconded by Alternate Director Watkins to adopt **Resolution 15-14** approving the 2015 Workers' Compensation Base Rate.

Ayes: Directors Bullis, Wolcott, Conklin and Watkins  
Noes: None  
Abstain: None  
Absent: Directors Jacobs, Scurfield, and Moss

**VII. ADOPTION OF RESOLUTION ADOPTING A FINAL 2015 OPERATING BUDGET FOR CFSA**

Executive Director Becky Bailey-Findley presented an overview of the 2015 final operating budget.

Moved by Director Wolcott and seconded by Director Conklin to adopt **Resolution 15-15** adopting a final 2015 operating budget for CFSA.

Ayes: Directors Bullis, Wolcott, Conklin and Watkins  
Noes: None  
Abstain: None  
Absent: Directors Jacobs, Scurfield, and Moss

**VIII. ADOPTION OF RESOLUTION APPROVING REVISED AGED ACCOUNTS RECEIVABLE POLICY**

Executive Director Becky Bailey-Findley presented a revised policy that will provide improved structure for CFSA staff to bring delinquent members current in past due amounts owed and address the inequity that late payments and non-payments amongst members creates.

Moved by Director Conklin and seconded by Alternate Director Watkins to adopt **Resolution 15-16** approving the revised Aged Accounts Receivable policy.

Ayes: Directors Bullis, Wolcott, Conklin and Watkins  
Noes: None  
Abstain: None  
Absent: Directors Jacobs, Scurfield, and Moss

**IX. ADOPTION OF RESOLUTION APPROVING REVISED MEMORANDUM OF COVERAGE FOR GENERAL LIABILITY**

Risk Manager Charlie Mitchell reported that for 2015 CFSA has a reinsurance agreement instead of a separate excess liability policy. For the General Liability Program, there is now one coverage document for any loss up to the protection limit of \$10 million per occurrence. With this change, there is a requirement to revise the Memorandum of Primary Liability Coverage that has been effective since January 2012.

Moved by Director Conklin and seconded by Alternate Director Watkins to adopt **Resolution 15-17** approving the revised Memorandum of Coverage for the General Liability Program effective January 1, 2015.

Ayes: Directors Bullis, Wolcott, Conklin and Watkins  
Noes: None  
Abstain: None  
Absent: Directors Jacobs, Scurfield, and Moss

**X. ADOPTION OF RESOLUTION APPROVING CONFLICT OF INTEREST WAIVER LETTER FROM MILLER AND OWEN**

At their March 12<sup>th</sup> board meeting, the California Fairs Financing Authority agreed to engage Christy Layton of Miller Owen Law Firm (who is also General Counsel for CFSA) to begin a transition process, working alongside Richard Hyde on the general legal needs for CFFA. In order for Ms. Layton to provide legal services to CFFA, CFFA and CFSA will need to approve and sign an

attorney conflict of interest waiver letter, waiving any conflict of interest created by Ms. Layton serving as legal counsel to both CFFA and CFSA.

Moved by Director Conklin and seconded by Director Watkins to adopt **Resolution 15-18** approving the conflict of interest waiver letter from Miller & Owen.

Ayes: Directors Bullis, Wolcott, Conklin and Watkins  
Noes: None  
Abstain: None  
Absent: Directors Jacobs, Scurfield, and Moss

#### **XI. INFORMATIONAL ITEMS**

1. Proposed strategic planning retreat with CFFA Board of Directors to be held on April 30 and May 1, 2015.
2. Executive Director Becky Bailey-Findley referred to the staff update reports as written in the Board Book.
  - a. Administrative Services
  - b. Risk Management
  - c. Construction Department
  - d. Finance Department
  - e. Risk Control
3. Executive Director Report was presented by Becky Bailey-Findley.
4. Director's Reports

Director Bullis reported that Becky Bailey-Findley had visited the Mariposa Fair and had conducted a strategic planning session that went really well.

Director Conklin announced the Dixon May Fair runs May 7-10. She also commended CFSA accounting administrator Renee Yi on a valuable accounting software training session.

Alternate Director Watkins reported that in her three week so far at the Division of Fairs & Expositions, she has visited seven fairgrounds, including one fair in progress.

Director Wolcott thanked CFSA staff for everything they do at the office and out in the field.
5. Next Board meeting scheduled for Wednesday, June 3, 2015 at 10:00am.

#### **XII. CLOSED SESSION**

The Board adjourned from regular session at 2:13 p.m. and went into closed

session to discuss the liability claim involving Stuart P. Titus and Caroline Titus and the Humboldt County Fair Association.

**XIII. REGULAR SESSION**

The Board adjourned from closed session at 2:39 p.m. and regular session was reconvened. No reportable action was taken during closed session.

**XIV. ADJOURNMENT**

The meeting was adjourned at 2:40 p.m.



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**CHAIR**

**ATTEST:**



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**SECRETARY**