

7th District Agricultural Association / Monterey County Fair
2004 Fairground Road, Monterey, CA 93940
(831) 372-5863

Website: www.montereycountyfair.com

Email: info@montereycountyfair.com

BOARD MEETING AGENDA

Thursday, May 20, 2021 12:00 PM

Join Zoom Meeting

<https://us02web.zoom.us/j/7143722427?pwd=V0NPUVVHVGllS1Q4ck9YOTZSeld4QT09>

Meeting ID: 714 372 2427 Passcode: 343782

One tap mobile +16699009128

All matters noticed on this agenda may be considered for action. Items listed on the agenda may be considered in any order at the discretion of the Board President. Any item not so noticed will not be considered and discussed.

- A. CALL TO ORDER/ROLL CALL OF DIRECTORS PRESENT/EXCUSED
- B. INTRODUCTION OF GUESTS AND STAFF
- C. PUBLIC COMMENT ON ITEMS NOT ON THE AGENDA: In accordance with state law, the Board will not comment or otherwise consider public comment matters until and unless such items have been properly noticed for a future meeting.
- D. CONSENT AGENDA (Discussion/Action by Board)
All items on the consent agenda are to be approved in one motion unless a Board member Requests separate action on a specific item.
 - a. Review and Approval of meeting minutes: April 22, 2021
 - b. Review and Approval of Bills
 - c. Review and Approval of Contracts
- E. OLD BUSINESS (Discussion/Action by Board)
- F. NEW BUSINESS (Discussion/Action by Board)
 - a. Approve 2021 JLA Dedication
 - b. Approve 2021 WFA Blue Ribbon Award Winner
 - c. Approve reinstatement of full time status for CEO as of 6.1.2021
- G. REPORTS AND INFORMATION (Informational)

All Board meetings must be accessible to the physically disabled. Any person needing a disability- related accommodation or modification in order to attend or participate in any Board or Committee meetings or other Monterey County Fair activities may request assistance by contacting Kelly Violini at the Monterey County Fair Office, 2004 Fairground Road, Monterey, CA 93940 or by calling Kelly at (831) 372-5863.

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- a. Correspondence
 - i. CDFA/Fairs & Expositions
 - ii. CFSA

- b. Committee Reports
 - i. Fair Committee
 - ii. Buildings and Grounds
 - iii. SW/Interim Events
 - iv. Heritage Foundation

- c. CEO Report
- d. Staff Reports

H. MATTERS OF INFORMATION (Informational matters not related to the agenda)

- a. Directors Comments

I. ADJOURNMENT

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MONTEREY COUNTY FAIR, 7th DAA

Bill Payment List

April 2021

DATE	NUM	VENDOR	AMOUNT
113-010 CASH - OPER RABO BANK - ACCT# 0072086688			
04/05/2021	41653	ALI ELFAKI	-190.00
04/09/2021	41654	KEVIN SMITH	-200.00
04/13/2021	41655	CLS BOOKKEEPING SERVICES.	-572.50
04/16/2021	41656	KEVIN SMITH	-200.00
04/16/2021	41657	GLASTONBURY, INC. AUDIO VISUAL	-8,350.00
04/16/2021	41658	GLASTONBURY, INC. AUDIO VISUAL	-8,350.00
04/16/2021	41659	ELVI'S CLEANING SERVICES	-1,008.00
04/22/2021	41660	RAY THOMPSON	-33.67
04/22/2021	41661	DELTA DENTAL	-756.32
04/22/2021	41663	VOYAGER	-126.79
04/22/2021	41662	ULINE SHIPPING SUPPLY SPECIALISTS	-330.19
04/23/2021	41665	HOBART SALES AND SERVICE	-1,024.94
04/23/2021	41667	KELLY-MOORE PAINT COMPANY, INC.	-438.29
04/23/2021	41670	MIKESIGNS	-447.93
04/23/2021	41668	KEVIN SMITH	-200.00
04/23/2021	41666	HOME DEPOT	-1,433.89
04/23/2021	41671	MONTEREY BAY PARENT	-500.00
04/23/2021	41664	DASSEL'S	-817.88
04/23/2021	41669	L.A. HEARNE COMPANY	-534.34
04/23/2021	41675	STATE WATER RESOURCES CONTROL BOARD	-2,998.00
04/23/2021	41673	COASTAL VALLEY ELECTRIC	-1,885.00
04/23/2021	41672	CALIFORNIA AUTHORITY OF RACING FAIRS.	-1,679.25
04/23/2021	41674	MONTEREY ONE WATER	-6,826.21
04/23/2021	41676	MONTEREY MOOSE LODGE	-502.50
04/28/2021	41677	BRICKMAN MARKETING	-200.00
04/28/2021	41678	CALIFORNIA FAIR SERVICES AUTHORITY.	-5,759.69
04/28/2021	41679	THE BUZZ PR, LLC	-3,240.00
04/29/2021	41680	ELYSHA KENNEDY	-50.00
04/29/2021	41681	PATRICIA CLARK-GRAY	-100.00
04/02/2021	9875581	COMCAST	-370.12
04/02/2021	9875582	COMCAST	-650.34
Total for 113-010 CASH - OPER RABO BANK - ACCT# 0072086688			\$ -49,775.85

Interim Board Report May 2021

INTERIM

2021 Contracts									
STATUS	AGREE #	Name	Description	Amount	Date Booked	Event date			
IN PROCESS	21-1032	Carmen Perez	Quince	\$4,402.00	4/27/2021	7/31/2021			
IN PROCESS	21-1033	Bhaves Patel	1st birthday	\$2,206.00	4/26/2021	5/21/2021			
IN PROCESS	21-1034	Sonia Majano	Quince	\$3,299.00	4/27/2021	7/17/2021			
IN PROCESS	21-1035	Rosa Audelo (Sandoval)	Quince	\$3,701.50	4/28/2021	8/21/2021			
IN PROCESS	21-1036	Monterey Bay Charter School	8th Grade Graduation	\$1,325.00	5/3/2021	6/11/2021			
IN PROCESS	21-1037	Interim Inc	corporate meeting	\$2,833.00	5/3/2021	6/22/2021			
IN PROCESS	21-1038	North Monterey County High School	grad night/movie	\$800.00	5/10/2021	6/3/2021			
IN PROCESS	21-1039	Gladis Tena	Quince	\$3,490.00	5/12/2021	7/3/2021			
IN PROCESS	21-1040	Womens Council of Realtors	dinner	\$1,932.00	5/13/2021	9/16/2021			
Total Interim				\$23,988.50					

2022 Contracts									
Status	AGREE #	Name	Description	Amount	Date Booked	Event date			
IN PROCESS	22-1005	Juanita Llamas	Wedding	\$4,262.00	5/18/2021	7/2/2022			
Total Interim				\$500.00					

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Drive In Contracts									
Status	AGREE #	CONTRACTOR	Description	Amount	Date Booked	Event Date			
IN PROCESS	21-DR10	EOPS (MPC)	Awards ceremony only	\$1,525.00	4/29/2021	5/14/2021			
IN PROCESS	21-DR11	Santa Rita Teachers Assn	Awards + Movie Goonies	\$3,000.00	5/4/2021	5/21/2021			
Total Drive in Contracts				\$4,525.00					

Drive in Sponsors									
STATUS	AGREE #	SPONSOR	MOVIE/ DESCRIPTION	AMOUNT	DATE				
IN PROCESS	21-DS07	Central Coast Goodwill	National Treasure	\$2,500.00	7/3/21 5&8pm				
IN PROCESS	21-DS06	Monterey touring vehicles	Grease	\$500.00	5/29/21 5pm				
Total Sponsorships				\$3,000					

Drive in Buyouts									
STATUS	NAME	ORGANIZATION	MOVIE/ DESCRIPTION	AMOUNT	DATE				
IN PROCESS	Kelly Halcon	MST	Black Panther	\$1,000.00	6/19/21 8pm				
IN PROCESS		Palma Parents Club	mother son - Ferris Bueller	\$1,000.00	5/22/2021 5pm				
IN PROCESS	Rick Robledo	Calizona Car Club	Grease	\$1,000.00	5/22/21 8pm				
Total Buyouts				\$3,000					

Total Revenue	\$35,014
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422 Main Street • Salinas, CA 93901
Phone 831-771-4330 • Fax 831-422-7258

May 12, 2021

MAY 13 2021

7th District Agricultural Association
2004 Fairgrounds Road
Monterey, CA 93940

Re: Paycheck Protection Program Forgiveness Notification

Dear Borrower,

This is to notify you that your Paycheck Protection Program (PPP) loan ending was fully forgiven by the SBA. The bank received \$158,903.03 on your behalf and it has been applied to your PPP loan. No repayment on this obligation is necessary as it has been received in full from the SBA. As a final reminder, the SBA may perform a review or an audit of this loan at its discretion, please retain your PPP documentation for at least 6 years following being paid off or forgiven in full.

Please contact your loan officer, Joe Servi, at (831) 645-6567, should you have any further questions regarding this Notification.

Sincerely,

Pacific Valley Bank



CALIFORNIA DEPARTMENT OF
FOOD & AGRICULTURE
Karen Ross, Secretary

May 12, 2021

F2021-05

TO: All Fairground CEOs and Board Members

SUBJECT: Guidance for Fair Events and Livestock Events

The California Department of Public Health (CDPH) has added "Fairs" to the Blueprint guidance for Amusement Parks and Theme Parks. The guidance is effective April 15, 2021. If you plan to host a fair event, please work with local authorities for approval on a site-specific plan using the Amusement Parks and Theme Parks guidance.

If you plan to host livestock events please follow the Blueprint guidance for Outdoor Seated Live Events and Performances. In addition, a site-specific plan shall be developed and presented to local health authorities for their approval (attached is a sample site-specific plan) beyond what is in the Blueprint guidance for Outdoor Seated Live Events and Performances.

For general guidance on all other events, please follow the Industry Guidance to Reduce Risk. Please note fairgrounds were included in the Governor's Emergency Declaration and can be utilized at any time as needed for emergency state operations.

If you have any questions, please contact Mike Francesconi at (916) 900-5365 or at mike.francesconi@cdfa.ca.gov.

Sincerely,

Mike Francesconi
Branch Chief

Enclosure





CALIFORNIA DEPARTMENT OF
FOOD & AGRICULTURE
Karen Ross, Secretary

May 12, 2021

SITE-SPECIFIC WORK PLAN EXAMPLE JUNIOR LIVESTOCK PROGRAM (GRADING & MARKET)

PERSON(S) RESPONSIBLE FOR IMPLEMENTING PLAN

- *(CEO Name)*, CEO
Fair Name
- Livestock Superintendent Name
Livestock Superintendent

MEASURES TO PREVENT SPREAD (GENERAL)

Safety Controls:

- Unless part of a fair event, the fairgrounds will be closed to the public; only the participant and two members of their immediate family will be allowed onsite during scheduled grading times.
- All activities will be conducted outside with no indoor facilities used.
- Only registered, ticketed holders will be allowed to attend the market (recommend online registration).
- *(Fair Name)* Fair will maintain a record of participants, volunteers, leaders/advisors, and buyers attending to allow for traceability. A numbered system will be used for entry at the appropriate gate (numbered wristbands).
- Masks must be worn at all times; face masks will be available for those who need them. Face coverings must cover the nose and mouth.
- All individuals must sign a COVID-19 waiver prior to being granted access to the fairgrounds.
- Only two points of entry to the fairgrounds will be used and those gates will be manned by security to limit entry as well as enforce rules.



- Appropriate signage will be placed at entry points to inform participants they shall avoid entering if they have a cough or fever; maintain a minimum six-foot distance from non-household members; and not shake hands or make unnecessary physical contact.
- Physical distancing will be promoted and maintained.
- Signs will be posted throughout areas reminding participants of mitigation practices.
- Common areas will be marked to illustrate 6-foot distancing.
- Evaluation groups will be limited to less than 10 animals to allow for proper distancing.
- All group showing (pen of 5) are suspended.
- All facilities used will be set up to allow for appropriate social distancing (i.e. centrally located, larger sale ring).
- Animals are housed in pens by species, breed, and weight, respectively. We will not house animals per club this year. Animals may be moved after the final market class to align for the auction. The animal species stall tag must follow them to their housing pen at all times.
- .
- Multiple hand wash/hand sanitizer stations shall be set up around the grading and market areas.
- Restrooms and portable restrooms will be available with cleaning each hour.
- A first-aid station will be open during the entire event.
- All participants must leave the fairgrounds immediately following the grading of their animals and at the conclusion of the market event.
- Participants will be encouraged to bring their own water; no food or water will be provided onsite except for market day.
- A live feed of the evaluation process may be available for members of the public to watch from home.

Education and Training: All participants will be provided educational materials on COVID-19. Emphasis will be placed on the need for societal protection, including the importance of social distancing, frequent hand washing, use of face coverings, and avoidance of touching the eyes, mouth, nose, etc. Educational materials will be provided prior to the scheduled event and will be reinforced prior to each class grading. Signage will be posted at the event.

Screening: All participants, volunteers and staff will be screened at home prior to attendance using temperature or symptom checks following CDHP guidelines. No one will not be allowed on the grounds if they:

- Are sick or showing symptoms related to COVID-19 such as fever or chills, cough, shortness of breath, fatigue, muscle or body aches, headache, loss of taste or smell, sore throat, congestion or runny nose, nausea or vomiting, diarrhea.

- Have been in contact with someone who tested positive for COVID-19 within the previous 14 days.

Biosecurity Measures: While at the event, all participants will follow official Guidelines for COVID-19 for Livestock Markets (Month, Day, 202x) as follow:

- Do not enter the fairgrounds if you are or show signs of sickness such as cough or fever.
- Face covering/mask is required to be worn by all persons while on the fairgrounds.
- Do not shake hands or engage in any unnecessary physical contact.
- Always stay 6 feet (three paces) away from individuals not residing in the same household (physical distancing).
- Avoid touching face.
- Cover a cough with your elbow and sneeze into a tissue, if not available use your elbow.
- Frequently wash hands with soap and water for at least 20 seconds; if soap and water are not available, use alcohol-based hand sanitizer (Use alcohol-based sanitizer that is at least 60% alcohol).

Clean & Disinfect: frequently touched surfaces such as door handles/gate latches (including stall doors and bathrooms) and shared objects such as hoses, buckets, broom, pitchforks and clean daily or more frequently based on level of use. All volunteers/participants/exhibitors will be issued a pair of gloves to be worn while performing their assigned duties. Supplies will be readily available for the proper cleaning and disinfecting of areas. A check list will be used to assure that areas have been cleaned and disinfected. CDPH or CDC guidelines for proper cleaning and disinfecting will be followed.

MEASURES TO PREVENT SPREAD SPECIFIC TO ANIMAL GRADING

CDFA rules and guidelines for the grading and market of these animals include and are discussed in more detail in this section:

- Only one way directional traffic will be used to assure 6' distancing.
- Limiting the number of participants and spectators for each event.
- Adding pen space to allow social distancing.
- Allowing larger ring size and additional spectator bleachers to provide more room for social distancing.
- Prohibiting participants from loitering in barns with livestock.
- Animals housed on the grounds will be fed by leaders/volunteers.
- Washing and preparation of animals will be done at home prior to arrival. Washing and fitting will not be allowed on the fairgrounds.

- Following grading, all participants will be requested to leave promptly to meet social distancing requirements.
- Class sizes will be reduced to less than 10 animals per grading class to allow social distancing within the grading ring; social distancing will be practiced in the animal lineup.
- No handshakes for judges or hugs from other participants will be allowed – social distancing will be followed.
- Each participant will be limited to two spectators to accompany them to allow for adequate social distancing.
- Live video of grading may be provided for viewing at home.
- The entire grading ring area will be used to maximize bleacher and chair seating to allow for greater social distancing.
- Onsite barns will be fully open to allow the penning of animals to maximize social distancing while preparing to show.
- Club leaders and FFA advisors will be responsible for distancing, monitoring, and enforcement of provisions of exhibition; participants in violation will be removed from the grounds and not permitted to sell at the market.
- Animals will remain on the grounds prior to shipping; following sale of the project animal, participants will be asked to promptly leave the grounds to reduce the total number of people onsite at any given time.

Weigh-in for animals will be staggered to maintain physical distancing.

Grading should be staggered over several days to allow for adequate distancing. For example:
(List Fair JLA Species):

Wednesday	Lambs and Goats
Thursday	Swine
Friday	Steers, Rabbits

The animals must be cared for by volunteers, leaders and advisors (list time frame). Senior participants may also assist. Generally, participants will not be allowed onsite to care for animals. Participants who have already been graded will be asked to leave and not return to the fairgrounds until their auction time to assist in maintaining adequate social distancing.

MEASURES TO PREVENT SPREAD AT MARKET EVENT

Buyers include local businesses and individuals and may be onsite only a portion of the sale day. Numerous buyers are also represented by proxy.

Some events may chose to do an online auction only while other events may hold a modified in-person auction. If in-person, the objective for the sale is to reduce individual numbers of buyers to allow social distancing during the sale event. This will be done by:

- Limiting spectators.
- A numbered system of wristbands will be used for buyer's entry to limit number of buyers and will assist in traceability.
- The area of the market will be sectioned off to all to allow only buyers in the ring area.
- A small viewing area will be provided for parents, other family members, and leaders to watch an animal sell.
- Signage will be provided to remind buyers of social distancing rules and requirements; bleachers will be marked identifying 6-foot distances. The auctioneer will make periodic announcements to reinforce social distancing.
- Limit the number of members in a buyer group to less than 10 within the sale area.
- Following an animal's sale, a bank volunteer will provide the buyer with the required paperwork and sale record; the exhibitor will be responsible for thanking the buyer outside of the sale area at their place of business in the days following the sale.
- Hogs will not be moved across the auction floor. The exhibitor will be required to provide a photograph of the exhibitor and the hog for the auction event. The photograph will be posted on the screens in front of the buyers and only the individual will stand for the auction in the sale ring. This will significantly reduce the number of people required for livestock movement at the sale. It will also reduce chances for cross-contamination due to livestock handling as well as improve animal welfare.
- Bleachers will be sanitized as groups move around the area.
- Livestream auction and online live bidding will be included in the sale.
- All previous buyers will be called in advance and proxies will be obtained where possible to limit the number of actual individuals at the market.
- No buyers' breakfast will be served.
- Food and water will be provided in a "for take-out" venue; lunches and waters will not be delivered to buyers as in the past.
- Multiple hand-wash stations will be provided.

PROCESS TO CHECK FOR COMPLIANCE

Individuals found out of compliance will be asked to modify behaviors and, if behavior is not modified, the individual will be asked to leave.

During the sale, sale team members (auctioneer) will regularly remind patrons of the rules and request compliance.

UPDATE PLAN

The plan will be updated as new information from (*Fair County*) County, the State of California, and CDC becomes available. Should the State of California move into Phase 4 or additional changes be made prior to the (*Fair JLA Date*), this plan may be revised and reapproved by County Health Department staff.



April 23, 2021

Kelly Violini, CEO
Monterey County Fair & Event Center
2004 Fairground Road
Monterey, CA 93940

Dear Kelly,

This is the time of year when the CFSA Board of Directors sets final annual risk pool fees based upon CFSA's latest annual actuary reports, previous year-end budget, and the Annual Funding Goal per our Equity Allocation Policy. For 2021, the process was the same, however, trying to estimate the risk pools' exposure based on what activities will be allowed at participant fairgrounds in 2021 and what payroll will be was a more difficult task.

At the April 7 board meeting, the CFSA board voted to not change the risk pool base rates for 2021. This decision is supported by the information presented below.

After reviewing preliminary data last October, the Board directed staff to communicate with the members that CFSA was estimating the General Liability and the Workers' Compensation base rates would remain at the 2019 levels which we also used for 2020. At the time, we were hopeful our fairs would return to normal activity in 2021 so we estimated payroll at the 2020 levels plus 25%.

As it has been all through the COVID pandemic, things change weekly. In February of this year we were not optimistic that most of our fairground members would return to 2019-level activity so we chose to make our Workers' Compensation fee recommendations based upon the members own data supplied to us estimating their 2021 payroll. We will true-up Workers' Compensation fees in our traditional manner the following year.

Several members have already asked us about getting fee credits again in 2021 because they have already cancelled their annual fair on the traditional dates. Due to the uncertainty of what is going to actually happen in 2021, we do not expect to provide any fee credits in the 2021 calendar year.

In recent years we have used our Agency Equity Reserve to cover financial deficits in years when we did not collect enough in fees to cover claims costs for that program

year. For 2021 this reserve will help us maintain the Special Events pooled program that has suffered greatly due to the lack of activities allowed on fairgrounds in 2020.

Excess insurance is a significant cost factor that goes into our fee calculations. Due to the hard commercial general liability market and CFSA's high modification factor, we will have a 25% increase in our excess general liability coverage beginning July 1. Our excess carrier PRISM is a very large risk pool, however they purchase some of their excess coverage from the commercial market. The good news is that PRISM is a very hands-on excess carrier as they provide numerous risk control and member training opportunities for CFSA and all of our participants at no additional cost. These member services are invaluable.

The final component to our process is CFSA overhead. We cut overhead down to the bone in 2020 including staff. We continue to seek efficiencies in operational expenses as well as in staffing. As the fair season begins to open up and we bring our office back into onsite operation, we will need to increase some of our staffing but we are being very cautious and prudent looking at the use of part-time employees until the fair industry is back in full swing.

As we all venture back toward full operations at California fairgrounds, please remember there are many advantages for being part of risk pools:

Economies of scale benefits

- Access to insurance options through CFSA's excess carrier. PRISM's size provides more leverage in the insurance market. PRISM has been able to secure unique reinsurance agreements largely due to the Program's premium volume.
- Maintaining broad coverage. Public agencies with stand-alone placements are seeing reductions in their coverage limits and/or exclusions. Although the liability program continues to face the potential for coverage restrictions, PRISM, and hence CFSA, has largely been able to maintain broad coverage in the general liability program.

Equitability

- CFSA program participants with large loss experience have better coverage and premium options in the pool than finding coverage alone, but members with less severe loss experience also receive benefits from pooling as they are recognized and rewarded through fee reductions.
- CFSA's fee allocations utilize a modification factor which accomplishes a similar goal of shifting fee amounts in the risk pool between participants based on loss experience. Fees are shifted away from members with better claims experience to members with more adverse loss experience.

Risk Control/Transfer

- CFSA's proactive risk control program helps all of our pool participants prevent claims through our facility inspection and employee training programs.
- Contract insurance review for our liability pool participants is an invaluable tool in being able to transfer risk and claims to vendors, renters, etc., when accidents do occur.

CFSA appreciates your continued participation in our General Liability and/or Workers' Compensation Risk Pools and we will continue to work hard on providing you with all of your coverage needs backed up with exemplary services.

Your 2021 fee worksheet(s) is attached to this communication. If you have any questions on how your fee(s) was calculated, please contact CFSA CFO Raechelle Gibbons at rgibbons@cfsa.org or 916-263-6143.

We look forward to seeing many of you at your fairgrounds later in the year!

Sincerely,

A handwritten signature in black ink, appearing to be 'Rebecca', with a long horizontal flourish extending to the right.

Rebecca Desmond
Executive Director

**Fee Assessment
TRUE UP FINAL
Workers' Compensation Fee Calculation for Calendar Year 2021**

7th DAA, Monterey County Fair

2020 W-3 Medicare Wages (reported from Fair)	Form W-3 2020 wages (for info only)	426,540.16
2021 Volunteers	Hours x Minimum Wage (new \$14.00 for 2021)	4,984.00
2021 Total Payroll estimated	Wages + Volunteers (estimated for 2021 from Fair)	441,984.00
2021 Base Fee	Total Payroll x 6.1%/6.3% Rate	27,844.99
Capped Losses	January 1, 2015 - December 31, 2019	52,902.00
Cumulative Fees Paid	January 1, 2015 - December 31, 2019	156,904.55
Modification Ratio	80% to 170% Per Modification Rate Table	140%
2021 Modified Fee	Base Fee x Modification Rate	38,982.99
2020 Payroll from Fair	N/A because of Covid Credit	0.00
Actual vs. Estimated	N/A because of Covid Credit	0.00
2020 Fee	N/A because of Covid Credit	0.00
2020 Modification Ratio	0	110%
2020 Adjustment to Actual	N/A because of Covid Credit	0.00
2021 Total Fee	Modified Fee + or - 2020 Adjustment(N/A)	38,982.99
2020 Fee (includes covid credit)	Comparison To Last Year's Fee	26,212.32
2021 Original Estimated Fee	Pre-CFSA April Board Meeting based on estimated payroll	46,862.23

PAYMENT PLANS

Any questions please call Raechelle Gibbons at 916-263-6143 or
email address: rgibbons@cfssa.org

☐ **1 Lump-Sum Payment:**

2021 True Up Workers' Compensation Fee	\$0.00
	0.00
Less payment discount (1% if lump sum payment is received by January 25, 2021)	\$0.00
TOTAL LUMP SUM FEE WITH DISCOUNT PAID JAN.25, 2021	\$0.00

☐ **2 12 Monthly Installment Payment Plan:**

Original Estimated Workers Compensation Fee	\$46,862.23
2021 True Up Final Workers' Compensation Fee	\$38,982.99
FIRST 6 MONTH INSTALLMENTS JANUARY-JUNE 2021	\$3,905.19
ADJUSTED 6 MONTH INSTALLMENTS JULY-DECEMBER 2021	\$2,591.98
(6 installments Jan-June 2021 at Estimated Fees & 6 installments July-Dec 2021 at True Up Fees)	



CFSA UNDERWRITING POLICY (Updated 2/6/19)

A. Purpose

California Fair Services Authority (CFSA) has established underwriting criteria for the purpose of marketing to new and returning fairs and eligible fair-related public entities that participate in the CFSA Risk Pooling Programs (collectively referred to as “participating entities” or “members”). Underwriting information is also used for rate setting/fee calculations and measuring member performance, and may also be used if necessary to calculate member assessments. Underwriting standards and guidelines are outlined in the various governing documents, including the CFSA Joint Exercise of Powers Agreement (JEPA), the CFSA Bylaws, and CFSA Policies and Procedures. This Underwriting Policy provides a summary and highlights of much of the criteria utilized to complete the underwriting process.

B. Underwriting Function/Mission

Establishing underwriting criteria ensures that all CFSA coverage programs are analyzed for risk exposures, funding requirements, fee and assessment calculations, risk retention levels, compatibility between members, and serviceability by staff. Adherence to these Board approved standards and guidelines guarantees the continued financial viability and security of CFSA.

C. New and Returning Members

Requirements for admittance of new and returning members (“applicants”) to CFSA are set forth in the Joint Exercise of Powers Agreement (JEPA) and in Board policy. An applicant must meet these requirements for membership, as well as the parameters set forth in the California Joint Exercise of Powers Act, Government Code Section 6500, *et seq.*

The CFSA Board of Directors must approve the entry or re-entry by an applicant by a resolution. A new member agrees to participate as a member in a program for a minimum for five years. For a returning member, CFSA staff makes a recommendation to the Board for consideration of a request to rejoin CFSA with a recommended three to five year participation requirement.

D. Application Process

Any prospective applicant must follow this application process for joining the CFSA General Liability Program and/or the CFSA Workers’ Compensation Program (collectively “Core Risk Pooling Programs”):

- 1) The applicant sends a letter to CFSA expressing their interest or their request to participate in either or both of the CFSA Core Risk Pooling Programs.

1776 TRIBUTE ROAD, SUITE 100
SACRAMENTO, CA 95815
PHONE: (916) 921-2213 | FAX: (916) 646-1238

WWW.CFSA.ORG

- 2) Following the receipt of such a letter, CFSA's Risk Control staff will conduct a safety inspection of the applicant's site. The Risk Control staff will provide the applicant and CFSA's Board of Directors with their evaluation based on the inspection, and will include any recommendations for improvement.
- 3) The Risk Control staff will also review the applicant's current safety program and will offer their expertise in evaluating the applicant's existing program and in recommending training should the applicant join CFSA.
- 4) The Risk Department will require the applicant to submit existing lease and/or operating agreements, will evaluate any changes that might need to be made to the contracts which facilitate transferring risk, and will assist the applicant in bringing the agreements into compliance with required insurance requirements and language.
- 5) The applicant will provide the following information:
 - a) Underwriting data for the current year, including payroll, audited financial statements, budget, and other financial data as requested;
 - b) Payroll (including W3 reports) information and volunteer hours for the previous five years;
 - c) Five years of most recent STOP reports (or year-end financial reports);
 - d) Loss history for the previous five years, excluding the most recent year;
 - e) Copy of agreement, if member participates in an alternative work program with any local law enforcement agency.
- 6) Based on a review of the information submitted by the applicant, CFSA staff will make its preliminary recommendation to the Board for acceptance into the program.
- 7) If the applicant is a county fair or is operated by a non-profit corporation under the auspices of a county and is approved to join the Workers' Compensation Program, CFSA staff will assist the fair in obtaining a certificate of consent to self-insure from the State Department of Industrial Relations, Office of Self-Insured Plans.
- 8) In reviewing all of the information provided by the applicant and through Risk staff analysis, CFSA may solicit review by the underwriter for CFSA's excess or reinsurance coverages to evaluate any specific coverage issues.
- 9) In review of all of the information provided by the applicant and through Risk staff analysis, CFSA may solicit a review and input from the CFSA Risk Advisory Committee.
- 10) When a county fair, including a fair operated by a non-profit corporation under the auspices of a County, is approved to participate in CFSA's General Liability and/or Workers' Compensation Programs, a resolution for joining CFSA and

execution of the Joint Exercise of Powers Agreement for CFSA will need to be approved by the pertinent County Board of Supervisors. In some circumstances and pursuant to statute, a non-profit corporation operating a County fair may enter into a contract directly with CFSA for risk pooling services.

- 11) Upon completion of the above requirements, CFSA's Board of Directors will consider the applicant's request to join or re-join CFSA and, if approved, will adopt a resolution accepting the applicant as a participant in the General Liability and/or Workers' Compensation risk pool programs of CFSA.

E. Underwriting Guidelines

Any prospective member, including existing members of the JEPA not participating in a particular Core Risk Pooling Program, must meet the following minimum underwriting guidelines:

- 1) Have a loss ratio calculated for the past three years that does not exceed the average loss ratio of the current program members; and
- 2) Demonstrate a commitment to support risk management and safety programs to control and prevent claims.

The CFSA Executive Director, with the approval of the Board, may waive requirement E (1) above if circumstances so warrant.

F. Rate Setting/Funding Requirements

The CFSA General Liability and Workers' Compensation Risk Pool Programs will be funded each year after completion of independent actuarial studies and rates will be approved by the CFSA Board of Directors. Rates are established based on multiple factors, including:

- Payroll exposure, including reported volunteer hours rated at the state hourly minimum wage
- Revenues
- Claims history and loss modification factors
- Excess insurance/reinsurance expenses
- Claims administration expenses
- Loss control expenses
- Overhead expenses
- Consideration of the financial position and targeted equity in the pools

G. General Liability Fees

- 1) A "Risk Exposure Fee" is set annually for each CFSA Fair Class. Each member is assigned a CFSA Fair Class according to Five-Year Average Revenue.

CFSA Fair Class	Five-Year Average Revenue	2018 Base Fee
1	\$0 - \$450,000	\$8,319 - \$11,896*
2	\$450,001 - \$900,000	\$21,961
3	\$900,001 - \$1,750,000	\$41,178
4	\$1,750,001 - \$3,500,000	\$67,715
5	\$3,500,001 - \$8,000,000	\$124,781
6	\$8,000,001 - \$15,000,000	\$176,358
7	>\$15,000,001	\$232,925

*Fee for San Benito Saddle Horse Show - \$8,319; Fee for 48th, 51st, and 52nd District Agricultural Associations (“DAAs”): \$9,983, as these members do not have fairground facilities; All Others - \$11,896.

- 2) The process of rewarding members for good loss history and assessing more to members with poorer loss history begins by accumulating all incurred losses for a five-year period, excluding the most recent loss year.
- 3) In order to evaluate loss history with an emphasis on frequency of claims rather than severity of claims, the value of an individual claim is limited or capped. The increasing cap levels help define the increasing risk exposures between fair classes.

(see chart next page)

CFSA Fair Class	Capped Value Per Claim
1	\$20,000
2	\$25,000
3	\$30,000
4	\$35,000
5	\$40,000
6	\$50,000
7	\$70,000

- 4) For each member, the sum of all fees paid for a five-year period, excluding the most recent year, is computed.
- 5) For each member, the Member Capped Loss Ratio (MCLR) is calculated by dividing the total incurred capped losses by the total fees paid for the same five-year period.
- 6) The Fair Industry Capped Loss Ratio is calculated by dividing the total incurred capped losses for all members by the total fees paid by all members for the same five-year period.
- 7) The Member Loss Modification Factor (MLMF) comes from the following table for 2018 which is used to reward members with a Member Capped Loss Ratio lower than the Fair Industry Capped Loss Ratio and to assess more to members with a loss ratio higher than the industry loss ratio. Each year the table is reviewed and entries are adjusted based on the Fair Industry Capped Loss Ratio. No member may have a lower MLMF than 85% and a higher MLMF than 160%.

(see chart next page)

Range of MCLR (%)	2018 MLMF
= > 0 - <= 5	85%
> 5 - <= 7.5	90%
> 7.5 - <= 10	95%
> 10 - <= 15	100%
> 15 - <= 20	110%
> 20 - <= 30	120%
> 30 - <= 40	130%
> 40 - <= 50	140%
> 50 - <= 60	150%
> 60 - <= 70	160%

- 8) For each member, the annual Fee is calculated by multiplying the Base Fee for that member's CFSA Fair Class by MLMF.
- 9) The Base Fees may be adjusted annually to ensure that total targeted funding is achieved.
- 10) In addition to the Annual Fee, an additional fee for auto liability coverage is added to the Annual Fee for those members that purchase optional auto liability coverage.

H. Workers' Compensation Fees

- 1) Each member supplies CFSA with annual W-3 or IRS Form 6559 wage information on the Workers' Compensation Reporting Form. This form is received by CFSA by the end of February of each year.
- 2) For members choosing to cover volunteers under the Workers' Compensation Program, volunteer hours by category are also reported on the Workers' Compensation Reporting Form. The volunteer payroll for each member is calculated by multiplying the total reported volunteer hours by the state minimum wage rate for that year.
- 3) The total estimated payroll for a member for that year is the sum of values for 1) and 2)

above.

- 4) The Member Base Fee (MBF) is calculated by multiplying the total estimated payroll by the Base Fee Rate expressed as a percentage.
- 5) The process of rewarding members for good loss history and assessing more to members with poorer loss history begins by accumulating all incurred losses for a five-year period, excluding the most recent loss year.
- 6) In order to evaluate loss history with an emphasis on frequency of claims rather than severity of claims, the values of individual claims are limited or capped as follows:
 - a. First two claims, by injury date, exceeding \$25,000: Capped at \$25,000
 - b. Third claim, by injury date, exceeding \$35,000: Capped at \$35,000
 - c. Fourth claim, by injury date, exceeding \$50,000: Capped at \$50,000
 - d. Every claim thereafter, by injury date, exceeding \$75,000: Capped at \$75,000
 - e. Known fraudulent claim: Capped at \$10,000
- 7) For each member, the sum of all fees paid for a five-year period, excluding the most recent year, is computed.
- 8) For each member, the Member Capped Loss Ratio (MCLR) is calculated by dividing the total incurred capped losses by the total fees paid for the same five-year period.
- 9) The Fair Industry Capped Loss Ratio is calculated by dividing the total incurred capped losses for all members by the total fees paid by all members for the same five-year period.
- 10) The Member Loss Modification Factor (MLMF) comes from the following table for 2018 which is used to reward members with a Member Capped Loss Ratio lower than the Fair Industry Capped Loss Ratio and to assess more to members with a loss ratio higher than the Fair Industry Capped Loss Ratio. Each year the table is reviewed and entries are adjusted based on the Fair Industry Capped Loss Ratio. No member may have a lower MLMF than 80% and a higher MLMF than 160%.

(see chart next page)

Range of MCLR (%)	2018 MLMF
= 0	80%
> 0 - <= 5	85%
> 5 - <= 10	90%
> 10 - <= 15	95%
> 15 - <= 20	100%
> 20 - <= 25	110%
> 25 - <= 30	120%
> 30 - <= 40	130%
> 40 - <= 50	140%
> 50 - <= 60	150%
> 60 - <= 70	160%

- 11) The Modified Member Base Fee is calculated by multiplying Member Base Fee by MLMF.
- 12) The prior year fee adjustment is calculated by comparing prior year estimated payroll, including volunteers, previously reported to CFSA, to the actual payroll, including volunteers.
- 13) For each member, the final annual Fee equals Modified Member Base Fee plus or minus the prior year fee adjustment.
- 14) The Base Fee Rate may be adjusted annually to ensure that total targeted funding is achieved.

I. Fee Assessments

The Joint Powers Agreement and agreements with individual participating members state that the Board of Directors has the authority to assess fees including assessing any deficiencies in fees collected for a previous policy year from its Member Entities and Participating Entities. The CFSA Board of Directors adopted an Equity Allocation Policy (2/6/19) to allow for an

assessment of participants in the Core Risk Pooling Programs if projected risk pool target equity for a policy year is below the target equity.

- 1) If it is determined by the Board of Directors, upon consultation with an actuary, that the joint insurance funds for a program in a policy year are insufficient to pay losses, to fund known estimated losses, and to fund estimated losses which have been incurred but not reported, the Board of Directors may impose an assessment on all participating entities.
- 2) The assessment assigned to each participating entity will be calculated by determining each participating entity's percentage of total fees paid in the deficit policy year and applying the same percentage to the amount to be paid by the participating entity of the assessed loss of the deficit policy year.

For example: The 2019 General Liability policy year is determined to be \$100,000 in deficit. Fair A paid 5% of the total General Liability pool contributions in the 2019 policy year. Therefore Fair A's assessment is 5% of the deficit (\$100,000) which equals \$5,000.

- 3) An entity that is no longer a participating entity in a risk pool program at the time of the assessment is determined, but which was a participating entity during the policy year(s) for which the assessment is made, shall pay such assessment in accordance with the CFSA Joint Exercise of Powers Agreement dated October 20, 2008, Section 11 (h), Section 20 (b), and Section 22 (c).

J. Periodic Review

The Underwriting Policy is hereby established as set forth above, and will be periodically reviewed by the CFSA Board of Directors at least once every three years. Under the review, the Board will consider:

- 1) Is the process adequately measuring the risks?
- 2) Is the process adequately allocating costs and expenses?

The Board hereby delegates the underwriting function as outlined in the Policy to the Executive Director, for the sole purpose of addressing underwriting issues.

Kelly Violini

From: Francesconi, Mike@CDFA <mike.francesconi@cdfa.ca.gov>
Sent: Tuesday, May 4, 2021 8:13 AM
To: Kelly Violini
Cc: Teri Short
Subject: Insurance Coverage Limits \$25M
Attachments: CFSa UNDERWRITING POLICY 2-2019.pdf; Insurance Coverage Limits – Temporary Waiver

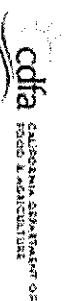
Hello Kelly

On December 30, 2020, the Fairs and Expositions Branch provided the 7th DAA a six-month waiver of procurement of General Liability insurance coverage with a minimum of twenty-five million dollars (\$25,000,000) per occurrence. The Department of General Services Office of Risk Management (ORIM) has not been able to get a quote to secure the twenty-five million dollars per occurrence as outlined in Circular Letter D2020-02. CFSa generally requires at least two-months to enroll a new fair into the liability insurance pool and the next fiscal year period starts on July 1, 2021. At this time, you will need to start the application process outlined in the CFSa underwriting policy (attached) and schedule a site visit. In addition, the excess insurance carrier PRISM is requiring a 10-year loss history. The DAA will need to schedule and have CFSa complete a site visit by no later than May 17th as new applications at will need to be approved at the next CFSa Board of Directors meeting scheduled for June 2nd. If you have any question on the application process, please contact CDFA Executive Director Rebecca Desmond at rdesmond@cfsa.org or Deputy Executive Director John Quiroz at iquiroz@cfsa.org.

Thanks

Mike

Mike Francesconi
Branch Chief
CDFA Fairs and Expositions
Ph (916) 900-5365
mike.francesconi@cdfa.ca.gov



Kelly Violini

From: Francesconi, Mike@CDFA <mike.francesconi@cdfa.ca.gov>
Sent: Wednesday, December 30, 2020 5:27 PM
To: Francesconi, Mike@CDFA; Diaz, Kathy@CDFA
Cc: Willson, Carrie@DGS; Carroll, Christopher@DGS
Subject: Insurance Coverage Limits – Temporary Waiver
Attachments: D2020-02 - Insurance Coverage Limits Final 5.18.20.pdf; sample CA fair-festival policy.pdf

To : DAA CEOs and Board Presidents

Subject: Insurance Coverage Limits – Temporary Waiver

The purpose of this email is to provide guidance regarding a six-month temporary waiver of procurement for General Liability Insurance coverage with a minimum of twenty-five million dollars (\$25,000,000) per occurrence. This six-month waiver is for the period of January 1, 2021, through June 30, 2021, and is applicable to the following District Agriculture Associations:

- 7th DAA – Monterey County Fair
- 35th DAA – Merced County Fair
- 40th DAA – Yolo County Fair
- 52nd DAA – Sacramento County Fair

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This waiver will allow these four DAA's to obtain general liability insurance through the Department of General Services Office of Risk and Insurance Management (ORIM) at a minimum level of six-million dollars (\$6,000,000) per occurrence and ten-million dollars (\$10,000,000) aggregate. This temporary waiver is in response to ORIM notifying CDFA that they were not able to secure a quote for twenty-five million dollars (\$25,000,000) per occurrence of general liability insurance as outlined in Circular Letter D2020-02.

The waiver period will allow ORIM an opportunity to see if they can receive a quote for twenty-five million dollars (\$25,000,000) per occurrence of general liability insurance. If ORIM does not receive a quote by April 15, 2021, these DAA's will need to take the necessary steps to join the California Fair Service Authority (CFSA) general liability insurance pool. CFSA generally requires at least two-months to enroll a new fair into the liability insurance pool and the next fiscal year period starts on July 1, 2021. Insurance plans terminated prior to the expiration date have a short rate provision where a certain percentage or minimum premium is kept by the insurance company (see page 3 of sample fair policy). Outside of that, there should not be any penalties for early termination.

If ORIM does receive a quote that meets the CDFA minimum insurance coverage requirements, then the DAA will be able to compare annual insurance premiums and choose either ORIM or CFSA to purchase liability insurance. These DAA's are required to acquire a general liability insurance policy that meets CDFA minimum standard at the soonest available time that this is available. If this requirement is not met, then any potential allocation of funds in 2021 will be withheld. The expectation is that your fair transition as soon as possible to an insurance policy that meets CDFA standards outlined in Circular Letter D2020-02.