

MINUTES

REGULAR TELECONFERENCE MEETING OF CALIFORNIA FAIR SERVICES AUTHORITY BOARD OF DIRECTORS

April 3, 2024

1776 Tribute Road, Suite 100, Sacramento, CA 95815

In attendance:

Board Members

Laurie Giannini, Chair
Calaveras County Fair

Kim Floyd, Vice Chair
Del Norte County Fair

Chip Holloway, Director
Desert Empire Fair

Nancy Sites, Director
Tulelake-Butte Valley Fair

Cliff Munson, Director
Siskiyou Golden Fair

Mike Kielty, Director
Public Member

Michael Flores, Director
CDFA Branch of Fairs & Expositions

CFSA Staff

Rebecca Desmond, Executive Director
CFSA

John Quiroz, Deputy Executive Director
CFSA

Tom Mitchell, Deputy Executive Director
CFSA

Raechelle Gibbons, Chief Financial Officer
CFSA

Renee Yi, Accounting Administrator
CFSA

Angie Cha, Office-Communications
Coordinator, CFSA

Eugene Chang, General Liability Claims
Administrator, CFSA

Cindy Hehner, Workers' Compensation
Claims Administrator, CFSA

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

Guests

Evan Washburn, Alliant Insurance Services

Kevin Bibler, Alliant Insurance Services

Mike Harrington, Bickmore Actuarial

All Board members, CFSA staff and other participants attended remotely via Zoom or phone (as noted), 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 10:08 a.m., April 3, 2024, by Vice Chair Kim Floyd and roll call was taken.

II. ADOPTION OF RESOLUTION APPROVING THE MINUTES OF THE REGULAR TELECONFERENCE MEETING OF FEBRUARY 14, 2024

Moved by Director Sites and seconded by Director Holloway to adopt **Resolution No. 24-09** approving the minutes of the Regular Teleconference Meeting of February 14, 2024, as presented.

Ayes: Directors Floyd, Holloway, Sites, Munson, Kielty, Flores
Noes: None
Abstain: None
Absent: Chair Giannini

There was no public comment.

Motion passed.

III. ADOPTION OF RESOLUTION ACCEPTING 2023 ACTUARIAL REPORTS FOR GENERAL LIABILITY, WORKERS' COMPENSATION, AND SPECIAL EVENTS PROGRAMS

Mike Harrington from Bickmore Actuarial presented the 2023 Actuarial Reports for the CFSA General Liability, Workers' Compensation, and Special Events risk pools.

In Summary, the risk pools ended the 2023 year as follows:

- General Liability is funded at the 80% confidence level, with an influx of Agency Equity Reserve funds to the Confidence Margin Reserve. This is at the top end of the Annual Funding Goal Policy range of 70%-80%.
- Workers' Compensation is funded at the 80% confidence level as well, with no need for Agency Equity Reserve support.
- Special Events ended 2023 funded at the 75% confidence level, with an influx of Agency Equity Reserve funds to the Confidence Margin Reserve.

Moved by Director Floyd and seconded by Director Holloway to adopt **Resolution No. 24-10** accepting the 2023 actuarial reports for General Liability, Workers' Compensation, and Special Events programs as presented.

Ayes: Chair Giannini; Directors Floyd, Holloway, Sites, Munson, Kielty, Flores
Noes: None
Abstain: None
Absent: None

There was no public comment.

Motion passed.

IV. ADOPTION OF RESOLUTION APPROVING 2024 RISK POOL FEES

Staff made recommendations to the Board about the final annual risk pool fees based upon the latest annual actuary reports, previous year-end budget, and Annual Funding Goals.

Staff reviewed data from the above and presented findings to the board budget committee (Laurie Giannini and Mike Kielty) for review of the final 2024 fee recommendations and revised operating budget.

The Budget Committee and staff recommended that CFSA increase the base fees for Workers' Compensation rates to 6.2%/6.4% and to increase the General Liability base fee by 15% due to adverse claims activity and increased excess coverage premiums.

1. Adoption of Resolution approving final 2024 General Liability fees.

Moved by Director Flores and seconded by Director Floyd to adopt **Resolution No. 24-11** approving final 2024 General Liability fees at 15% higher than 2023 fees as presented.

Ayes: Chair Giannini; Directors Floyd, Holloway, Sites, Munson, Kielty, Flores
Noes: None
Abstain: None
Absent: None

There was no public comment.

Motion passed.

2. Adoption of Resolution approving final 2024 Workers' Compensation fees.

Moved by Director Munson and seconded by Director Sites to adopt **Resolution No. 24-12** approving the increase of CFSA 2024 Workers' Compensation fees to 6.2%/6.4%.

Ayes: Chair Giannini; Directors Floyd, Holloway, Sites, Munson, Kielty, Flores
Noes: None
Abstain: None
Absent: None

There was no public comment.

Motion passed.

V. ADOPTION OF RESOLUTION APPROVING CFSA FINAL 2024 OPERATING BUDGET

CFSA ended 2023 with a net positive opposed to the budgeted minor net loss. For 2024, actuary loss predictions and the impacts of increased operating costs, require that CFSA is once again conservatively budgeting a net loss with the confidence that the agency's strong financial standing allows us to stabilize fees for our members.

The top five items that impacted our 2024 final budget are:

- Increased investment income realized in 2023 and estimated in 2024.
- Increased excess premiums in all three risk pools.
- Claims performance resulting in increased unrealized loss predictions from our annual actuary report.
- Increased operational costs including salaries (2022 salary study implementation along with filling vacant positions), retiree medical costs, GASB 75 and 68 unfunded liabilities, and travel expenses.
- Investment in the CFSA Risk Prevention Maintenance Assistance Program.

Moved by Director Holloway and seconded by Director Sites to adopt **Resolution No. 24-13** approving CFSA Final 2024 Operating Budget as presented.

Ayes: Chair Giannini; Directors Floyd, Holloway, Sites, Munson, Kielty, Flores
Noes: None
Abstain: None
Absent: None

There was no public comment.

Motion passed.

VI. ADOPTION OF RESOLUTION APPROVING JOHN QUIROZ AS CFSA TREASURER

Rebecca Desmond is currently the CFSA Executive Director and Treasurer and will be retiring at the end of April. John Quiroz is currently the CFSA Deputy Executive Director and will be stepping into the Executive Director position on April 28, 2024. Consequently, staff recommended that the Board appoint John Quiroz as the CFSA Treasurer.

The CFSA Treasurer has delegated authority from the Board of Directors to invest funds and to sell or exchange securities. This delegation is renewed by the Board each year at the February board meeting.

Moved by Director Flores and seconded by Director Floyd to adopt **Resolution No. 24-14** approving John Quiroz as CFSA Treasurer as presented.

Ayes: Chair Giannini; Directors Floyd, Holloway, Sites, Munson, Kielty, Flores
Noes: None
Abstain: None
Absent: None

There was no public comment.

Motion passed.

VII. ADOPTION OF RESOLUTION AMENDING POLICY 041 REGARDING CLAIMS CHECK SIGNATORIES

This policy needs to be updated to provide an adequate number of check signatories so that CFSA can meet Workers' Compensation and General Liability claims payment requirements while accommodating hybrid work schedules and staff time off.

As CFSA currently does not have a Chief Administration Officer, the recommendation is that CFSA add the Accounting Administrator to the signatory list.

Moved by Director Sites and seconded by Director Holloway to adopt **Resolution No. 24-15** approving amending Policy 041 regarding claims check signatories by adding the Accounting Administrator as presented.

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Ayes: Chair Giannini; Directors Floyd, Holloway, Sites, Munson, Kielty, Flores
Noes: None
Abstain: None
Absent: None

There was no public comment.

Motion passed.

VIII. ADOPTION OF RESOLUTION AMENDING POLICY 313 REMOVING EMERGENCY SICK LEAVE LANGUAGE

This policy needs to be updated to eliminate references to COVID-19 related emergency sick leave as the state statute has expired.

Moved by Director Flores and seconded by Director Holloway to adopt **Resolution No. 24-16** approving amending Policy 313 removing emergency sick leave language as presented.

Ayes: Chair Giannini; Directors Floyd, Holloway, Sites, Munson, Kielty, Flores
Noes: None
Abstain: None
Absent: None

There was no public comment.

Motion passed.

IX. ADOPTION OF RESOLUTION HONORING RETIRING EXECUTIVE DIRECTOR REBECCA DESMOND

CFSA has had the privilege of operating under the leadership of Rebecca Desmond for the past 13 years. She has invested her strong team-building skills and her leadership skills, taking this organization to the next level of service, all the while including the staff and board in the process.

Rebecca provided excellent guidance to the CFSA staff during her ten years on the Board of Directors, however, her real legacy is how she enhanced CFSA's positions as a joint powers authority, a risk pool, and an asset to the Network of California Fairs. CFSA will miss her vibrant personality in the office and of course her famous comment, "Seriously"!

Moved by Chair Giannini; Directors Floyd, Holloway, Sites, Munson, Kielty, Flores to adopt **Resolution No. 24-17** honoring retiring Executive Director

Rebecca Desmond as presented.

Ayes: Chair Giannini; Directors Floyd, Holloway, Sites, Munson, Kielty,
Flores
Noes: None
Abstain: None
Absent: None

There was no public comment.

Motion passed.

X. INFORMATION ITEMS

1. CFSA General Liability Audit
2. CFSA Investment Report
3. Staff Reports:
 - a. Administrative Services
 - b. Risk Management
 - c. Finance
4. Executive Director's Report stood as presented.
5. Directors' Reports
 - a. Director Munson shared that the Siskiyou Fair made some safety improvements at the fairgrounds with recent renovations to cement structures, and followed through with fencing as recommended by CFSA's annual facility inspection and installed new fences in the grandstand area.
 - b. Director Floyd shared that ninety-five percent of the fairgrounds is still without power since Valentine's Day. They are looking at three options in hopes of getting power restored soon. ADA upgrades were started at the new grandstand to fix handrails and stairs to be safer and ADA compliant. Additionally, she is looking forward to working with Ken Scheeler and start other projects.
 - c. Director Sites shared the Tulelake-Butte Valley Fair removed two light poles that were bending over and plan on using light towers. Pre-Fair Inspection was done with Anh from CFSA with positive reviews from Anh.
 - d. Chair Giannini shared the Calaveras Fair continues to have challenges with their sewer and pond areas but are receiving help from CDFA. Calaveras County Fair and Jumping Frog Jubilee, May 16-19.
6. Next Meeting: June 5, 2024

XI. PUBLIC COMMENT

There was no public comment.

XII. CLOSED SESSION

At 12:47 p.m. the Board adjourned from regular session and went into closed session to discuss the following:

Workers' Compensation Claims – Government Code Sec. 54956.95

Claimant: Bianca Perez
Agency Claimed Against: Lodi Grape Festival

Claimant: Earl Escobar
Agency Claimed Against: Salinas Valley Fair

General Liability Claims – Government Code Sec. 54956.95

Claimant: Stephen Austin Adams
Agency Claimed Against: Merced County Spring Fair

Claimant: Gary Backlund
Agency Claimed Against: 32nd DAA Orange County Fair

Claimant: Kyle Hansel
Agency Claimed Against: 1A-DAA Cow Palace

Claimant: Jonathan Costa
Agency Claimed Against: Alameda County Fair

Claimant: E.L. Long
Agency Claimed Against: 27th DAA Shasta District Fair

Claimant: Robert Watson
Agency Claimed Against: 23rd DAA Contra Costa County Fair

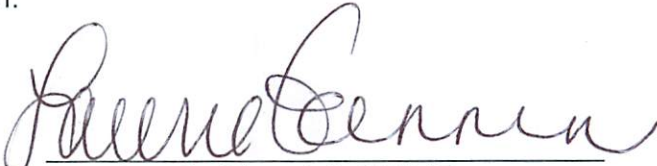
XIII. RECONVENE FROM CLOSED SESSION

The Board adjourned from closed session at 1:11 p.m. and resumed regular session.

There was no reportable action from Closed Session.

ADJOURNMENT

The meeting was adjourned at 1:12 p.m.



Laurie Giannini, **CHAIR**

ATTEST:



Angie Cha, **SECRETARY**