

## MINUTES

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

April 2, 2025

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

**Andrew Trygg**, Director  
Nevada County Fair

**Mike Kielty**, Director  
Public Member

**Michael Flores**, Director  
CDFA Branch of Fairs & Expositions

#### CFSA Staff

**John Quiroz**, Executive Director  
CFSA

**Tom Mitchell**, Deputy Executive Director  
CFSA

**Raechelle Gibbons**, Chief Financial Officer  
CFSA

**Renee Yi**, Accounting 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

**Derek Burkhalter**, 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 10:00 a.m., April 2, 2025, by Chair Laurie Giannini and roll call was taken.

**II. ADOPTION OF RESOLUTION APPROVING THE MINUTES OF THE REGULAR TELECONFERENCE MEETING OF FEBRUARY 5, 2025, SPECIAL MEETING OF MARCH 21, 2025 AND THE SPECIAL MEETING OF JANUARY 13, 2025.**

Moved by Director Flores and seconded by Director Holloway to adopt **Resolution No. 25-09** approving the minutes of the Regular Teleconference Meeting of February 5, 2025 with the change that Director Munson was present, and Director Flores was absent, Special Meeting of March 21, 2025, and the Special Meeting of January 13, 2025 as presented.

Ayes: Chair Giannini Directors Floyd, Trygg, Holloway, Kielty, Flores

Noes: None

Abstain: None

Absent: None

There was no public comment.

Motion passed.

**III. ADOPTION OF RESOLUTION ACCEPTING 2024 ACTUARIAL REPORTS FOR GENERAL LIABILITY, WORKERS' COMPENSATION, AND SPECIAL EVENTS PROGRAMS**

Derek Burkhlater from Bickmore Actuarial presented the 2024 Actuarial Reports for the CFSA General Liability, Workers' Compensation, and Special Events risk pools.

In Summary, the risk pools ended the 2024 year as follows:

- General Liability is funded at the 90% confidence level, with an influx of Agency Equity Reserve funds to the Confidence Margin Reserve.
- Workers' Compensation is funded at the 90% confidence level as well, with no need for Agency Equity Reserve support.
- Special Events ended 2024 funded at the 90% confidence level, with an influx of Agency Equity Reserve funds to the Confidence Margin Reserve.

Moved by Director Kielty and seconded by Director Trygg to adopt **Resolution No. 25-10** accepting 2024 actuarial reports for General Liability, Workers' Compensation, and Special Events programs as presented.

Ayes: Chair Giannini Directors Floyd, Trygg, Holloway, Kielty, Flores

Noes: None

Abstain: None

Absent: None

There was no public comment.

Motion passed.

#### IV. ADOPTION OF RESOLUTION APPROVING 2025 RISK POOL FEES

This is the time of year when staff makes recommendations to the Board about final annual risk pool fees based upon our latest annual actuary reports, our previous year-end budget, and our Annual Funding Goal.

Staff has reviewed data from the above and presented our findings to the board budget committee (Laurie Giannini, Kim Floyd, Mike Fleming, and Mike Kielty) for review of our final 2025 fee recommendations and revised operating budget.

The Budget Committee and staff are recommending that we decrease the base fees for Workers' Compensation to 5.8%/6.0% and we increase the General Liability base fee by 5% due to adverse claims activity and increased excess coverage premiums.

1. Adoption of Resolution approving final 2025 General Liability fees.

Moved by Director Holloway and seconded by Director Floyd to adopt **Resolution No. 25-12** approving final 2025 General Liability fees at 15% higher than 2023 fees as presented.

Ayes: Chair Giannini Directors Floyd, Trygg, Holloway, 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 Floyd and seconded by Director Trygg to adopt **Resolution No. 25-11** approving revised CFSA 2025 Workers' Compensation fees at 5.8%/6.0% fees as presented.

Ayes: Chair Giannini Directors Floyd, Trygg, Holloway, 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**

Now that we have closed out our 2024 books and the audit is nearing completion, we are happy to report that 2024 ended with a net positive opposed to the budget minor net loss. For 2025, actuary loss predictions along with impacts of increased operating costs we are once again conservatively budgeting a net loss with the confidence that our strong financial standing allows us to stabilize fees for our members.

The top five items that impacted our 2025 final budget are:

- Increased investment income realized in 2024 and estimated in 2025.
- 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 Floyd to adopt **Resolution No. 25-13** approving CFSA Final 2025 Operating Budget as presented.

Ayes: Chair Giannini Directors Floyd, Trygg, Holloway, Kielty, Flores

Noes: None

Abstain: None

Absent: None

There was no public comment.

Motion passed.

**VI. ADOPTION OF RESOLUTION APPROVING REVISIONS TO CFSA CONFLICT OF INTEREST CODE**

Periodically it is necessary for CFSA to amend its Conflict of Interest code with the Fair Political Practices Commission (FPPC). There is one change which

April 2, 2025

includes the removal of the Chief Administration Officer position no longer included on the CFSA Pay Scale.

Moved by Director Trygg and seconded by Director Flores to adopt **Resolution No. 25-14** approving the CFSA Conflict of Interest Code as presented.

Ayes: Chair Giannini Directors Floyd, Trygg, Holloway, Kielty, Flores

Noes: None

Abstain: None

Absent: None

There was no public comment.

Motion passed.

#### **VII. ADOPTION OF RESOLUTION APPROVING REVISIONS TO RECORDS RETENTION SCHEDULE**

At the February board meeting the board approved revisions to the records retention schedule. After this meeting we discussed zoom board meeting recordings and in consultation with our counsel, determined that zoom board meeting recordings can be disposed after the meeting minutes have been approved by the board.

Moved by Director Holloway and seconded by Director Trygg to adopt **Resolution No. 25-15** approving amending the CFSA Records Retention Schedule.

Ayes: Chair Giannini Directors Floyd, Trygg, Holloway, Kielty, Flores

Noes: None

Abstain: None

Absent: None

There was no public comment.

Motion passed.

#### **VIII. ADOPTION OF RESOLUTION ESTABLISHING THE CFSA BUDGET AND CLAIMS COMMITTEES**

At the February 2025 CFSA board meeting, the board voted to create the CFSA claims committee. The committee initially consisted of the Board Chair, Vice Chair, and the public member of the board. Based on feedback from the board at the February meeting, other members requested to serve on the committee and today the board chair

Regular Teleconference Meeting

Page 6

April 2, 2025

will be asking for board member volunteers to serve on the three-member committee for a two-year term.

In addition, the board chair will also be asking for volunteers to serve on the budget committee. The budget committee is a three-member committee and board member volunteers will each serve a two-year term.

Moved by Director Floyd and seconded by Director Holloway to adopt **Resolution No. 25-16** approving the appointment of Directors Kielty, Trygg, and Holloway to the Claims Committee.

Ayes: Chair Giannini Directors Floyd, Trygg, Holloway, Kielty, Flores

Noes: None

Abstain: None

Absent: None

There was no public comment.

Motion passed.

Moved by Director Flores and seconded by Director Holloway to adopt **Resolution No. 25-17** approving the appointment of Directors Giannini, Kielty, and Floyd to the Budget Committee.

Ayes: Chair Giannini Directors Floyd, Trygg, Holloway, Kielty, Flores

Noes: None

Abstain: None

Absent: None

There was no public comment.

Motion passed.

#### **IX. ADOPTION OF RESOLUTION APPROVING TO PURSUE A LINE OF CREDIT WITH WEST AMERICA BANK**

At the April 29, 2024 Board meeting, the Board authorized a \$7.5 million line of credit which was not utilized and was closed due to concerns over the pledge agreement that was in place with investment assets.

We are currently requesting authorization for \$3 million line of credit for the purpose of providing cash flow options to the operation of CFSA. This line of credit will be secured by a pledged asset account holding a portion of our long term investments with Schwab.

Moved by Director Floyd and seconded by Director Holloway to adopt **Resolution**

**No. 25-18** approving the establishment of a \$3 million line of credit with West America Bank. Before use of the line of credit CFSA Executive staff must notify the CFSA Board.

Ayes: Chair Giannini Directors Floyd, Trygg, Holloway, Kielty, Flores

Noes: None

Abstain: None

Absent: None

There was no public comment.

Motion passed.

## **X. INFORMATION ITEMS**

1. CFSA Investment Report
2. Special Events Update
3. Staff Reports:
  - a. Administrative Services
  - b. Risk Management
  - c. Finance
4. Executive Director's Report stood as presented.
5. Directors' Reports
6. Next Meeting: June 5, 2025

## **XI. PUBLIC COMMENT**

There was no public comment.

## **XII. CLOSED SESSION**

At 12:02 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:** Louie Vasquez

**Agency Claimed Against:** Santa Clara County Fair

**Claimant:** Jimenez

**Agency Claimed Against:** Merced County Fair 35<sup>th</sup> DAA

Regular Teleconference Meeting  
Page 8  
April 2, 2025

**Claimant:** Ricky Wizner

**Agency Claimed Against:** Cal Exposition and State Fair

**Claimant:** Yruegas

**Agency Claimed Against:** Santa Barbara County Fair 37<sup>th</sup> DAA

**General Liability Claims – Government Code Sec. 54956.95**

No General Liability claims

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

**Conference with Labor Negotiators Government Code Sec 54957.6**

### XIII. RECONVENE FROM CLOSED SESSION

The Board adjourned from closed session at 12:34 p.m. and resumed regular session.

The board approved a bonus of \$20k for the Executive Director.

### ADJOURNMENT

The meeting was adjourned at 12:35 p.m.

  
Laurie Giannini, CHAIR

ATTEST:

  
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John Quiroz, EXECUTIVE DIRECTOR