

MINUTES

REGULAR TELECONFERENCE MEETING OF CALIFORNIA FAIR SERVICES AUTHORITY BOARD OF DIRECTORS

December 1, 2021

1776 Tribute Road, Suite 100, Sacramento, CA 95815

In attendance:

Board Members

Jack Blyskal, Director, Vice-Chair
Public Member

Nancy Sites, Director
Tulelake-Butte Valley Fair

Laurie Giannini, Director
Calaveras County Fair

Kim Floyd, Director
Del Norte County Fair

Mike Francesconi, Director
CDFA Branch of Fairs & Expositions

Steve Kenny, Director
Butte County Fair

Tom Mitchell, Alternate Director
Madera County Fair

CFSA Staff

Rebecca Desmond, Executive Director
CFSA

John Quiroz, Deputy Executive Director
CFSA

Raechelle Gibbons, Chief Financial
Officer, CFSA

Kevin Wright, Chief Administration
Officer, CFSA

Osman Mufti, Legal Counsel to CFSA
Sloan Sakai Yeung & Wong LLP

Guests

Bart Vanucci, CEO
40th DAA/Yolo County Fair

Elaine Yamaguchi, President
40th DAA/Yolo County Fair

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.*

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 10:01 a.m., December 1, 2021, by Board Vice-Chair Jack Blyskal and roll call was taken. Director Lori Marshall was absent.

II. ADOPTION OF RESOLUTION RATIFYING THE GOVERNOR'S PROCLAMATION OF STATE OF EMERGENCY AND AUTHORIZING REMOTE TELECONFERENCE MEETINGS OF THE BOARD

Moved by Director Blyskal and seconded by Director Francesconi to adopt **Resolution No. 21-38** ratifying the Governor's proclamation of a State of Emergency and authorizing remote teleconference meetings of the Board.

Ayes: Vice-Chair Blyskal, Directors Sites, Floyd, Francesconi, Giannini, Kenny, Alternate Director Mitchell
Noes: None
Abstain: None
Absent: Director Marshall

There was no public comment.

Motion passed.

III. ADOPTION OF RESOLUTION APPROVING THE RE-ENTRY OF THE 40TH DISTRICT AGRICULTURAL ASSOCIATION/YOLO COUNTY FAIR AND THE 52ND DISTRICT AGRICULTURAL ASSOCIATION/SACRAMENTO COUNTY FAIR INTO THE CFSA GENERAL LIABILITY RISK SHARING PROGRAM EFFECTIVE JANUARY 1, 2022

The 40th District Agricultural Association, Yolo County Fair (40th DAA), elected to leave the General Liability Risk Pool Program ("General Liability Program") in 2015. In November 2021, 40th DAA CEO, Bart Vanucci, informed CFSA of the 40th DAA's interest in re-entering the General Liability Program for the 2022 coverage year.

The 52nd District Agricultural Association, Sacramento County Fair (52nd DAA), elected to leave the General Liability Risk Pool Program ("General Liability Program") in 2017. In November 2021, 52nd DAA CEO, Pam Fyock, informed CFSA of the 52nd DAA's interest in re-entering the General Liability Program for the 2022 coverage year.

Based on a review of the information submitted by the returning fairs, CFSA staff recommended re-entry into the CFSA general liability risk pool program for a minimum of five years at a minimum modification factor of 100%.

Mr. Vanucci expressed concern about having to remain in the risk pool for a minimum of five years. Executive Director Desmond explained that the staff recommendation was consistent with board policy (three-five year minimum) and the board's action in approving four other DAAs for re-entry to the general liability risk pool in 2021. She said that risk pooling is based on long term stability and is not designed for members to jump in and out of the pools on an annual basis.

Moved by Director Giannini and seconded by Director Floyd to adopt **Resolution No. 21-42** approving the re-entry of the 40th District Agricultural Association/Yolo County Fair and the 52nd District Agricultural Association/Sacramento County Fair into the CFSA General Liability Risk Sharing Program effective January 1, 2022 for a minimum of five years at a minimum modification factor of 100%.

Ayes: Vice-Chair Blyskal, Directors Sites, Floyd, Francesconi, Giannini, Kenny, Alternate Director Mitchell
Noes: None
Abstain: None
Absent: Director Marshall

There was no public comment.

Motion passed.

IV. ADOPTION OF RESOLUTION APPROVING THE MINUTES OF THE REGULAR TELECONFERENCE MEETING OF OCTOBER 6, 2021

Moved by Director Kenny and seconded by Director Giannini to adopt **Resolution No. 21-39** approving the minutes as presented.

Ayes: Vice-Chair Blyskal, Directors Sites, Floyd, Francesconi, Giannini, Kenny, Alternate Director Mitchell
Noes: None
Abstain: None
Absent: Director Marshall

There was no public comment.

Motion passed.

V. ADOPTION OF RESOLUTION APPROVING CFSA'S PERSONNEL POLICIES:
a. REVISIONS TO POLICY 210 WAGE HOURS AND PAYDAYS
b. REVISIONS TO POLICY 312 HOLIDAYS
c. ADOPTION OF POLICY 215 TELEWORKING

CFSA employees have mostly been working remotely since the onset of the pandemic last spring. CFSA policy 210 only briefly addressed teleworking and was updated at the last Board meeting to add more detailed language. Because teleworking will be a more permanent part of the CFSA work environment due to the "new normal" of working during a worldwide pandemic, a complete policy was written to address the specifics of teleworking and guidelines.

Updates to Policy 210 Wage Hours and Paydays refer to the new Policy 215 Teleworking.

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Policy 312 Holidays was updated to add the recognition of the new Federal holiday Juneteenth, to be recognized with a paid day off work on June 19th each year.

Moved by Director Giannini and seconded by Director Kenny to adopt **Resolution No. 21-40** approving revisions to CFSA's Personnel Policies 210 Wage Hours and Paydays, 312 Holidays, and the adoption of Policy 315 Teleworking as presented.

Ayes: Vice-Chair Blyskal, Directors Sites, Floyd, Francesconi, Giannini, Kenny, Alternate Director Mitchell
Noes: None
Abstain: None
Absent: Director Marshall

There was no public comment.

Motion passed.

VI. ADOPTION OF RESOLUTION APPROVING REOPENING OF CFSA LOAN PROGRAM AND REVISIONS TO THE CFSA LOAN PROGRAM GUIDELINES

In June of 2020, the board suspended the CFSA Loan Program due to the tremendous impact the COVID-19 pandemic was having on CFSA member fairs' ability to generate revenue. Now that large public gatherings are allowed again in some capacity in all counties, and CDFA has provided funding to all California fairs, fairgrounds revenues are increasing.

There is also some project funding available from the State, but the funding is only available on a reimbursement basis and many fairs do not have the cash reserves necessary to front project costs. The CFSA loan fund is one way we can assist the fairs and get the necessary project funding for improvements to their grounds. Fairground improvement will assist with risk management and help in preventing premise-related liability claims thereby reducing risk to the CFSA risk pool.

Proposed revisions to the CFSA Loan Program Guidelines included allowing use of loan funds for public capital repair or improvement projects that are unrelated to CFSA claims. Director Giannini also recommended removing the requirement that the Line of Credit requirement to be part of the Revenue Protection Program be eliminated as the program is currently defunct.

Moved by Director Francesconi and seconded by Director Giannini to adopt **Resolution No. 21-41** approving reopening of the CFSA Loan Program and revisions to the CFSA Loan Program Guidelines as amended at the meeting.

Ayes: Vice-Chair Blyskal, Directors Sites, Floyd, Francesconi, Giannini,

Kenny, Alternate Director Mitchell
Noes: None
Abstain: None
Absent: Director Marshall

There was no public comment.

Motion passed.

VII. ADOPTION OF RESOLUTION APPROVING CFSA 2022 FINANCIAL SERVICES FEE SCHEDULE

At the October 7, 2020, CFSA Board of Directors meeting, the board approved the 2021 Financial Services Fee Schedule based on the Financial Services business plan adopted in 2019. At the time the impacts of COVID-19 on CFSA's revenues made it necessary to bring Financial Services into a net-positive position in 2021 and going forward so the risk pools were not subsidizing the Financial Services program.

All data to-date indicates that this move was prudent and successful. From June of 2020 until September of 2021, the department operated without filling the account tech position. However, as fairs ramped up activity and we took on a few more clients, the team found it necessary to fill the vacant position. In addition, normal costs of operations have increased as well over the past year and we find it necessary to raise some of the Financial Services fees in 2022.

While we continue to understand the financial challenges of our financial service clients, CFSA is not in the position to provide Financial Services below what it actually costs to provide those services. The risk pools and Financial Services are separate programs and they need to be sustainable independent of each other.

Moved by Director Giannini and seconded by Director Kenny to adopt **Resolution No. 21-43** approving the CFSA 2022 Financial Services Fee Schedule as presented.

Ayes: Vice-Chair Blyskal, Directors Sites, Floyd, Francesconi, Giannini, Kenny, Alternate Director Mitchell
Noes: None
Abstain: None
Absent: Director Marshall

There was no public comment.

Motion passed.

VIII. ADOPTION OF RESOLUTION APPROVING THE CFSA 2022 PAY SCALE

The CFSA Board of Directors is responsible for approving any changes to the CFSA Pay Scale. Due to increases of the minimum wage in California, we are proposing to increase the CFSA Non-Exempt Pay Scale by 10%. This change will provide a cost-of-living adjustment (COLA) for CFSA team members at the lowest end of the CFSA pay range. There are currently four employees who are subject to the Non-Exempt Pay Scale.

This COLA will be effective the first full pay period of 2022. We will need to make adjustments to the lower end of Exempt Pay Scale accordingly, however, we are electing to wait until the results of our independent salary/benefit study is completed in early 2022. We will then make recommendations to the board regarding other pay scale adjustments, if necessary, per the study results and the final 2022 budget.

Moved by Director Floyd and seconded by Director Kenny to adopt **Resolution No. 21-44** approving the CFSA 2022 Pay Scale as presented.

Ayes: Vice-Chair Blyskal, Directors Sites, Floyd, Francesconi, Giannini, Kenny, Alternate Director Mitchell
Noes: None
Abstain: None
Absent: Director Marshall

There was no public comment.

Motion passed.

IX. ADOPTION OF RESOLUTION APPROVING CFSA 2022 PRELIMINARY BUDGET

Last year when we presented the preliminary 2021 budget to you, we were just learning of a possible vaccine to battle the COVID-19 pandemic and all mass gatherings in California were prohibited without any certainty of reopening in 2021.

While not all is 100% of "normal" compared to 2019, we are hopefully on our way. The good news is that all of our member fairs paid their risk pool fees! We also saw four district agricultural associations rejoin our general liability risk pool in 2021 and two more have requested to rejoin for the 2022 coverage year.

Our JPA looks a lot different than it did in the spring of 2020 too. We have fewer employees overall, but we have not missed a beat in providing quality and professional services to our members and clients. Many of our permanent staff continue to work from home which has brought a new dynamic to our operations, but one that we are adjusting to in a positive way and our team is dedicated and motivated.

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The CFSA executive team once again worked diligently with our team members to create preliminary budget for 2022. We have made the standard risk pool operational assumptions that we always do in the pre-actuary report budget, and additional assumptions based on what we hope will be a better revenue-generating year for our member fairgrounds.

We presented the Preliminary 2022 Budget to the board budget committee on November 9, 2021 Executive Director Desmond thanked Board Chair Lori Marshall, Vice Chair Jack Blyskal, and director Kim Floyd for their review and approval of the proposed budget. The Preliminary 2022 Budget presented here for your consideration is slightly different than what we presented to the committee as we just received estimates from PRISM for our 2022/2023 excess insurance expenses. This is about a \$200,000 difference so we have changed the excess insurance figures in the preliminary budget document.

As you recall, this is just the beginning of our annual budget process. One of the largest influences on the organization's financial status is the actuarial projection of "Unrealized Losses," the largest expense category in the budget and one we do not have direct control. The actuary study that will be conducted in January 2022, greatly shapes both the year-end results of 2021 Year-End Report and the 2022 budget in either a positive or negative direction.

For this preliminary budget, the team analyzed known general liability and workers' compensation claim activity in 2021 and made a projection of unrealized losses for both risk pools. Staff continues to predict at this time that there will be no need to raise risk pool base fees in 2022. The final determination will be actuary report based on claims development for all 12 months of 2021.

Moved by Director Giannini and seconded by Director Kenny to adopt **Resolution No. 21-44** approving the CFSA 2022 Preliminary Budget as presented. Director Giannini thanked the members of the board budget committee for their time working with staff on the preliminary budget.

Ayes: Vice-Chair Blyskal, Directors Sites, Floyd, Francesconi, Giannini, Kenny, Alternate Director Mitchell
Noes: None
Abstain: None
Absent: Director Marshall

There was no public comment.

Motion passed.

X. INFORMATIONAL ITEMS

1. CAJPA Accreditation: Executive Director Rebecca Desmond reported that CFSA obtained full accreditation from CAJPA. She thanked Deputy Executive Director John Quiroz for leading the project. There was no public

comment.

2. CFSA Investment Report was presented as submitted. There was no public comment.
3. The Administrative Services, Finance, and Risk Department Reports were presented as submitted. Executive Director Desmond added that a check had been received for the Special Event Program premium refund for 2020. There was no public comment.
4. Executive Director's Report was presented as submitted. There was no public comment.
5. Directors' Reports: Director Giannini asked if CFSA should add a penalty for fairs that leave the pool early, and it was decided that the question would be added to the upcoming strategic planning session. Alternate Director Mitchell said that he was aware of some fairs that were planning on discontinuing their financial services contracts and the CFSA accounting software. Director Floyd said that she believes the CFSA financial services are super important to the industry and she refers fairs to ask her about it. There was no public comment.
6. The next Regular Board Meeting is February 2, 2022.

XI. CLOSED SESSION

The Board adjourned from regular session at 11:43 a.m. and after a five-minute break went into closed session to discuss the following:

Conference with Legal Counsel – Anticipated Litigation – Government Code Sec. 54956.9

Significant exposure to litigation pursuant to paragraph (2) or (3) of subdivision (d) of Government Code Section 54956.9 (One potential Case).

General Liability Claims – Government Code Sec. 54956.95

Claimant: Terry Brewer

Agency Claimed Against: 24-A District Agricultural Association/The King's Fair, et al.

Public Employee Performance Evaluation – Government Code Sec. 54957(b) (1)

Title: Executive Director

Conference with Labor Negotiators – Government Code Sec. 54957.6

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Agency Designated Representative: Board Chair

Unrepresented Employee: Executive Director

XII. OPEN SESSION

The Board adjourned from closed session at 12:26 p.m. and resumed regular session.

XIII. DIRECTION FROM CLOSED SESSION

Pursuant to the Executive Director's employment agreement, compensation for Year 3 of the employment agreement shall be determined prior to the start of Year 3. A motion has been made and seconded regarding the approval of an increase of 5% to the annual compensation of the Executive Director. Pursuant to Government Code 54953(c) a summary of compensation must be orally reported prior to taking final action. The proposed 5% increase would result in the annual salary of the Executive Director being \$157,500. All other terms and benefits of the Executive Director shall be the same as described in the employment agreement.

There was no public comment.

Motion passed.

There was no other reportable action from Closed Session.

XVI. PUBLIC COMMENT

There was no public comment.

XVII. ADJOURNMENT

The meeting was adjourned at 12:28 p.m.

Lori Marshall

Lori Marshall, CHAIR

ATTEST:

Kevin Wright

Kevin Wright, **SECRETARY**