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ACRONYMS
100 GOVERNANCE OF FAIRS

100 OVERVIEW

Each director is a voting member of the Board charged with the authority and responsibility to develop policies, procedures, and regulations for the operation of the fair; to monitor the fair’s financial health, programs and overall performance; and, to provide the chief executive officer (CEO) with the resources to meet the needs of the fair.

101 BOARD’S ROLE IN THE GOVERNANCE OF FAIRS

The Fair Board (Board) works together with the Chief Executive Officer (CEO) to focus on policy objectives; the operational, financial and administrative functions of the fair; strategic planning strategies; the budget, and the long term welfare of the fair. The Board sets broad policies and goals, giving the CEO the support and full authority to implement them in the day-to-day management of the fair. It is important that the CEO and Board develop and implement fiscal and operational policy and procedures which instill “best business practices” principles. Individual members of the Board have no authority to act independently of the full Board. Appendix A of this chapter identifies the general division of responsibilities between the Board of Directors and the CEO.

Responsibilities of the full fair board include:

- Establish policy
- Hire the CEO
- Prepare an annual performance evaluation for the CEO
- Provide guidance on the fair’s long-term goals and expectations
- Develop the fair’s strategic plan (updated every three years)
- Ensure the fair implements “best business” practices (refer below for additional information)
- Adopt a balanced Operating Budget
- Monitor finances to ensure the fair remains a viable going concern
- Support the fair’s full Board of Directors and establish annual goals and objectives
- Adopt key operating policies and procedures
- Develop, support, and encourage positive community and business relations

Individual board member responsibilities include:

- Actively support all fair activities, including interim activities and fair-sponsored events
- Attend all Board meetings well-prepared and well-informed
- Actively participate in fair meetings and conferences sponsored by its business partners (i.e., Fairs and Expositions, Western Fairs Association, California Fairs Alliance)
- Consider other points of view, make constructive suggestions and help the Board make decisions that benefit the fair and the community it serves
- Serve and rotate on committees
• Represent the fair to individuals, the public, and, other fairs and associations
• Assume Board leadership roles when requested

101.1 Board's Work Plan
One of the Board's self-management tools is a written work plan, which should be formulated annually for the Board as a whole, as well as for each standing committee. Plans need not be complicated. They should, however, list the Board's and each committee's objectives and priorities for the coming year.

101.2 Board and Committee Meeting Attendance
Full participation, including regular attendance at Board and committee meetings, is an obligation of Board membership. Directors should expect to serve as members and leaders of Board committees and task forces and to attend as many Board meetings as possible throughout the year. Regular attendance is one of the criteria the Governor's Office considers in re-appointing members to District Agricultural Association (DAA) Boards. State law provides that any DAA director who misses three consecutive regular meetings of the Board, without permission of the Board, is deemed to have resigned as a director.

101.3 New Board Member Orientation
Every fair should conduct orientation programs for new Board members. Orientation should include a thorough review of the Board's basic responsibilities, and an overview of current issues, major policy and strategy questions on record and those on the horizon, focusing on the fair. Specific examples, drawn from the fair’s recent history, should be cited to illustrate the scope and process of Board oversight. The CEO should prepare this material in consultation with the Board.

101.4 Board Member Resignation (DAAs Only)
The Appointments Secretary in the Governor's Office considers a DAA director to have resigned upon the Governor's receipt of written notice from either the director or the Fair Board President (acting upon direction of the Board). The resigning director may serve until replaced. A director whose term has expired also may serve until replaced or re-appointed by the Governor.

102 CEO's ROLE IN THE GOVERNANCE OF FAIRS
CEOs assist the Board in formulating the fair's policies and annual plan of business strategies. Following established strategies, the CEO should prepare an annual concise progress report which recommends ways the Board may develop its annual work of the Board and its committees in relationship to the fair's strategic priorities. By identifying issues, framing the questions, and presenting the information needed for decision making the CEO shapes the discussion that precedes actions taken by the Board.
102.1  Board Meeting Agenda
At least ten (10) days before each Board meeting, the CEO sends the directors an agenda for the meeting and a packet of relevant background materials, and the current financial status of the fair. Notice shall also be given and made available on the Internet at least ten (10) days in advance of the meeting, and shall include the name, address and telephone number of any person who can provide further information prior to the meeting. As mandated by open meeting laws, the agenda must include a brief description of all items scheduled for discussion. The description of an item generally need not exceed twenty (20) words. Fair directors are responsible for compliance with open meeting laws.

103  LEGAL OBLIGATIONS
The legal obligation of Board membership is governed by multiple sources. At the most basic level, the governing body of any legally constituted organization is responsible for ensuring that all operations conform to applicable laws and regulations. In general, non-DAA Boards should understand that the law treats nonprofit and for-profit corporations similarly, meaning that every Board member is a trustee responsible for the funds that the organization raises, accepts, and disburses.

103.1  Majority Rule
The authority of an organization is vested through the presence of a majority of its members. Each Board member has an equal voice during topic discussion(s). Fairness and the good faith of Board members and the presiding officer characterize voting at Board meetings. After the vote, the decision of the majority becomes the decision of the Board. It is the duty of every Board member to accept, support, and abide by any decision that has been approved by a majority of directors.

103.2  Quorum
A quorum is the number of members who must be present at a meeting to conduct business and vote. Until a quorum is present, no business may be transacted and no voting may take place. The members present may, however, enter into an open discussion of items on the agenda. A quorum always refers to the number required to be present to make motions and vote. Further, anytime more than two (2) Board members (applies to District Agricultural Associations only) join together and discuss Board business, it is considered a Board meeting. And, as such, an agenda and

---

1If your fair is a DAA, the fair should have a copy of a report prepared by the Attorney General's Office: Bagley-Keene Open Meeting Act, with amendments; this report covers open meeting requirements applicable to state agencies. If your fair is not a DAA, the fair should have a copy of The Brown Act, also prepared by the Attorney General's Office; this report covers open meeting requirements applicable to local agencies. Refer to the Appendix, Section 500 for a copy of these documents. Your CEO can obtain additional copies by calling the Publications Office in the Department of Justice in Sacramento at 916.324.5765 or by Internet at www.caag.state.ca.us
notice to the public under the applicable meeting laws must have been given. In absence of proper public notification, Board business may not be discussed.

103.3  Potential for Personal Liability

Board members should be aware that if they actively participate in or direct the CEO or staff to take actions that are prohibited by federal, state, or local laws, they may be subjecting the fair and themselves to liability. Whether an organization is nonprofit or for-profit, the law provides that when losses occur, Board members cannot legally excuse themselves with a claim of ignorance of the transactions under review, or of the potential implications of actions upon which the Board has voted. If directors consciously or by indifference seek to avoid knowledge of unlawful activity where they have authority to prevent the unlawful activity, they may potentially be held personally liable for the consequences.

103.4  Legal Liability for Public Meetings

If it can be shown that those responsible knew in advance that a meeting took place in violation of the law, a district attorney has the prerogative to pursue enforcement of public meeting laws as either a civil or criminal proceeding. Other public officials, as well as private parties, also may initiate litigation of meeting law violations, including requesting that Board actions taken at illegally held meetings be invalidated. Under some circumstances, prevailing parties are entitled to attorney fees.

103.5  Sexual Harassment

Sexual harassment in employment is a form of illegal sex discrimination that occurs when unwelcome conduct on the basis of an individual’s gender affects that person's job. Title VII of the Civil Rights Act of 1964, California Government Code Section 12940 and the California Fair Employment and Housing Act protects both men and women from sexual harassment. Sexual harassment debilitates morale, causes emotional stress and physical damage, interferes with work productivity, and undermines the integrity of the employment relationship. It is a costly form of discrimination that can result in back pay or punitive damage awards, legal costs, and disciplinary actions against employees, including dismissal. Board member may also be charged and held responsible.

2NOTE: Refer to Chapter 300, Appendix C: for a summary of California's conflict of interest laws prepared by the Attorney General's Office.

3Fair Board directors are responsible for knowing and obeying open meeting laws. If your fair is a DAA, the fair should have a copy of a report prepared by the Attorney General's Office: Bagley-Keene Open Meeting Act, with amendments; this report covers open meeting requirements applicable to state agencies. If your fair is not a DAA, the fair should have a copy of The Brown Act, also prepared by the Attorney General's Office; this report covers open meeting requirements applicable to local agencies. Refer to the Appendix, Section 500 for a copy of these documents. Your CEO can obtain additional copies by calling the Publications Office in the Department of Justice in Sacramento at 916.324.5765 or by Internet at www.caag.state.ca.us
The fair must investigate all allegations of sexual harassment properly and adequately. DAAs must also report every allegation of sexual harassment to CDFA even if the complaint is withdrawn or the complainant requests that no action be taken.

**Board Liability:** It is the responsibility of the management of the fair to minimize and ultimately eliminate discrimination from the workplace. The Board may be liable if the fair fails to take immediate steps to conduct an official investigation of a sexual harassment complaint. Appendix B of this Chapter is Department of Food and Agriculture’s (CDFA) Sexual Harassment Prevention Policy, and CDFA’s Discrimination Complaint Procedure, which may be used to assist directors of DAAs in establishing and implementing a policy for their fair.

**Training requirement:** It is the policy of CDFA that all Fair Board Directors, Chief Executive Officers, and staff with supervisory responsibilities are trained to recognize conduct which has been interpreted by courts or administrative agencies as sexual harassment. (See Appendix B of this Chapter)

**103.6 Retaining of Legal Counsel**
District Agricultural Associations are required to utilize the services of the California Attorney General’s Office in legal matters and to reimburse that office for the services obtained. The state Attorney General does not provide legal representation on behalf of county or citrus fruit fairs. Provision for obtaining legal counsel may be specified in each county fair’s agreement with its host county government. All fairs must conform to whichever rules apply, even if free or less expensive legal services are offered. In all cases, care should be taken to reduce or eliminate the possibility of litigation through the exercise of common sense, fair dealing, and good management.

**104 LEGISLATIVE PROTOCOL (DAAs)**
The Legislative Coordinator in CDF A centrally manages legislative activity affecting DAAs. F&E assists in developing positions on relevant pending legislation by providing the Governor’s Office with technical analysis of the potential impacts of proposed legislation and a recommended position. DAAs are not authorized to take independent positions on legislation or to provide testimony at legislative hearings regarding bills on which the Governor’s Office has not issued an approved position.
OBLIGATIONS TO THE FAIR AND THE COMMUNITY

Board members represent their community's interests through effective management of fairgrounds operations. In accepting appointment, or election, to a Fair's Board, a director implicitly makes a commitment both to the fair and the community to exercise the duties of office as a policy maker, including the following:

- Write a mission statement and review it annually to ensure it expresses the intent of the Board and is responsive to community needs and realities.
- Gain and maintain familiarity with the fair's policies, budget, services, strengths, and needs.
- Conduct the fair's business as a good steward, with integrity and in keeping with the highest ethical standards.
- Attend Board meetings regularly.
- Review and understand all information contained in the fair's budget and financial statements.
- Serve on Board committees and task forces, both as a dependable member and a leader.
- Put the interests of the fair above special interests.
- Avoid conflicts of interest and incompatible activities including but not limited to the perception of conflicts of interests in all fair-related activities and decisions.
- Treat equitably and equally all parties that do business with the fair.
- Actively support the fair through contributions of time and professionalism.
- Stay informed of trends in the fair industry and pending legislation, which would affect the fair and/or the industry as a whole.
- Ensure the fair's strict adherence to all applicable laws, regulations, policies, and procedures.
- Establish procedures for entering into sponsorship agreements; assist CEO in identifying local sponsors for the fair.
- Assist the CEO and the fair in addressing local political issues that may impact fair operations.
# Appendix A

## Areas of Responsibility

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<td><strong>Day-to-day operations</strong></td>
<td>Makes all decisions regarding daily operations</td>
<td>No role</td>
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<td><strong>Short-term goals</strong> (less than one year)</td>
<td>Establishes and carries them out</td>
<td>Monitors performance of CEO in accomplishing short-term goals he or she has set</td>
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<td><strong>Long-term goals</strong> (more than one year)</td>
<td>Recommends and provides information</td>
<td>Approves long-term goals</td>
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<tr>
<td><strong>Budget</strong></td>
<td>Develops and recommends annual budget</td>
<td>Approves annual budget</td>
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<tr>
<td><strong>Fees and charges</strong></td>
<td>Develops fee schedule</td>
<td>Approves fee schedule</td>
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<td><strong>Personnel policies</strong></td>
<td>Recommends and administers</td>
<td>Approves recommended policies</td>
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<td><strong>Staffing</strong></td>
<td>Makes all hiring decisions</td>
<td>Authorized to select only the CEO</td>
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<td><strong>Staff salaries</strong></td>
<td>Approves salaries, based on state/county guidelines, union contracts, and recommendations from supervisors</td>
<td>Approves line item for salaries in annual budget</td>
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<td><strong>Staff assignments</strong></td>
<td>Makes all decisions regarding deployment of staff</td>
<td>No role</td>
</tr>
<tr>
<td><strong>Staff grievances</strong></td>
<td>CEO hears all grievances, manages process for addressing them</td>
<td>No role</td>
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<tr>
<td><strong>Staff evaluation</strong></td>
<td>Evaluates overall staff performance, with input from supervisors</td>
<td>Evaluates performance of CEO only</td>
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<td><strong>Staff terminations</strong></td>
<td>Makes final decisions with input from supervisors</td>
<td>Authorized to terminate only the CEO</td>
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<td><strong>Capital purchases</strong></td>
<td>Prepares requests</td>
<td>Approves requests as line item in annual budget</td>
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<td>AREA OF RESPONSIBILITY</td>
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<td>Decisions on building, renovation, leasing, expansion</td>
<td>Recommends, signs contracts with Board approval</td>
<td>Makes decisions, assumes financial resources</td>
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<td>Emergency repairs</td>
<td>Notifies Board chairperson and acts with chair's concurrence</td>
<td>Works with CEO to respond to emergencies</td>
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<td>Major repairs</td>
<td>Obtains estimates and prepares recommendation</td>
<td>Approves recommendation</td>
</tr>
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<td>Minor repairs</td>
<td>Authorizes repairs up to amounts pre-approved by Board</td>
<td>Establishes policy which specifies amounts CEO may spend without prior Board approval</td>
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<td>Cleaning and maintenance</td>
<td>Establishes and monitors schedule</td>
<td>No role</td>
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<td>Contracts</td>
<td>Negotiates and signs contracts within parameters set by Board and state/county to secure services for purposes in keeping with the fair’s plan and budget</td>
<td>Establishes policy which specifies amounts CEO may spend without prior Board approval</td>
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<td>Supply purchases</td>
<td>Purchases supplies according to Board and state/county policy and maintains audit trail</td>
<td>Establishes purchasing policies and annual budget for supplies</td>
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<td>Risk Management Policy and Program</td>
<td>Develop and implement a written safety plan and strategy which includes regular training</td>
<td>Approves program and policy</td>
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<td>Statement of Operations</td>
<td>Prepare and submit to F&amp;E</td>
<td>Review and be informed about the fiscal viability of the fair</td>
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<tr>
<td>Billing, credit, collections</td>
<td>Proposes and implements policy</td>
<td>Approves policy</td>
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State of California
Memorandum

To: ALL EMPLOYEES

Date: August 15, 2006

Place: Sacramento

Telephone: (916) 654-0433

From: Department of Food and Agriculture - A.G. Kawamura, Secretary

Subject: Sexual Harassment Prevention Policy

Attached is the Department’s revised Sexual Harassment Prevention Policy. Please take the time to review and become familiar with this important policy.

I would like to remind all employees of the California Department of Food and Agriculture (CDFA) that the management of this Department and I are committed to a work environment that is free from sexual harassment.

Sexual harassment is unlawful. It is a form of discrimination that debilitates morale, causes emotional distress and physical damage, interferes with work productivity, and undermines the integrity of the employment relationship.

Retaliation against a person for engaging in a protected activity is also unlawful. Protected activities include filing a discrimination complaint, participating in the EEO complaint investigation process, and opposing discriminatory practices.

CDFA has a “Zero Tolerance” sexual harassment prevention policy. “Zero Tolerance” means that violation of this policy will not be tolerated and CDFA will take appropriate disciplinary action, up to and including termination, even if the behavior does not meet the legal definition of “sexual harassment.”

We will continue to focus on prevention by educating all supervisors and managers as to what constitutes sexual harassment, how to prevent it, and what their responsibilities are if it occurs. Managers and supervisors are required to take training every two years. All CDFA employees are required to attend sexual harassment prevention training as soon after being hired as possible. In addition, supervisors and managers are required to discuss sexual harassment prevention and CDFA’s policy annually with their staff.
I am asking that all supervisors and managers be proactive in ensuring that all employees receive the required training. The Training Office and the Equal Employment Opportunity (EEO) Office are available to assist in achieving our goal.

I want every CDFA employee to feel free to notify management about any sexually harassing situation, so that expedient corrective measures can be taken. Please let your supervisor and/or manager know of the situation or contact CDFA’s EEO Office immediately.

If an employee of CDFA is found to have violated the Department’s policy, immediate corrective action will be taken.

Any questions regarding this policy should be directed to CDFA’s EEO Office at (916) 654-1005 or CALNET 8-464-1005.
Sexual Harassment Prevention Policy

Established: April 23, 1981
Revised: August 15, 2006

Policy

Sexual harassment is unlawful and will not be tolerated. The policy of the California Department of Food and Agriculture (CDFA) is “Zero Tolerance” of sexual harassment. This includes zero tolerance for inappropriate, discourteous behavior of a sexual or gender-based nature. Just what does zero tolerance mean? Any CDFA employee who is found to have violated the Department’s policy will be subject to some form of corrective action, up to and including dismissal, based on the severity of the conduct.

All employees of the Department are entitled to a work environment free from any form of discrimination, including sexual harassment. Activities outside of the work place sponsored by CDFA or CDFA Programs are considered part of the work environment and are subject to this policy. All appointees, managers, supervisors, and employees are expected to adhere to a standard of conduct that is respectful of all persons within the work environment. All employees are expected to take proactive steps to vigorously and visibly demonstrate their support for a harassment-free work place and their strong disapproval of sexual harassment as well as disapproval of inappropriate conduct/behavior of a sexual or gender-based nature.

CDFA acknowledges that even though some inappropriate behavior/conduct may not be so serious as to be unlawful, the conduct falls short of being the acceptable, courteous, respectful and professional workplace behavior that is expected by CDFA. CDFA will not wait to enforce its policy until conduct reaches an unlawful level. CDFA employees need not break the law in order to be disciplined for violation of the zero tolerance policy. The conduct CDFA requires of its employees is respect and professionalism.

CDFA will not tolerate any form of harassment or retaliation for objecting to such conduct. Any employee determined to have committed acts of discrimination or retaliation shall be subjected to appropriate disciplinary action, including, but not limited to, reprimand, suspension, demotion, or dismissal, as well as civil liability.

CDFA has a legal obligation to ensure that the work environment is free from sexual harassment. CDFA is responsible for the actions of managers and supervisors and is responsible for acts of other employees and non-employees if its management knew or should have known of such acts and failed to take timely and appropriate action. CDFA is responsible for investigating complaints of sexual harassment in a timely and thorough manner and taking appropriate action to end any sexual harassment.
Sexual Harassment Prevention Policy

This responsibility applies even if the complaint is withdrawn or the complainant requests that no action be taken. Once a sexual harassment complaint has been filed, CDFA is legally obligated to ensure that the work environment is free of discrimination. Prompt, appropriate action will avoid or minimize the incidents of sexual harassment and potential liability. We must each take responsibility for our actions and conduct in the workplace.

Please contact the EEO Office at (916) 654-1005 if you have any questions regarding this policy, wish to file a complaint of sexual harassment, or wish to seek advice, guidance or consultation regarding a situation of sexual harassment.

Authority

- Title VII, Civil Rights Act of 1964 (42 United States Code (U.S.C.) 2000e et seq.)
- California Fair Employment and Housing Act (FEHA) (California Government Code sections 12900-12996)
- California Government Code section 18500
- California Government Code sections 19700-19706
- California Code of Regulations, title 2, section 547
- California Code of Regulations, title 2, section 7287.8
- 29 Code of Federal Regulations (CFR) section 1604.11
- Governor's Executive Order D-54-79
- Governor's Executive Order S-6-04

What is Sexual Harassment

Sexual harassment in employment is a form of illegal sex discrimination that occurs when unwelcome conduct on the basis of an individual's gender affects that person's job. Title VII of the Civil Rights Act of 1964, California Government Code section 12940, and the California Fair Employment and Housing Act protect both men and women from sexual harassment. The Equal Employment Opportunity Commission guidelines defines sexual harassment as follows:

*Unwelcome sexual advances, requests for sexual favors and other verbal or physical conduct of a sexual nature constitute sexual harassment when:*

- Submission to such conduct is made either explicitly or implicitly a term or condition of an individual's employment;
Sexual Harassment Prevention Policy

- Submission to or rejection of such conduct by an individual is used as the basis for employment decisions affecting such individual; or
- Such conduct has the purpose or effect of unreasonably interfering with an individual’s work performance or creating an intimidating, hostile, or offensive working environment.

Types of Sexual Harassment

Sexual harassment falls into two categories: Quid Pro Quo and Hostile Work Environment.

- **Quid Pro Quo**: The traditional demand of sexual favors in exchange for a job benefit or continued employment is *quid pro quo* sexual harassment – literally, “this for that.” It is unwelcome conduct based on an employee’s gender that affects a term or condition of employment (29 CFR § 1604.11 (a)).

  By its nature, *quid pro quo* harassment can be committed only by a supervisor or someone with authority over the victim, who can confer or withhold a job benefit. It involves actual economic loss if the harasser’s demands are not met and is recognized easily by the courts. To be actionable, tangible job action must have occurred; the threat must be carried out. Men as well as women can be victimized by this type of sexual harassment.

- **Hostile Work Environment**: A hostile work environment involves unwelcome conduct/behavior based on the victim’s gender that affects a term, condition, or privilege of employment. The conduct must be sufficiently severe or pervasive to alter the conditions of the victim’s employment and to create an abusive work environment (*Meritor Savings Bank v. Vinson*, 477 US 57, 196 S. Ct 2399 [1986]).

  The harassment does not have to cause mental or physical harm to create a hostile work environment. As long as the environment is reasonably perceived as hostile or abusive, there is no need for it also to be psychologically injurious. If a reasonable person would find the conduct so altered working conditions that it made it more difficult to do the job, sexual harassment has occurred (*Harris v. Forklift Systems, Inc.*, 510 US 17, 114 S. Ct. 367 [1993]).

  Hostile work environment sexual harassment can be harassment by a superior of a subordinate employee, harassment by an equal co-worker, or harassment by a client, customer, or vendor.

  To be actionable, the gender-based conduct that is allegedly sexual harassment must be unwelcome (29 CFR § 1604.11 (a)). Joking, sexual innuendoes and dating between co-workers is not sexual harassment if it is not unwelcome.
Sexual Harassment Prevention Policy

To be unlawful, gender-based harassment has to be pervasive or severe enough to alter the conditions of the victim’s employment. Trivial, isolated incidents will not constitute a hostile work environment. Moreover, the conduct generally must be repetitive; however, a one-time occurrence sometimes will be sufficient, especially when physical behavior is involved.

Courts look at the following factors to determine whether the behavior has created a hostile work environment:

- Whether the conduct was physical or verbal;
- How frequently the conduct occurred;
- Whether the conduct was blatantly offensive;
- Whether the harasser was a supervisor;
- Whether more than one person harassed the victim; and
- Whether the harassment was directed at more than one individual.

Asking a co-worker for a date, or occasional teasing, crude jokes or sexual remarks will generally not be considered sufficient to create a hostile work environment.

Sexual harassment can also occur between members of the same sex. The conduct is the determinative factor.

Inten vs. Impact

The intent of the alleged harasser is irrelevant in the determination of what is “unwelcome.” Whether the conduct is considered unwelcome is determined by the recipient of the behavior. It is the impact of the behavior, how that behavior is perceived, not the intent of the alleged harasser, that determines whether or not the conduct/behavior is sexual harassment.

Forms of Sexual Harassment

Sexual harassment manifests itself in many forms. The question is whether the conduct can be reasonably perceived as creating a hostile work environment or demanding a quid pro quo. The following are a few examples of sexual harassment. This is not an all-inclusive list:

- **Verbal examples:** Sexual advances, including blatant advances as well as continuing to express sexual interest in someone after being told that the invitation is unwelcome; gossip, sexual slurs and referring to someone in sexual terms; sexual jokes; lewd remarks, ridicule or nicknames that refer to sexual
Sexual Harassment Prevention Policy

fantasies or preferences; reprisal, threats of reprisal or implied threats of reprisal following a negative response to an advance; referring to a person’s body parts, whistles, and catcalls; remarks about the details of one’s sex life or sexual orientation.

- **Physical examples:** Touching, including a hug, pinch, kiss, patting, stroke on a body part, brushing against or poking another employee, grabbing, picking someone up, pulling someone into your lap, fondling, massaging; rubbing up against someone; standing uncomfortably close to another person; impeding or blocking movement or passage; following someone; requiring an employee to wear sexually suggestive clothing.

- **Visual examples:** Sexual gestures, exposing private body parts; leering (looks which undress with the eyes and result in creating discomfort in the recipient); posters/calendars that are sexually suggestive or explicit or potentially offensive to someone else; notes, letters, or e-mails that are sexually explicit, contain propositions, or are suggestive; suggestive or explicit literature, poems, posters or drawings; unwanted love letters or notes; displaying sexual pictures, writings, or objects.

- **Sexual Favors:** Unwanted sexual advances that condition employment benefits upon sexual conduct. This may include situations that began as reciprocal attraction but later ceased to be reciprocal; or the individual is treated less favorably than others who have acquiesced to sexual advances. Repeated requests for dates; any threat of demotion, termination, etc. if requested sexual favors are not given. Taking or threatening reprisals after a negative response to sexual advances; propositioning an individual.

- **Hazing examples:** Initiation that involves a sexual component; women in nontraditional work environments who are dared or asked to perform unsafe work practices, having tools and equipment stolen, etc. Practical jokes, rituals, initiations, often performed to discourage women from entering and/or continuing in jobs/professions traditionally held by men.

**Important Terminology**

**SEXISM** is an attitude. It is an attitude that one gender is superior to another. Example: a man thinks that women are too emotional; or a woman thinks that men are chauvinists.

**SEX DISCRIMINATION** is a behavior. It occurs when employment decisions are based on an employee’s gender, or when an employee is treated differently because of his or her gender. Example: a female supervisor always asks the male employees, in a coed workplace, to move the boxes of computer paper; or a male
supervisor always asks the female employees, in a coed workplace, to make the coffee.

SEXUAL HARASSMENT is a behavior. It is defined as unwelcome behavior of a sexual nature. Example: a man whistles at a woman as she walks by; or a woman looks a man up and down as he walks toward her; or a heterosexual individual makes sexually offensive remarks to a homosexual individual, or vice versa.

**Liability for Sexual Harassment**

Sexual harassment is a costly proposition that can have far-reaching impacts on the Department, such as expenditures for attorney fees/settlements, withdrawal of Federal support funds (USDA funding), and usurping of staff resources.

- **Individual Harasser:** An individual employee found responsible for sexual harassment may be personally liable financially and may be sued accordingly. Insurance generally does not indemnify for intentional conduct, and the employer has no legal obligation to pay either the costs of defense or judgment for an employee determined to have sexually harassed another. The employee may be responsible for paying part or all if monetary damages are awarded. Monetary damages may include substantial compensatory and punitive damages and attorney fees. CDFA’s “Zero Tolerance” policy will subject the employee to disciplinary action, up to and including termination.

- **Managers and Supervisors:** Managers and supervisors are responsible for ensuring a work environment free of sexual harassment. Managers/supervisors must take immediate action if they learn that one of their subordinates may be sexually harassing a co-worker. Failure to take appropriate action can expose the manager/supervisor to personal financial liability for damages, as well as disciplinary action. Supervisors/managers who make sexual advances and base a promotion or the retention of a job on cooperation with these advances can be held personally financially liable for their conduct/behavior, as well as subject to disciplinary action.

- **CDFA:** CDFA can be held financially liable for its acts and the acts of its employees (managers, supervisors, administrators, and co-workers) if CDFA knew or should have known of the existence of sexual harassment and failed to take appropriate action.

**Retaliation Prohibited**

Retaliation against a person for engaging in a protected activity is unlawful and will not be tolerated. Protected activities include opposing discriminatory practices, filing a complaint, or testifying, assisting, or participating in any manner in an EEO
investigation, proceeding, or hearing. These prohibitions apply to all employees, not only supervisors/managers or those against whom complaints are filed.

Appropriate disciplinary action will be taken against anyone determined to have retaliated against a person for engaging in a protected activity.

**CDFA and its Managers’/Supervisors’ Responsibilities**

**CDFA is responsible for:**

- the actions of managers and supervisors, and for acts of other employees if management knew or should have known of such acts and failed to take prompt and effective action;
- ensuring that all employees are informed of CDFA’s discrimination complaint process and the sexual harassment policy prior to the need to know, and again when a complaint is brought forward;
- investigating complaints of sexual harassment in a timely, thorough and as discreet/confidential manner as possible;
- taking appropriate action with regard to the harasser where sexual harassment is found;
- taking the necessary action to remedy sexually harassing situations in a manner that should eliminate future situations;
- protecting the employee(s) complaining of harassment from any form of reprisal/retribution;
- annually providing to all employees a copy of CDFA’s Sexual Harassment Prevention Policy and ensuring they acknowledge having received the policy; and
- conducting sexual harassment prevention training.

**Supervisors/managers are responsible for:**

- setting the tone for a harassment-free work environment; this includes maintaining an environment free from sexual harassment as well as discrimination, intimidation, ridicule and insult;
- taking appropriate measures whenever they witness or hear about conduct that could be construed as sexual harassment; and
- reminding staff periodically that:

  (1) sexual harassment in any form will not be tolerated and that complaints will be dealt with immediately; and
(2) retaliation against any person who engages in a protected activity is unlawful, and that appropriate disciplinary action will be taken against anyone determined to have retaliated against a person for engaging in a protected activity. [See Retaliation Prohibited, above.]

Supervisors/managers must respond immediately, objectively and completely to employee complaints about sexual harassment. Once a sexual harassment complaint is brought to the attention of a supervisor/manager, they are legally obligated to take steps to ensure that the work environment is free from sexual harassment. Supervisors/managers must inform the EEO Office regarding the complaint and obtain guidance/assistance with any informal investigation. The EEO Office can be contacted at (916) 654-1005.

Employee Rights and Responsibilities

All employees of CDFA are entitled to a work environment free from sexual harassment. Employees assigned to work sites that are owned and operated by the agricultural industry are also entitled to a work environment free from sexual harassment. Employees who feel they are being sexually harassed have a responsibility to immediately convey their concerns to their supervisor/manager, another supervisor/manager in the Department, or to the CDFA EEO Office.

Any employee who perceives the comments, gestures, or actions of another employee or supervisor/manager to be sexually harassing should immediately and clearly communicate to that person that such behavior is unwelcome and inappropriate. Failure to express unwelcomeness does not prevent the employee from filing a complaint nor does it exonerate the harasser. Very often, victims of sexual harassment are afraid to confront the harasser. For this reason, it is important that the witnesses to possible sexual harassment of others take responsibility to contact the EEO Office, their supervisor/manager, or another supervisor/manager in the Department.

Any employee who feels they have been sexually harassed, retaliated against for complaining about sexual harassment, or retaliated against for participating in a sexual harassment inquiry, have following avenues of redress:

- File a formal discrimination complaint with their manager/supervisor or a manager/supervisor other than their own; any manager/supervisor may receive a complaint. Managers/supervisors will forward complaints to the EEO Office.
- File a formal discrimination complaint directly with the CDFA EEO Office using the process contained in CDFA’s Discrimination Complaint Procedures. The EEO Office can be reached at (916) 654-1005.
Sexual Harassment Prevention Policy

- File a formal discrimination complaint with any of the other agencies referred to in CDFA’s Discrimination Complaint Procedures.

CDFA does not tolerate sexual harassment in any form. Any employee who feels they have been sexually harassed or retaliated against is encouraged to bring the issue to the attention of any supervisor or manager, or the CDFA EEO Office immediately. The EEO Office can be contacted at (916) 654-1005.

Training

All CDFA employees are required to attend a sexual harassment prevention training program. Supervisors/managers are responsible for ensuring that all subordinate employees complete the course as soon after being hired as possible. All employees new to CDFA shall be provided with a copy of CDFA’s Sexual Harassment Prevention Policy and Discrimination Complaint Procedure Policy, as part of the hiring package.

All current supervisors/managers are required to attend a sexual harassment prevention training program by January 1, 2006, and every two years thereafter (AB1825, effective 1/1/05).

All newly appointed supervisors/managers are required to attend a sexual harassment prevention training program within six months after appointment or promotion, and every two years thereafter (AB1825, effective 1/1/05).

All supervisors/managers are required to discuss sexual harassment prevention and CDFA’s Sexual Harassment Prevention Policy with subordinate employees annually.

Distribution

Distribution of the above policy includes: All Employees

This policy is also available on the Department’s intranet site.

Any employee, supervisor, or manager seeking advice, guidance or consultation regarding a situation of discrimination/harassment, or an issue regarding sexual harassment, may contact CDFA’s EEO Office at (916) 654-1005 or CALNET 464-1005, or stop by the headquarters office currently located at 1220 N Street, Room 313, Sacramento, CA 95814.
Memorandum

To: ALL EMPLOYEES

Date: August 15, 2006

Place: Sacramento

Telephone: (916) 654-0433

From: Department of Food and Agriculture

A.G. Kawamura
Secretary

Subject: Revised Policies

Attached are the following revised policies:

- EEO Non-Discrimination Policy
- Discrimination Complaint Procedure
- Discrimination Complaint Form

Please take the time to review and become familiar with these important policies.

I would like to remind all employees of the California Department of Food and Agriculture (CDFA) that discrimination is unlawful and will not be tolerated. The management of this Department and I are committed to a work environment that is free from discrimination.

Retaliation against a person for engaging in a protected activity is also unlawful and will not be tolerated. Protected activities include filing a discrimination complaint, participating in the EEO complaint investigation process, and opposing discriminatory practices.

If an employee of CDFA is found to have violated the Department’s policies, immediate corrective action will be taken.

Any questions regarding these policies should be directed to CDFA’s EEO Office at (916) 654-1005 or CALNET 8-464-1005.
Policy

It is the policy of the California Department of Food and Agriculture (CDFA) to provide equal employment opportunity to all CDFA employees and applicants for employment on the basis of merit, efficiency, and fitness, and to prohibit discrimination. State and federal law mandates that employees and applicants for employment shall not be discriminated against because of age (40 years of age or older), sex, race, religious creed, color, national origin, ancestry, marital status, physical or mental disability, political affiliation, sexual orientation, pregnancy, or pregnancy-related conditions (see Pregnancy Discrimination Policy, Chapter 9, Section 1.2). State and federal law also prohibit retaliation against employees and applicants for employment for filing a discrimination complaint or participating in an investigation or proceeding regarding discrimination. CDFA will not tolerate any form of discrimination or retaliation for objecting to discrimination or participating in an Equal Employment Opportunity (EEO) investigation or proceedings. Any employee determined to have committed acts of discrimination and/or retaliation shall be subject to appropriate disciplinary action, including, but not limited to, reprimand, suspension, demotion, or dismissal.

CDFA is committed to a firm policy of equal employment opportunity and a discrimination-free work environment for all employees and applicants. Each manager, supervisor, and employee is expected to actively support the implementation and advancement of this policy. Complaints of discrimination will be given expeditious and impartial consideration as provided for in CDFA’s Discrimination Complaint Procedures, CDFA Administrative Manual, Chapter 1, Section 2.6.

Authority

- Title VII, Civil Rights Act of 1964 (42 United States Code (U.S.C.) 2000e et seq.)
- 29 Code of Federal Regulations (CFR) section 1604.11
- California Fair Employment and Housing Act (FEHA) (California Government Code sections 12900-12996)
- California Government Code section 18500
- California Government Code sections 19700-19706
- California Civil Code sections 51-54
- California Code of Regulations, title 2, section 547
- California Code of Regulations, title 2, section 7287.8
• Americans with Disabilities Act of 1990 (42 U.S.C. 12101)
• Rehabilitation Act of 1973 (29 U.S.C. 791)
• Equal Pay Act of 1963 (29 U.S.C. 206)
• Governor’s Executive Order D-54-79
• Governor’s Executive Order S-6-04

Purpose

CDFA is committed to enforcing and promoting all laws, rules and regulations prohibiting discrimination based on age, race, sex (including sexual harassment), ancestry, color, religion, disability, national origin, marital status, political affiliation, sexual orientation, pregnancy, or such other classifications as may be provided specific protection in employment by California or federal law.

CDFA’s Legal Obligation and Responsibility

CDFA has a legal obligation to ensure that the work environment is free from all forms of unlawful discrimination. CDFA is also responsible for ensuring that applicants for employment are provided equal employment opportunity free from any discriminatory practices. CDFA is responsible for the actions of its supervisors and managers and is responsible for the acts of other employees if it knows or should have known of such acts and fails to take timely and appropriate action. CDFA is responsible for investigating complaints of discrimination in a timely and thorough manner and for taking appropriate action.

Supervisor and Manager Responsibility

Supervisors and managers are responsible for setting the tone for a discrimination-free work environment and for taking appropriate measures whenever they witness or hear about conduct that could be construed as discrimination. Staff should be reminded periodically that discrimination in any form will not be tolerated, that discrimination complaints will be dealt with immediately, that retaliation against any person who complains is unlawful, and that appropriate disciplinary action will be taken. Supervisors and managers are responsible for making a good faith effort to resolve complaints at the informal level and to bring complaints of discrimination promptly to the attention of the CDFA Equal Employment Opportunity (EEO) Office.
**Equal Employment Opportunity**

**Non-Discrimination Policy**

**Employee Rights and Responsibility**

It is the responsibility of all employees to promote and maintain a work environment that is free of conduct and/or practices that are discriminatory or harassing. Employees/applicants are responsible for bringing complaints to the attention of CDFA management as soon as they have reason to believe that activities or events are discriminatory, and for providing a clear and accurate account of the alleged discriminatory actions.

**Complaints of Discrimination**

Any employee/applicant who believes he/she has been discriminated against in his/her employment relationship or evaluation for employment with CDFA should immediately report the actions to his/her supervisor or to CDFA’s EEO Office. Complaints of discrimination will be handled in accordance with the procedures contained in CDFA’s Discrimination Complaint Procedures, CDFA Administrative Manual, Chapter 1, Section 2.6.

**Retaliation Prohibited**

Retaliation against a person for engaging in a protected activity is unlawful and will not be tolerated. Protected activities include opposing discriminatory practices, filing a complaint, or testifying, assisting, or participating in any manner in an EEO investigation, proceeding, or hearing. These prohibitions apply to all employees, not only supervisors/managers or those against whom complaints are filed.

Appropriate disciplinary action will be taken against anyone determined to have retaliated against a person for engaging in a protected activity.

**Distribution**

Distribution of the above policy includes: All Employees

This policy is also available on the Department's intranet.

Any questions concerning this policy or anyone seeking advice or consultation regarding discrimination may contact CDFA EEO Office at (916) 654-1005 or CALNET at 8-646-1005.
Policy

It is the policy of the California Department of Food and Agriculture (CDFA) to provide equal employment opportunity to all CDFA employees and applicants for employment on the basis of merit, efficiency, and fitness, and to prohibit discrimination and retaliation. State and federal law prohibits discriminating against employees and applicants because of age (40 years of age or older), sex, race, religious creed, color, national origin, ancestry, marital status, physical or mental disability, political affiliation, or sexual orientation. It is also unlawful to retaliate against employees and applicants for filing a discrimination complaint or participating in an investigation, proceeding or hearing regarding discrimination. CDFA will not tolerate any form of discrimination or reprisal for objecting to discrimination. Any employee determined to have committed acts of discrimination or retaliation shall be subjected to appropriate disciplinary action, including, but not limited to, reprimand, suspension, demotion, or dismissal.

CDFA is committed to a firm policy of equal employment opportunity and a discrimination-free work environment for all employees and applicants. Each manager, supervisor, and employee is expected to actively support the implementation and advancement of this policy.

Authority

- Title VII, Civil Rights Act of 1964 (42 United States Code (U.S.C.) 2000e et seq.)
- 29 Code of Federal Regulations (CFR) section 1604.11
- California Fair Employment and Housing Act (FEHA) (California Government Code sections 12900-12996)
- California Government Code section 18500
- California Government Code sections 19700-19706
- California Civil Code sections 51-54
- California Code of Regulations, title 2, section 547
- California Code of Regulations, title 2, section 7287.8
- Americans with Disabilities Act of 1990 (42 U.S.C. 12101)
Discrimination Complaint Procedure

- Governor’s Executive Order D-54-79
- Governor’s Executive Order S-6-04

Policy

CDFA’s internal discrimination complaint process provides the employee or applicant a uniform method to raise allegations and to seek resolution of his/her complaint either informally or formally. This format is intended to resolve complaints at the lowest possible organizational level, while assuring that the process provides for prompt, fair, and impartial review of the discrimination complaint without fear of retaliation. Employees are urged to seek resolution of complaints on an informal basis. However, they are not prohibited from bypassing the informal complaint and filing a formal complaint through the formal process or seeking resolution through outside compliance agencies.

Informal Complaint Process

Employees who believe they have been discriminated against should immediately seek resolution through the informal complaint. There are a number of options available to the complainant in seeking informal resolution of the complaint.

Options Available:

- Complainant may contact the individual responsible for the discriminatory act(s) to inform him/her of the discriminatory act(s) and request the actions to be stopped.
- Complainant may request assistance from his/her immediate supervisor in resolving the complaint.
- Complainant may contact the supervisor of the unit of the employee alleged to be initiating the discriminatory act(s) and request assistance.
- Complainant may contact CDFA’s Equal Employment Opportunity (EEO) Office for advice or assistance in resolving the complaint. The EEO Office can be contacted at (916) 654-1005.

These options are available individually or in combination with each other.

Supervisors and managers must contact the EEO Office at (916) 654-1005 for guidance and assistance in resolving complaints at the informal level.
Confidentiality will be maintained at the informal level unless permission is given to do otherwise, or the complaint is regarding sexual harassment. In cases of sexual harassment, complete confidentiality cannot be assured because of CDFA’s legal obligation to take immediate corrective action.

CDFA must investigate all sexual harassment complaints, formal and informal, and take appropriate action to end sexual harassment. This obligation applies even if the complaint is withdrawn or the complainant requests that no action be taken.

Regarding complaints not related to sexual harassment, if the complainant is unable to resolve the complaint informally and chooses to pursue the complaint by filing a formal complaint, the complainant should be aware that confidentiality cannot be guaranteed.

Although confidentiality cannot be guaranteed, the EEO Office will be as discreet as possible when investigating complaints. All complaints are handled on a need-to-know basis.

**Formal Complaint Process**

If the employee is not satisfied with the results of, or wishes to bypass the informal complaint process, a formal complaint of discrimination may be filed with CDFA's EEO Office. The complaint must be in writing, signed by the complainant, and filed within one year of the date of the discriminatory action. An additional 90 days is granted following the expiration date if the complainant just obtained knowledge of the unlawful discrimination.

The EEO Office determines if the complaint filed meets jurisdictional and procedural requirements and assigns an investigator. The objective of the investigation is to determine if there is sufficient evidence to show a violation of equal employment opportunity laws.

If the complainant is not satisfied with the decision of the Department on the discrimination complaint, he/she may appeal the decision to the State Personnel Board (SPB). The appeal must be in writing and filed within 30 days from the date of the Department’s decision. Appeals may be submitted to: State Personnel Board, Appeals Division, 801 Capitol Mall, MS #22, P.O. Box 944201, Sacramento, CA 94244-2010, facsimile (916) 654-6055.

- **Filing Formal Complaint**

  A complaint alleging discrimination based on race, religious creed, color, national origin, ancestry, physical disability, mental disability, medical condition, marital status, sex, age, sexual orientation, political affiliation, sexual harassment, or
reprisal for filing a formal complaint may be filed with:

Department of Food and Agriculture
Equal Employment Opportunity Office
1220 N Street, Suite 313
Sacramento, CA 95814
Telephone: (916) 654-1005
CALNET: 8-464-1005

The complaint must be in writing and signed by the complainant. The complaint may be submitted to the EEO Office in person or by mail.

- **Contents of a Formal Complaint**

The formal complaint must contain the following specific information:

1. The complainant's full name, address, telephone number, classification, and Division/Branch.
2. The full name, classification, and Division/Branch of the person against whom the complaint is made.
3. Complaints of discrimination must:
   a. indicate the basis of discrimination, such as age, ancestry, color, physical or mental disability, marital status, medical condition, national origin, pregnancy, political affiliation or opinion, race, religion, retaliation, sex, sexual harassment, sexual orientation, or Vietnam era veteran;
   b. provide sufficient information to show a connection between the basis and how they believe they have been adversely affected; and
   c. provide enough evidence to raise the inference that the allegations are true (this is called *prima facie* and a prima facie case of discrimination must be established before an investigation is initiated).

The CDFA *Discrimination Complaint Form* should be used when filing a discrimination complaint. A completed Complaint Form will contain all the information necessary for the EEO Office to determine whether jurisdiction and a *prima facie* case exist.

- **Processing a Formal Complaint**

Upon receipt of the complaint, the EEO Office will acknowledge to the complainant, in writing, that the complaint has been received. In addition, the EEO Office will contact the complainant and:
Discrimination Complaint Procedure

1. Verbally discuss the complaint procedures;
2. Assist the complainant, if needed, to clarify specifics of the complaint;
3. Advise the complainant whether the EEO Office has jurisdiction to investigate the complaint; and
4. Advise the complainant of his/her appeal rights to federal, state, and local agencies.

In addition, the EEO Office will contact the Division Director and/or the Branch Chief and the person responsible for the alleged discriminatory behavior (the respondent) and advise them:

1. That a complaint has been received and of the intent of the EEO Office to investigate the allegations; and
2. Of the Department's policy against retaliation.

If the complainant so desires, the EEO Office will attempt to mediate the complaint and reach a voluntary agreement/resolution between the complainant and the respondent.

The respondent will be informed of the complaint and provided an opportunity to respond as part of the investigation. When the investigation is complete, both the complainant and the respondent will be informed of the findings and decision. The investigation will be conducted with discretion and information gathered during an investigation will be kept confidential to the extent possible.

Complaints Filed Outside CDFA

To protect their rights under the appropriate state and federal statutes, complainants may file with any or all of the following agencies at the same time they file with CDFA. The addresses listed are headquarters or district offices. Complainants may refer to their local telephone directory or call the listed agencies for local offices in their area, or refer to the agencies' websites. NOTE: In all instances, it is recommended that complainants contact the entities listed to ensure the appropriate procedures are followed and filing timeframes are not missed.

- State Personnel Board (SPB)

Any complainant who disagrees with the Department’s investigative findings may file an appeal and request a hearing with SPB. An appeal must be filed with SPB within 30 calendar days of the date of the Department’s decision. If the complainant is dissatisfied with the decision of SPB or the request for hearing is denied, an appeal may be filed with the superior court.

SPB must render a decision on an appeal within six months from the filing of the appeal or 90 days after the hearing is concluded, whichever time period is
Discrimination Complaint Procedure

less. SPB may extend the time period up to 45 additional days. Failure by SPB to render a timely decision constitutes exhaustion of all available administrative remedies. (Government Code section 18671.1)

A complaint may be filed directly with SPB for issues involving retaliation for previously utilizing the discrimination complaint process, and for complaints against the Department’s Secretary, or executive staff, prior to filing with CDFA.

Appeals and complaints may be filed with:

State Personnel Board
Appeals Division
801 Capitol Mall, MS #22
P.O. Box 944201
Sacramento, CA 94244-2010

Telephone: (916) 653-0799     CALNET: 8-453-0799
Facsimile: (916) 654-6055     CALNET: 8-464-6055
Website: www.spb.ca.gov

NOTE: It is recommended that complainants contact the SPB to ensure the appropriate procedures are followed and filing timeframes are not missed.

• Department of Fair Employment and Housing (DFEH)

Any complaint of sexual harassment or of discrimination based on race, religious creed, color, national origin, ancestry, physical disability, mental disability, medical condition, marital status, sex, or age or reprisal for filing a formal complaint, may be filed with:

Department of Fair Employment and Housing
Telephone: (800) 884-1684
TTY: (800) 700-2320 (within California)
Website: www.dfeh.ca.gov

(DFEH does not accept complaints filed for investigation by mail.)

Complaints must be filed with DFEH within one year from the date upon which the alleged unlawful practice or refusal to cooperate occurred. This period may be extended, not to exceed 90 days following the expiration of that year, if a person allegedly aggrieved by an unlawful practice first obtained knowledge of the facts after the expiration of one year from the date of its occurrence (Government Code section 1421).

NOTE: It is recommended that complainants contact the DFEH to ensure the appropriate procedures are followed and filing timeframes are not missed.
Discrimination Complaint Procedure

- U. S. Equal Employment Opportunity Commission (EEOC)
  
  Any complaint of sexual harassment or of discrimination based on race, color, physical or mental disability, medical condition, marital status, religious creed, sex, national origin, ancestry, age, or reprisal for filing a formal complaint may be filed with:

  U. S. Equal Employment Opportunity Commission (EEOC)
  San Francisco District Office
  350 The Embarcadero
  San Francisco, CA 94105-1260
  Telephone:  (800) 669-4000
  TTY:  (800) 669-6820
  Website:  www.eeoc.gov

  The complaint must be filed within 180 days of the alleged unlawful practice. The 180-day period for filing a complaint does not begin until the claimant becomes aware of the discriminatory act. The EEOC may defer to DFEH. If DFEH has no subject matter jurisdiction over the charge, the complaint must be filed with EEOC, but the complainant has only 180 days from the date of the violation to file. If it is clear that DFEH has waived its right to process the charge, the complaint must be filed with EEOC.

  NOTE: It is recommended that complainants contact the EEOC to ensure the appropriate procedures are followed and filing timeframes are not missed.

- Office of Federal Contract Compliance Programs (OFCCP)
  
  Any complaint of sexual harassment or of discrimination based on race, color, religion, sex, national origin, ancestry, physical or mental disability, or disabled Vietnam veteran status may be filed with:

  Office of Federal Contract Compliance Program
  Pacific Regional Office
  71 Stevenson Street, Suite 1700
  San Francisco, CA 94105
  Telephone:  (415) 848-6969
  Facsimile:  (415) 848-6955
  Website:  www.dol.gov/esa/regs/compliance/ofccp/pdf/pdfstart.htm

  Complaints must be filed within 180 days of the alleged violations unless the time for filing is extended by the Director of OFCCP for good cause shown. The OFCCP may refer the complaint to EEOC.

  NOTE: It is recommended that complainants contact the OFCCP to ensure the appropriate procedures are followed and filing timeframes are not missed.
Discrimination Complaint Procedure

Retaliation Prohibited

Retaliation against a person for engaging in a protected activity is unlawful and will not be tolerated. Protected activities include opposing discriminatory practices, filing a complaint, or testifying, assisting, or participating in any manner in an EEO investigation, proceeding, or hearing. These prohibitions apply to all employees, not only supervisors/managers or those against whom complaints are filed.

Appropriate disciplinary action will be taken against anyone determined to have retaliated against a person for engaging in a protected activity.

Employees should immediately report to the EEO Office any actions they perceive as retaliation as a result of participating in the Department’s discrimination complaint process.

Distribution

Distribution of the above policy includes: All Employees

This policy is also available on the Department’s intranet site.

Any questions concerning this policy or anyone seeking advice or consultation regarding discrimination may contact CDFA’s EEO Office at (916) 654-1005 or CALNET 464-1005, or stop by the headquarters office currently located at 1220 N Street, Room 313, Sacramento, California 95814.
## DISCRIMINATION COMPLAINT FORM

(08/06)

INSTRUCTIONS: This form should be used when filing a discrimination complaint. Informal complaints should be discussed with the Equal Employment Opportunity (EEO) Office. All complaints should be filed with the EEO Office, 1220 N Street, Room 313, Sacramento, CA 95814, (916) 654-1005.

## COMPLAINANT INFORMATION:

<table>
<thead>
<tr>
<th>NAME</th>
<th>HOME TELEPHONE</th>
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<tr>
<td>HOME ADDRESS</td>
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<tr>
<th>CIVIL SERVICE CLASSIFICATION</th>
<th>DIVISION/BRANCH</th>
<th>WORK TELEPHONE</th>
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## BASIS OF COMPLAINT

Select only one category that best describes the alleged discrimination. If more than one category applies, use a SEPARATE form for each type of discrimination.

- [ ] AGE (anyone age 40 or over)
- [ ] ANCESTRY (national or cultural origin)
- [ ] COLOR (skin color)
- [ ] DISABILITY
  - [ ] Physical
  - [ ] Mental
  - [ ] Medical Condition
- [ ] MARITAL STATUS (single, divorced, married, separated, widowed, etc.)
- [ ] NATIONAL ORIGIN (birth site, language or accent)
- [ ] POLITICAL AFFILIATION (membership or association in a political party or special interest group)
- [ ] PREGNANCY (childbirth or related medical condition)
- [ ] RACE (one of the anthropological racial/ethnic groups: American Indian, Asian, Black, Filipino, Hispanic, Pacific Islander or White)
- [ ] RELIGION (spiritual beliefs)
- [ ] SEX (gender — male or female)
- [ ] SEXUAL HARASSMENT (unwelcome attention of a sexual nature)
- [ ] SEXUAL ORIENTATION (bisexual, heterosexual, or homosexual)
- [ ] VIETNAM ERA VETERAN (served on active duty between 8/5/64 and 5/7/75; discharged with honorable or service connected disability)
- [ ] RETALIATION (actions against complainants, their representatives, EEO officials, witnesses, or other agency employees/applicants for opposing discriminatory practices, filing a complaint, or testifying, assisting, or participating in any manner in an EEO investigation, proceeding, or hearing, including the counseling stage.)
Please provide the following information as completely as possible. Please attach additional sheets if necessary.

I. WHO IS/ARE THE PERSON(S) RESPONSIBLE FOR THE ALLEGED ACTION AGAINST YOU?

<table>
<thead>
<tr>
<th>Name</th>
<th>Classification</th>
<th>Division/Branch</th>
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II. LIST THE OPPORTUNITIES WHICH YOU WERE DENIED (this may not pertain to sexual harassment allegations):

________________________________________________________________________
________________________________________________________________________
________________________________________________________________________
________________________________________________________________________

III. HOW DO YOU KNOW YOU WERE DENIED THE OPPORTUNITY? (How did you find out, how were you informed?) PLEASE INCLUDE DATES (this question may not pertain to sexual harassment allegations):

________________________________________________________________________
________________________________________________________________________
________________________________________________________________________
________________________________________________________________________

IV. DESCRIBE THE REASON YOU BELIEVE YOU SHOULD HAVE RECEIVED THE OPPORTUNITY(IES) (i.e., qualifications, seniority, written or verbal commitment, etc. This question may not pertain to sexual harassment allegations.):

________________________________________________________________________
________________________________________________________________________
________________________________________________________________________
________________________________________________________________________
V. CHECK THE ITEM(S) BELOW WHICH WAS/WERE AFFECTED BY THE ALLEGED ACTION. PLEASE INCLUDE DATE OF OCCURRENCE:

- DISCIPLINARY ACTIONS DATE OCCURRED 
- FRINGE BENEFITS DATE OCCURRED 
- HARASSED DATE OCCURRED 
- HIRING DATE OCCURRED 
- PAY DATE OCCURRED 
- PERFORMANCE EVALUATION DATE OCCURRED 
- PROMOTION (DENIED) DATE OCCURRED 
- WORK ASSIGNMENTS DATE OCCURRED 
- WORKING CONDITIONS DATE OCCURRED 
- OTHER (describe) DATE OCCURRED

VI. BRIEFLY EXPLAIN THE CONDITION(S) CHECKED IN ITEM V., ABOVE. INCLUDE IF YOU BELIEVE OTHERS WERE TREATED DIFFERENTLY. PLEASE INCLUDE DATES. Please attach additional pages if necessary.

VII. WHAT REASON OR EVIDENCE DO YOU HAVE TO SUPPORT YOUR BELIEF THAT DISCRIMINATION (including sexual harassment) OCCURRED? PLEASE INCLUDE DATES. Please attach additional pages if necessary.
VIII. WHAT PEOPLE HAVE INFORMATION/KNOWLEDGE ABOUT YOUR SITUATION AND WHAT INFORMATION DO YOU BELIEVE EACH PERSON HAS TO OFFER? Please attach additional pages if necessary.

<table>
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<th>NAME:</th>
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IX. WHAT REMEDY ARE YOU SEEKING?

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COMPLAINANT’S RIGHTS AND RESPONSIBILITIES

1. The responsibility to provide accurate and factual information during all phases of the complaint process.
2. The right to file a discrimination complaint, freedom from influence to refrain from filing a complaint and freedom from retaliation for filing a complaint.
3. The right to file, directly with SPB, any complaint alleging discrimination against Departmental Executive staff, when the issues involve retaliation, or when the Department has exceeded the 180-day time frame for completion; or to file a civil action in the appropriate court.
4. The right to a reasonable amount of work time to make an informal presentation of a complaint to the EEO Office. Consistent with immediate needs, this right shall not be abridged or its exercise delayed by any supervisor.
5. The right to be assisted by a representative of his/her own choosing at all stages of the process.
6. The right to review any information he/she has provided at any time during the complaint process.
7. The right to keep his/her informal complaint confidential until:
   a. Such time as he/she gives the EEO Office permission to do otherwise in order to bring the complaint to the appropriate authority for remedy; or
   b. Such time as a formal written complaint is filed with CDFA’s EEO Office; or
   c. Such time as appropriate action must be taken to resolve the situation.
   NOTE: In cases of sexual harassment, complete confidentiality cannot be assured because of CDFA’s legal obligation to take immediate corrective action.
8. The right to a full, objective, and prompt investigation by a trained departmental EEO Complaint Investigator.
9. The right to a timely decision from the appointing power, or authority designated by the appointing power, after full consideration of all relevant facts and circumstances.
10. The right to appeal the Department’s decision to the State Personnel Board.
11. The right to file concurrent complaints with the Equal Employment Opportunity Commission, the Department of Fair Employment and Housing, other appropriate State and Federal compliance agencies; or to file a civil action in the appropriate court.
12. The right to stop the informal process in order to file a formal complaint.
13. The right to a full reasoning for the Department’s decision on his/her formal complaint.
14. The right to file a formal complaint within one year from the last occurrence of discrimination.

I HEREBY WAIVE THE RIGHT TO CONFIDENTIALITY (Please initial): Yes _____ No _____
(Waiver of Confidentiality applies to informal complaints only. NOTE: Sexual Harassment complaints cannot be filed as informal complaints due to the legal obligation to take immediate corrective action. Sexual harassment complaints will be kept as confidential as possible.)

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Complainant’s Signature             Date Signed

Please complete the following for statistical purposes only (optional):

Last four digits of Social Security number

Gender:  □ Male  □ Female

Ethnicity

Age:  □ 40 or Over  □ Under 40
DETERMINING JURISDICTION
Jurisdiction is the common term for determining whether the EEO Office has the legal power to act on a complaint. Under the law, the EEO Office must have jurisdiction over a complaint in order to investigate it or attempt resolution. The issue of jurisdiction must be addressed initially in every case at the preliminary stage of the discrimination complaint. The jurisdictional requirements needed for the EEO Office to have legal authority are discussed below. The person filing the complaint is responsible for ensuring all jurisdictional requirements are met.

INDIVIDUALS COVERED
The discrimination complaint process covers all employees and applicants.

FORMAT AND CONTENT
An informal discrimination complaint may be taken either in writing or verbally by the employee’s supervisor or the Equal Employment Opportunity (EEO) Office.

A formal discrimination complaint must be in writing and signed by the complainant. At a minimum, a complaint must contain a precisely written statement sufficiently identifying the parties and generally describing the alleged discriminatory actions or practices and the dates on which they occurred.

This form may be used for filing either an informal or formal complaint. A complaint cannot be dismissed because the complainant refuses to complete the departmental form.

TIMELINESS
A complaint must be filed with the Department within one year of the date of an alleged discriminatory action or practice. The one-year filing period may be extended, not in excess of an additional 90 days, if the complainant first obtained knowledge of the facts of the alleged discriminatory action or practice after the expiration of the one year date. To receive the 90-day extension, the complainant must show that he/she attended a class or received some new information that brought the discriminatory matter to his/her attention.

An informal complaint filed with the EEO Office within the one-year time limitation does not constitute a formal filing. The time utilized in the informal process is counted when calculating the timeliness of a formal complaint.

BASIS
Complaints of discrimination must allege that the complainant was discriminated against on one or more of the following bases: age, ancestry, color, disability, marital status, medical condition, national origin, pregnancy, political affiliation or opinion, race, religion, retaliation, sex, sexual harassment, sexual orientation or Vietnam veteran.

STANDING
A complainant must allege or show that he/she has been directly injured by the discriminatory action or practice. A complaint cannot be filed on the basis that the complainant believes that future harm may occur. The complainant must show that he/she has been adversely affected with respect to compensation, condition, privilege, or term of employment. A complainant cannot challenge a discriminatory employment practice that has not caused him/her any direct harm, unless he/she is filing on behalf of one who has been directly harmed. Any person, agency, or organization may file a charge filed on behalf of a person claiming to be discriminated against.

REMEDY
The complainant must provide some indication of the type and extent of the remedy sought as a result of the alleged discrimination. A complaint of discrimination which cannot be resolved by the appointing power, or which is not within the authority of the appointing power to resolve, shall be filed with the State Personnel Board as an appeal, or with another appropriate agency.

ESTABLISHING A PRIMA FACIE CASE
To meet further requirements of jurisdiction, enough evidence must be presented to raise the inference that the allegations are true. An inference of discrimination cannot be made by the complainant solely stating that he/she is a member of a protected group. Further, the complainant must establish a causal connection between the basis for the complaint and how he/she believes he/she was adversely affected.

RETRALIATION
Retaliation against a person for engaging in protected activities is unlawful and will not be tolerated. Protected activities include opposing discriminatory practices, filing a complaint, or testifying, assisting, or participating in any manner in an EEO investigation, proceeding, or hearing. These prohibitions apply to all employees, not only supervisors/managers or those against whom complaints are filed.
200 FINANCIAL LIABILITIES OF BOARD MEMBERS

200 OVERVIEW

Statutes that authorize the formation of corporations, whether nonprofit or for-profit, assume that directors can be expected to act in the organization’s best interests rather than to seek their own personal advantage or gain. Fair Board (Board) members are generally responsible as individuals for exercising their corporate powers with the same skill and care as an ordinarily prudent person would in his or her own business. It is important to recognize, however, that failure to act prudently may expose directors to personal financial liability.

201 BOARD RESPONSIBILITY FOR FINANCIAL TRANSACTIONS

DAA boards of directors, in conducting the business of fairs, must approve an annual fair budget that conforms to all applicable rules. Furthermore, scheduled expenditures in an approved budget may require additional approvals from CDFA, the Department of Finance and/or the Department of General Services, depending on the circumstances.

201.1 Personal Financial Liability

The annual Budget Act contains a provision that state officers or employees are forbidden from making expenditures without prior authorization. This prohibition applies regardless of whether or not the transaction in question is a purchase, a contract, or any form of compensation for the Chief Executive Officer (CEO). Further, state law provides that any officer or employee, who makes or authorizes expenditures without advance written approval of the Department of Finance, or its official designee, is personally liable for the amount of unlawful indebtedness.

Fairs other than DAAs: Similar limitations apply to expenditure of funds by county and citrus fruit fairs.

201.2 Liability Insurance

The California Fair Services Authority (CFSA) provides errors and omissions coverage under its limited liability risk sharing program to directors, officers, and employees of participating fairs, which includes all 54 District Agricultural Associations, the citrus fruit fairs, and 23 county fairs. Similar insurance is also available through private vendors. CFSA’s program pays the costs of defending a suit and damages awarded when a director, officer, or employee is found liable for errors or omissions while acting within the scope of his or her duties. Covered errors or omissions may include:

- Actual or alleged error
- Misstatement
- Neglect or breach of duty
201.3 Consequences of Violations of Law and Policy

No liability program covers malfeasance, dishonesty, fraud, willful violations of the law, and violations of state policy. Board members should be aware that if they actively participate in or direct the CEO or staff to take actions that are prohibited by federal, state, or local laws, they may be subjecting the fair and themselves to liability. If directors consciously or by indifference seek to avoid knowledge of unlawful activity where they have authority to prevent the unlawful activity, they may potentially be held liable for the consequences.

201.4 Statutory Immunity

Statutory immunity from liability (including for injury resulting from exercise of discretion) is extended to employees and officers of public agencies, including District Agricultural Associations and county fairs run directly by counties. In these institutional settings, the public agency may be responsible for paying an employee's, or officer's, costs of defending a suit and any damages awarded against that employee or officer.

County fairs operated by nonprofit corporations are not extended statutory immunity intended for public agencies. However, the directors of nonprofit public benefit corporations operating fairs may claim protection under a different statute which provides that a nonprofit director is not liable for any Board-approved action taken, or omission made, in good faith and based upon reasonable inquiry.

202 PURCHASING AND CONTRACTING

The Board's governance responsibilities include ensuring that the fair makes good business decisions with respect to purchasing and contracting following state/county requirements. Board policies should include specified dollar thresholds for purchases and contracts the CEO may make without prior Board approval.

202.1 Personal Liability for Unauthorized Expenditures

Board members are not authorized to make purchases on behalf of the fair or to direct staff to make purchases without prior approval of the CEO. Individual Board members responsible for making unauthorized purchases or directing staff to make them may be exposing themselves to liability for these costs from their personal resources.
203 RISK MANAGEMENT

The Board is responsible for protecting the financial interests of the fair, including limiting the fair's exposure to liability.

203.1 Risk Management Policy and Program

The Board is responsible for adopting a risk management policy and conveying that policy to the CEO. The CEO is responsible for development of a written safety plan and strategy, which includes establishing an active program of periodic staff training in safety and risk reduction. Everyone associated with the fair, from the CEO to the occasional volunteer, shall be informed and educated regarding the safety plan and risk reduction. A volunteer may be thought to cost nothing until an accident or other incident exposes the fair to financial loss.

203.2 Insurance Fees Based on Loss Experience

An effective loss prevention program can save the fair money when insurance fees are adjusted annually. For example, in the risk pools managed by the California Fair Services Authority (CFSA), fees for both workers compensation and general liability are adjusted annually to provide a credit for those fairs with sound loss prevention programs and lower losses than other fairs of comparable size. Conversely, CFSA assesses additional fees from fairs which have not implemented loss prevention programs and which have incurred higher losses than other fairs of comparable size.
300 CONDUCT OF BOARD MEMBERS

300 OVERVIEW

State law establishes that a director of a District Agricultural Association (DAA) is an appointed state officer of a state institution. As a Fair Board (Board) Director of a public body, a director must abide by the laws that govern the operation of the public's business. The public's business must be conducted openly and must remain free from the appearance of improper actions. First and foremost, DAA directors must put the interests of the fair above special interests and/or their own personal financial interests. This means avoiding even the appearance of conflict of interest.

Appendixes C through K of this Chapter contain a summary description of California's conflict of interest laws prepared by the Attorney General's Office. It is designed to help affected parties, including Fair Board Directors, identify situations that may require additional legal interpretation.

301 PARTICIPATION IN EVENTS AT AND/OR DURING FAIR

Directors, fair management, and/or their spouses are not eligible to exhibit at their own district, county or citrus fruit fair except in timed events. Under no circumstances shall a director, manager and/or their spouse be eligible to collect money prizes or other awards at their respective fair.

Department heads, judges, staff, anyone directly involved in the judging process, and their spouses, are not allowed to exhibit or sign entry forms in any division in which they or their spouse are directly involved.

Minor children of directors, Chief Executive Officer, department supervisors, staff and/or committee members may exhibit animals or articles, which are the result of the child's own earnings or a gift made to the child, provided the requirements of all other exhibiting rules are met.

Animals or exhibits owned jointly by a director and his/her minor child or a CEO and his/her minor child are considered as owned by the child in junior department classes only.

No show or contest official or member of his/her immediate family (i.e., spouses and any children or other relatives living in the official's household) shall enter or exhibit horses in any show or contest at which he/she is officiating, nor may any horse owned by such person be entered or exhibited. A show contest official is defined as any person performing the duties of a show manager, judge steward, show secretary, cutter or chariot race official, or any other horse contest official. Duties include but are not limited to: (a) contracting or hiring of judges; and, (b) acceptance of entries or entry fees.
302 GIFTS
Gifts aggregating $50 or more in a calendar year from a single source generally must be reported. The director must report tickets to athletic events, theatre presentations, concerts, or other events. If a director receives individual tickets or season passes to events held on the director's fairground, the director must report the fair market value based on actual use of the tickets or passes by the director and his or her guests or transferees.

A director should be aware that receipt and use of free tickets or other gifts may disqualify him or her from taking action concerning the activities of the individual or organization that gave the tickets or gifts. It is not good public business to accept gifts or free items from persons or entities who are doing business with the fair or who wish to do business with the fair.

303 FINANCIAL INTEREST IN CONTRACTS
Directors are prohibited from being financially interested in a contract or sale in both his or her public and private capacity. A director may not contract with the director's fair nor make, participate in the making, or influence a decision of the Board which they are a member, if the director has a statutorily prohibited interest.

304 CALIFORNIA POLITICAL REFORM ACT (CPRA)
The California Political Reform Act (CPRA) deals with conflict of interest situations on a case-by-case basis. This means that every situation must be assessed for its unique potential for conflict of interest in light of the facts involved. The conflict of interest prohibitions in the CPRA apply to directors who make decisions, participate in making decisions, or influence decision-making.

Before taking action, a director should answer the following three questions to determine whether a financial interest gives rise to a conflict of interest:
1. Does the director have one of the statutorily defined pecuniary interests?
2. Is it reasonably foreseeable that a decision in which the director participates could materially affect such pecuniary interest?
3. Will the effect of the decision be distinguishable from its effect on the public generally?

Decision making: Decision making includes voting on a matter, appointing a person to a position, obligating the board to a course of action on an issue, or entering into a contract.

Participation in decision making: This encompasses a broad range of activities beyond the most obvious action, such as voting. The Fair Political Practices Commission (FPPC), the agency primarily responsible for enforcing the CPRA, has interpreted "participation" to include negotiations and advice by way of research, investigations, or preparation of reports or analysis for a board.
**Influencing decisions:** The CPRA prohibits an official from "in any way attempting to use his or her official position to influence a governmental decision" when he or she has a financial interest. A director is prohibited from making contacts with the fair personnel or other attempts to influence a decision on behalf of his or her business entity, client, or customers.

**Foreseeability:** Foreseeability is a factual case-by-case determination.

**Materiality:** Materiality exists whenever a director knows, or has reason to know, that a decision will materially affect the director's economic interests. Once the director has knowledge, or should have knowledge, that the decision will materially affect the director's economic interests, a director's statement to the effect that the director can act impartially is not sufficient. The director must refrain from further participation in the decision. If a director is making a decision on an issue which will affect the general public's financial interest in the same manner as it does his or her own, the fact that it is affecting his or her materiality does not create a conflict of interest.

It is the policy of the Division of Fairs and Expositions to require DAAs to enforce this law. To non-DAA fairs, the Division recommends following a parallel protocol to avoid giving rise to a perception of misappropriation of public funds.

### 305 PUBLIC REPORTING OF FINANCIAL INTERESTS (Statement of Economic Interests)

Upon assuming office and yearly thereafter, DAA directors must submit their official disclosure statements (Std. Form 700 - Statement of Economic Interests). These statements describe any investments or sources of income and gifts that potentially affect the actions of the director. All Statements of Economic Interests are public records and must be made available for public inspection at the fair during regular business hours. Directors who have specific questions related to filling out the Statement of Economic Interests should contact the Fair Political Practices Commission: 916.322.5660, toll fee at 1.866.ASK.FPPC or by Internet at [www.fppc.ca.gov](http://www.fppc.ca.gov)

**Purpose:** Disclosure of economic interests serves the twofold purpose of (i) making the assets and income of a director a matter of public record, and (ii) reminding a director who may be contemplating an action that would pose a conflict to disqualify him or her from participating in discussions and decisions as appropriate.
306 ETHICS ORIENTATION

State officers and employees responsible for making state policy, and members of state boards and commissions must complete an orientation or training program covering the various state agency ethics and conflict of interest laws and regulations. Anyone holding a position on January 1, 1999, which was subject to the ethics orientation requirement, was required to complete the orientation by December 31, 1999. Thereafter, new appointees must take the orientation within six months of assuming office. All appointees must re-take the orientation at least once during each consecutive two calendar years thereafter.

According to Government Code Section 11146(b), this law applies to individuals who hold a position wherein they must file a Statement of Economic Interest Form 700, and are exempt from civil service. According to the State Attorney General’s Office and the Fair Political Practices Commission, this applies to members of state boards and commissions. Therefore, members of the District Agricultural Association Board of Directors are subject to the ethics orientation requirement.
Appendix D

CONFLICT OF INTEREST & INCOMPATIBLE ACTIVITIES

The following documents provide a summary of select California Conflict of Interest laws and Incompatible Activities applicable to State and local public offices and employees. References are made to additional Government Code sections which can be found on the Department of Justice, Office of the Attorney General website, www.caag.state.ca.us. A copy of the California statutes and cases can also be obtained from the Office of the Attorney General at the previously noted website or by calling toll free at 800.952.5225 or (toll call) 916.322.3360.

The attached documents are provided in the following order:

- Issue Spotter Checklist
- I: Conflict of Interest Provisions Under the Political Reform Act of 1974
- III: Conflict of Interest and Campaign Contributions
- IV: Limitations of Former State Officials Appearing Before State Government Agencies
- VI: Conflict of Interest in Contracts
- VII: Conflict of Interest Limitations on State Contracts
- IX: Incompatible Activities of Local Offices and Employees
- X: Incompatible Activities of State Offices and Employees
- XI: The Common Law Doctrine of Incompatible Offices

This information was taken from a 2004 publication by the Attorney General’s Office entitled “Conflicts of Interest.” Obtain this document online in its entirety by visiting: http://ag.ca.gov/publications/coi.pdf
Financial Conflict of Interest
Political Reform Act
Gov. Code, § 87100 et seq.

Is a state or local official participating in a government decision?

Does the decision affect an interest in real property or an investment of $2,000 or more held by the official? Or a source of income to the official of $500 or more? Or gifts to the official of $340 or more?

If so, is there a reasonable possibility that the decision will significantly affect any of the interests involved?

Are the official’s interests affected differently than those of the general public or a significant segment of the public?

If the answer to these questions is yes, the official may have a conflict of interest and be required to disqualify himself or herself from all participation in that decision. (See ch. I.)

Financial Interests in Contracts
Gov. Code, § 1090 et seq.

Does a member of a board have a direct or indirect financial interest in a contract being made either by the board or by any agency under the board’s jurisdiction?

If so, the member may be subject to criminal sanctions and the contract may be void and any private gain, received by the official under the contract, may have to be returned.

Has any other state or local officer or employee participated in the making of a contract in which the official had a direct or indirect financial interest?

If so, the official may be subject to criminal sanctions and the contract may be void and any private gain received by the official under the contract may have to be returned. (See ch. VI.)
Limitations on State Contracts
Pub. Contract Code, § 10410

Is a state official (other than a part-time board member) involved in an activity, employment or enterprise, some portion of which is funded by a state contract?

Is a state official, while employed by the state, contracting with a state agency to provide goods or services as an independent contractor?

If the answer to any of these questions is yes, a prohibited activity may have occurred. (See ch. VI., sec. B.)

Conflict of Interest Resulting from Campaign Contributions
Gov. Code, § 84308

Is there a proceeding involving a license, permit or entitlement for use?

Is the proceeding being conducted by a board or commission?

Were the board members appointed to office?

Has any board member received contributions of more than $250 from the applicant or any other person who would be affected by the decision:

• during the proceeding?
• within the previous 12 months prior to the proceeding?
• within 3 months following a final decision in the proceeding?

If the answer to any of these questions is yes, the board member may have to disqualify himself or herself from participating in the decision. (See ch. III.)

Appearance of Financial Conflict of Interest
Common Law

Court-made law, based on avoiding actual impropriety or the appearance of impropriety in the conduct of government affairs, may require government officials to disqualify themselves from participating in decisions in which there is an appearance of a financial conflict of interest. (See ch. XII.)
Receipt of Direct Monetary Gain or Loss
Gov. Code, § 8920

Will an officer receive a direct monetary gain or loss as a result of official action?

If an official expects to derive a direct monetary gain or suffer a direct monetary loss by reason of his or her official activity, the officer should disqualify himself or herself from the decision.

However, a conflict does not exist if an official accrues no greater benefit or detriment as a member of a business, profession, occupation or group than any other member. (See ch. XIII.)

Public Reporting of Financial Interests
Political Reform Act
Gov. Code, §§ 87200-87313

Is the official a state or local officer or employee who participates in the making of government decisions?

If so, the official may be required to file a public report disclosing investments, real property, income and gifts. (See ch. II.)

Incompatible Activities
Gov. Code, § 1125 et seq. (local officials);
Gov. Code, § 19990 (state officials)

Is an official using his or her government position or using government information or property in an improper manner?

Has the official’s agency or appointing authority adopted an incompatible activities statement?

If the activity has been prohibited by an incompatible activities statement, the official can be ordered to stop the practice and may be disciplined. (See ch. IX regarding local officials, and ch. X regarding state officials.)

Incompatible Offices
Common Law

Does a single official hold two offices simultaneously? (This common law doctrine applies only to public “officers” as opposed to “employees.”)

Do the offices overlap in jurisdiction, such that the official’s loyalty would be divided between the two offices?
Incompatible Offices
Common Law (continued)

If the answer to each of these questions is yes, the holding of the two offices may be incompatible and the first assumed office may have been forfeited by operation of law. (See ch. XI.)

Transportation, Gifts or Discounts
Cal. Const., art. XII, § 7

Is a state or local official, other than an employee, receiving a gift or discount in the price of transportation from a transportation company? (The prohibition covers inter and intrastate transportation in connection with both government or personal business.)

Former State Officials and Their Former Agencies
Political Reform Act
Gov. Code, §§ 87400-87405

Is a former state administrative official being compensated, by other than the State of California, to appear before any court or state administrative agency, in a judicial or quasi-judicial proceeding?

Gov. Code, § 87406

Is a former state official receiving compensation for the purpose of communicating with a state agency within a year of his or her departure from state service? (See ch. IV, sec. C.)

Former State Officials and Their Contracts
Pub. Contract Code, § 10411

Is a former state official contracting with the former agency to provide goods and services?

If the answer to this question is yes, a prohibited activity may have occurred. (See ch. VII, sec. C.)
I. CONFLICT-OF-INTEREST PROVISIONS UNDER THE POLITICAL REFORM ACT OF 1974

Government Code Section 87100 Et Seq.*

A. OVERVIEW

The Political Reform Act, Government Code section 81000 et seq. (hereinafter “Act”), was enacted by initiative measure (“Proposition 9”) in June 1974. It is the starting point in any consideration of conflict-of-interest laws in California. Chapter 7 of the Act (Gov. Code, §§ 87100-87500)1 deals exclusively with conflict-of-interest situations. The Act also limits the receipt of specified gifts and honoraria, which will be addressed in Section L of this chapter separately from the general disqualification provisions of section 87100.

One of the legislative declarations at the outset of the Act forms the foundation of the conflict-of-interest provisions: “Public officials, whether elected or appointed, should perform their duties in an impartial manner, free from bias caused by their own financial interests or the financial interests of persons who have supported them.” (§ 81001(b).)

The stated intent of the Act was to set up a mechanism whereby “[a]ssets and income of public officials which may be materially affected by their official actions . . . [are] disclosed and in appropriate circumstances the officials . . . [are] disqualified from acting in order that conflicts of interest may be avoided.” (§ 81002(c).)

The Fair Political Practices Commission (hereinafter, the “FPPC”) is the agency primarily charged with the responsibility of advising officials, informing the public, and enforcing the conflict-of-interest provisions of the Act.

B. THE BASIC PROHIBITION

Under the Act, public officials are disqualified from participating in government decisions in which they have a financial interest. The Act does not prevent officials from owning or acquiring financial interests that conflict with their official duties nor does the mere possession of such interests require officials to resign from office.

The disqualification provision of the Act hinges on the effect a decision will have on a public official’s financial interests. When a decision is found to have the requisite effect, the

*Selected statutory and regulatory materials appear in appendices A (at p. 126), B (at p. 127), C (at p. 129), and D (at p. 159).

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1All section references in this chapter hereafter refer to the Government Code unless otherwise specified.
official is disqualified from making, participating in making, or using his or her official position to influence the making of that decision at any stage of the decisionmaking process.

By establishing a broad, objective disqualification standard, the Act attempted to cover both actual and apparent conflict-of-interest situations between a public official’s private interests and his or her public duties. It is not necessary to show actual bias on the part of the official and generally it is not even necessary to show that an official’s assets or the amount of his or her income will be affected by a decision in order to trigger disqualification. Other more attenuated effects may also bring about an official’s disqualification.

Even though this is a broad disqualification requirement, it is by no means all inclusive. Conflicts arising out of matters other than a financial interest are outside the purview of the Act, e.g., friendship, blood relationship, or general sympathy for a particular viewpoint.

To determine whether a conflict of interest exists under the Act, the FPPC applies an eight-step process.

STEP 1: Is the individual a public official? (See Section C of this chapter.)

STEP 2: Is the public official making, participating in making, or influencing a governmental decision? (See Section D of this chapter.)

STEP 3: Does the public official have one of the six qualifying types of economic interest? (See Section E of this chapter.)

STEP 4: Is the economic interest directly or indirectly involved in the governmental decision? (See Section F of this chapter.)

STEP 5: Will the governmental decision have a material financial effect on the public official’s economic interests? (See Section G of this chapter.)

STEP 6: Is it reasonably foreseeable that the economic interest will be materially affected? (See Section H of this chapter.)

STEP 7: Is the potential effect of the governmental decision on the public official’s economic interests distinguishable from its effect on the general public? (See Section I of this chapter.)

STEP 8: Despite a disqualifying conflict of interest, is the public official’s participation legally required? (See Section J of this chapter.)

The answers to these questions will assist you in determining whether a conflict of interest exists. If it does, and no exceptions apply, disqualification is required.

It should be noted at the outset that the Act deals with conflict-of-interest situations on a transactional, or case-by-case, basis. This means that situations must be assessed for possible conflicts of interest in the light of their individual facts. The Act demands continual attention
on the part of officials. They must examine each transaction from the Act’s perspective to
determine if a conflict of interest exists which triggers the disqualification requirement. (See
Section L of this chapter for a discussion of the limits on gifts and honoraria.)
III.

CONFLICTS OF INTEREST AND CAMPAIGN CONTRIBUTIONS

Government Code Section 84308*

A. OVERVIEW

As previously noted in Chapter I, discussing financial conflicts of interest under the Political Reform Act of 1974 (hereinafter “Act”), campaign contributions are not a basis for disqualification by directly elected public officials. (See §§ 82028(a)(4), 82030(b)(1); Woodland Hills Residents Assoc. v. City Council of the City of Los Angeles (1980) 26 Cal.3d 938.) However, because of the increased concern about the link between campaign contributions and alleged conflict-of-interest situations, the Legislature enacted section 84308 in 1982.

B. THE BASIC PROHIBITION

Briefly stated, Government Code section 84308 provides the following:

1. The law applies to proceedings on licenses, permits, and other entitlements for use pending before certain state and local boards and agencies.

2. Covered officials are prohibited from receiving or soliciting campaign contributions of more than $250 from parties or other financially interested persons during the pendency of the proceeding and for three months after its conclusion. Note: Local laws may impose limits on campaign contributions that are lower than $250. (§ 85703 et seq.)

3. Covered officials must disqualify themselves from participating in the proceeding if they have received contributions of more than $250 during the previous 12 months from a party or a person who is financially interested in the outcome of the proceeding.

4. At the time parties initiate proceedings, they must list all contributions to covered officials within the previous 12 months.

5. The law expressly exempts directly elected state and local officials except when they serve in a capacity other than that for which they were directly elected.

*Selected statutory materials appear in appendix E (at p. 162).

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3All section references in this chapter hereafter refer to the Government Code unless otherwise specified.
A more comprehensive description of the provisions of section 84308 is set forth below. If you have specific questions, you should consult the actual wording of the statute, and the regulations of the Fair Political Practices Commission (hereinafter, “FPPC”).

C. PERSONS COVERED

The law applies to two types of individuals: covered officials and interested persons.

Covered officials typically include state and local agency heads and members of boards and commissions. (§§ 84308(a)(3) and 84308(a)(4); Cal. Code Regs., tit. 2, § 18438.1.) Alternates to elected or appointed board members and candidates for elective office in an agency also are covered. (§ 84308(a)(4); Cal. Code Regs., tit. 2, § 18438.1(c).) Covered officials do not include city councils, county boards of supervisors, the Legislature, constitutional officers, the Board of Equalization, judges and directly elected boards and commissions. However, these officials are not exempt from coverage when they sit as appointed members of other boards or bodies (e.g., joint powers agencies, regional government bodies, etc.). (§ 84308(a)(3), (a)(4); Cal. Code Regs., tit. 2, § 18438.1.)

Interested persons refers to persons who are financially interested in the outcome of specified proceedings (e.g., parties and participants). Parties (e.g., applicants or subjects of the proceeding) are always presumed to be financially interested in the outcome. In addition, persons or entities that satisfy both of the following criteria are financially interested and are called “participants”: (1) they foreseeably would be materially financially affected by the outcome of the decision as those terms are defined in Government Code section 87100 et seq.; and (2) they have acted to influence the decision through direct contacts with the officials or their staffs. (§ 84308(a)(1), (a)(2), (b) and (c); Cal. Code Regs., tit. 2, § 18438.4.)

When a closely held corporation is a party or participant in a proceeding, the requirements of the law apply to the majority shareholder. (§ 84308(d).)
IV.

LIMITATIONS ON FORMER STATE OFFICIALS
APPEARING BEFORE STATE GOVERNMENT AGENCIES

Government Code Section 87400 Et Seq.*

A. OVERVIEW

Historically, there has been a regular flow of personnel between government and the private sector. Sometimes, individuals from the private sector enter government for a short tenure of service and then return to their private enterprise occupations. Other times, individuals with longstanding government service who have developed expertise choose to leave government service and join the private sector. In still other instances, elected officers retire or are defeated and return to private industry.

The Political Reform Act of 1974 (hereinafter, the “Act”) includes Government Code section 87400 et seq., commonly known as the “Revolving Door Prohibition.” The Legislature also has enacted categorical restrictions on post-government employment. Section 87406 places restrictions on former government officials from contacting specified government agencies. These sections constitute the only general state law regulating the activity of former government officials who enter the private sector. (But see Pub. Contract Code, § 10411, for additional specific prohibitions.)

In addition, the Act prohibits public officials from participating in government decisions relating to any person with whom the official is negotiating concerning future employment. (§ 87407.)

If a former local government official wishes to influence his or her former agency, the official should consult local laws and rules to determine if there are limitations on his or her activities. Special provisions for air pollution control districts appear in section 87406.1.

B. LIFETIME RESTRICTIONS

1. The Basic Prohibition

The basic prohibition contained in section 87400 et seq. provides that: (1) no former state administrative official, (2) shall for compensation act as agent or attorney for any person other than the State of California, (3) before any court or state administrative agency, (4) in a judicial or quasi-judicial proceeding if previously the

*Selected statutory materials appear in appendix F (at p. 163).

4All section references in this chapter hereafter refer to the Government Code unless otherwise specified.
official personally and substantially participated in the proceeding in his or her official capacity. (See In re Lucas (2000) 14 FPPC Ops. 15.)

If the elements of the prohibition are found to be present, a former state administrative official is forever banned from acting as an agent or attorney in a covered proceeding or from assisting another to so act.

2. **State Administrative Official**

State administrative officials include every member, officer, employee or consultant of a state administrative agency who, as part of his or her official responsibilities, engages in any judicial, quasi-judicial or other proceeding in other than a purely clerical, secretarial or ministerial capacity. (§ 87400(b).) State administrative agencies include every office, department, division, bureau, board and commission of state government, but do not include the Legislature, the courts or any agency in the judicial branch. (§ 87400(a).)

3. **Compensation For Representation As Agent Or Attorney**

The statutory prohibition extends only to former state administrative officials who, for compensation, represent someone else as agent or attorney. (§ 87401, 87402.) Former officials who provide representation without compensation are not covered by the prohibition. (Cal. Code Regs., tit. 2, § 18741.1(a)(2).) Representing an individual as part of one’s employment constitutes receiving compensation for such representation. A firm which has as one of its partners a former administrative official generally may not represent persons in covered proceedings, because the official ultimately will benefit directly or indirectly from the compensation paid to the firm for such representation. However, where a former administrative official merely shares office space and some other overhead expenses with another attorney, that attorney would not be prohibited from handling such cases so long as the former administrative official were in no way involved in fee splitting or the representation. (Zatopa Advice Letter, No. A-82-095.)

The statute specifies the types of conduct which constitute prohibited representation of another in a covered proceeding (e.g., § 87402). It prohibits any formal or informal appearance or any written or oral communication with an intent to influence the covered proceeding. The prohibition on representation applies only to proceedings in which the State of California is a party or in which it has a direct or substantial interest. (§ 87401(a), (b); Cal. Code Regs., tit. 2, § 18741.1(a)(3).) In addition, the statute prohibits former administrative officials, for compensation, from aiding or assisting another to represent a person in a covered proceeding. (§ 87402; Cal. Code Regs., tit. 2, § 18741.1(a)(2).) Thus, if a former administrative official would be prohibited from personally acting as the client’s representative, he or she is also prohibited, for compensation, from aiding or assisting another in such representation.
4. Court Or Quasi-Judicial Proceeding

It is important to note that the statute applies only to judicial, quasi-judicial or other proceedings involving specific parties before a court or administrative agency (§ 87400(c); Xander Advice Letter, No. A-86-162; Berrigan Advice Letter, No. A-86-045.) Thus, quasi-legislative proceedings of an agency for the purposes of adopting general regulations do not trigger the prohibition. (Nutter Advice Letter, No. A-86-042; Swoap Advice Letter, No. A-86-199.) Participation in a lawsuit, an administrative enforcement action under section 11500 of the Government Code, or application proceedings are specifically covered. (§ 87400(c).) Any other proceeding which involves a controversy or ruling concerning specific parties also is covered. (§ 87400(c).)

5. Previous Participation

Once it has been determined that a former administrative official is prepared to act as an agent or attorney for another in a court or in an administrative proceeding, it must be determined whether the former official participated in the proceeding during his or her official tenure. (In re Lucas, supra, 14 FPPC Ops. 15; Anderson Advice Letter, No. A-86-324; Petrillo Advice Letter, No. A-85-255.) If so, the elements of the prohibition are complete and the former administrative official is prevented from acting in a representative capacity. (§ 87401.) A former administrative official is deemed to have participated in a proceeding only if he or she were personally and substantially involved in some aspect. (§ 87400(d); In re Lucas, supra, 14 FPPC Ops. 15; Brown Advice Letter, No. A-91-033.) The statute specifically covers personal and substantial participation in a decision, the approval or disapproval of a decision, the making of a formal recommendation, and the rendering of substantial advice. In addition, involvement in an investigation or the use of confidential information qualifies as participation under the statute. (§ 87400(d).) However, the statute specifically exempts from coverage the rendering of legal advice to departmental or agency staff which does not involve specific parties.

Unless covered by a specific exemption, a former administrative official who participated in a covered proceeding in his or her official capacity, is forever banned from receiving compensation for acting as an agent or attorney in that proceeding, or from assisting another to do so. Section 87403 provides several limited exceptions to this general prohibition.

The statute does not prevent a former administrative official from making a statement which is based on his or her own special knowledge of the area, provided that the official does not receive any compensation, other than witness fees as set forth by law or regulation. (§ 87403(a).) The statute also exempts communications made solely for the purpose of providing information if the court or administrative agency to which the communication is directed first makes specified findings. (§ 87403(b).) The court or administrative agency must find that the former administrative official has outstanding and otherwise unavailable qualifications, that the proceeding in question requires such qualifications, and that the public interest would be served by
participation of the former official. Lastly, where a court or administrative agency has made a final decision but has retained jurisdiction over the matter, it may permit an appearance or communication from the former administrative official if the agency of former employment gives its consent by determining that the former administrative official left office at least five years previously and the public interest would not be harmed by the appearance or communication.

6. **Enforcement And Disqualification**

Upon petition of any interested person, or party, the court or administrative agency may act to enforce the terms of the statutory prohibition. After notice to the former administrative official, the court or administrative agency may exclude him or her from further participation or from assisting or counseling any other participant. (§ 87404.) In addition, the administrative, civil and criminal sanctions available for enforcement of the Act apply to section 87400 et seq. (See Chapter V of this pamphlet.)

C. **ONE-YEAR PROHIBITION**

1. **The Basic Prohibition**

The restrictions prohibit the following former officials from accepting compensation to act as the agent, attorney or representative of another person for purposes of influencing specified government agencies through oral or written communications.

- With respect to members of the Legislature, the law imposes a one-year prohibition on communications with members of the Legislature, members of any legislative committee or subcommittee, or any officer or employee of the Legislature for the purpose of influencing legislative action. (§ 87406(b).)

- With respect to an elected state officer (excluding legislators), the law imposes a one-year prohibition on communications with any state administrative agency, for the purpose of influencing any administrative action or any action or proceeding concerning a permit, license, grant or contract, or the sale or purchase of goods or property. (§ 87406(c).)

- With respect to a state designated employee or member of a state body, the law imposes a one-year prohibition on communications with any state administrative agency – which either employed or was represented by the former official during the last 12 months of his or her government service – for the purpose of influencing: any administrative or legislative action; any action or proceeding concerning a permit, license, grant or contract; or the sale or purchase of goods or property. (§ 87406(d)(1).) (For a discussion of designated employees, see Chapter II, Section F.)
Appearances before a court, a state administrative law judge, or the Workers Compensation Appeals Board are not subject to the prohibitions of section 87406. Also, uncompensated appearances are not subject to the prohibition. The prohibition is not applicable to officials who transfer between state agencies (§ 87406(e); Cal. Code Regs., tit. 2, § 18741.1(a)(2)), and designated employees of the Legislature (§§ 87406(d) and 87400(a)). The prohibitions are also inapplicable to a former state official who holds a local elective office when the appearance or communication is made on behalf of the local agency. (87406(e)(2).)

2. Administrative Or Legislative Action

“Administrative action” means the proposal, drafting, development, consideration, amendment, enactment or defeat of any rule, regulation or other action in any rate-making proceeding or any quasi-legislative proceeding. (§ 82002.) “Legislative action” means the drafting, introduction, consideration, modification, enactment or defeat of any bill, resolution, amendment, report, nomination, or other matter by the Legislature or by either house or any committee thereof, or by a member or employee of the Legislature acting in his or her official capacity. “Legislative action” also means the action of the Governor in approving or vetoing any bill. (§ 82037.)

D. JOB SEEKING BY GOVERNMENT OFFICIALS

Prior to leaving government office or employment, the Act prohibits all public officials from making, participating in the making or using their official position to influence the making of government decisions directly relating to any person with whom they are negotiating, or have any arrangement, concerning prospective employment. (§ 87407; Cal. Code Regs., tit. 2, § 18747.) Previously, this prohibition applied to a more limited list of state officials.
VI.

CONFLICTS OF INTEREST IN CONTRACTS

Government Code Section 1090 Et Seq.*

A. OVERVIEW

The common law prohibition against “self-dealing” has long been established in California law. (City of Oakland v. California Const. Co. (1940) 15 Cal.2d 573, 576.) The present Government Code section 1090, which codifies the prohibition as to contracts, can be traced back to an act passed originally in 1851 (Stats. 1851, ch. 136, § 1, p. 522) and has been characterized as “merely express legislative declarations of the common-law doctrine upon the subject.” (Stockton P. & S. Co. v. Wheeler (1924) 68 Cal.App. 592, 597.)

Frequently amended in its details, the concept of the prohibition has remained unchanged. In fact, this office and the courts often refer to very early cases when discussing possible violations of this fundamental precept of conflict-of-interest law. (See, for example, Berka v. Woodward (1899) 125 Cal. 119.)

In 59 Ops.Cal.Atty.Gen. 604 (1976), this office specifically concluded that the Political Reform Act did not repeal section 1090 et seq. “but that the Political Reform Act will control over section 1090 et seq. where it would prohibit a contract otherwise allowable under section 1090 et seq."

Section 1090 basically prohibits the public official from being financially interested in a contract or sale in both his or her public and private capacities. In Thomson v. Call (1985) 38 Cal.3d 633, 649, the California Supreme Court reiterated the long-standing purpose and framework of section 1090. The purpose of section 1090 is to make certain that “every public officer be guided solely by the public interest, rather than by personal interest, when dealing with contracts in an official capacity. Resulting in a substantial forfeiture, this remedy provides public officials with a strong incentive to avoid conflict-of-interest situations scrupulously.” (Id. at p. 650.) The Court also stated:

. . . [T]he principal has in fact bargained for the exercise of all the skill, ability and industry of the agent, and he is entitled to demand the exertion of all of this in his own favor. [Citation.]

(Id. at p. 648; see also Campagna v. City of Sanger (1996) 42 Cal.App.4th 533, 542.)

*Selected statutory materials appear in appendix G (at p. 167).

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6 All section references in this chapter hereafter refer to the Government Code unless otherwise specified.
It follows from the goals of eliminating temptation, avoiding the appearance of impropriety, and assuring the city of the officer’s undivided and uncompromised allegiance that the violation of section 1090 cannot turn on the question of whether actual fraud or dishonesty was involved. Nor is an actual loss to the city or public agency necessary for a section 1090 violation.

(Thomson v. Call (1985) 38 Cal.3d at p. 648; emphasis in original; footnote omitted.)

In short, if the interest of a public officer is shown, the contract cannot be sustained by showing that it is fair, just and equitable as to the public entity. Nor does the fact that the forbidden contract would be more advantageous to the public entity than others might be have any bearing upon the question of its validity. (Capron v. Hitchcock (1893) 98 Cal. 427.)

(Id. at p. 649.)

B. THE BASIC PROHIBITION

Section 1090 provides that an officer or employee may not make a contract in which he or she is financially interested. Any participation by an officer or an employee in the process by which such a contract is developed, negotiated and executed is a violation of section 1090. If no contract is involved, or if a contract in which an officer or employee has a financial interest is not ultimately executed, no violation exists. A board member is conclusively presumed to have made any contract executed by the board or an agency under its jurisdiction, even if the board member has disqualified himself or herself from any and all participation in the making of the contract.

The prohibition applies to virtually all state and local officers, employees and multi-member bodies, whether elected or appointed, at both the state and local level. Section 1090 does not define when an official is financially interested in a contract. However, the courts have applied the prohibition to include a broad range of interests. The remote interest exception set forth in section 1091 enumerates specific interests which trigger abstention for board members but which do not prevent the board from making a contract. The interests set forth in section 1091.5 are labeled “non-interests” in that, once disclosed, they do not prevent an officer, employee or board member from participating in a contract.

Generally, any contract made in violation of section 1090 is void and cannot be enforced. In addition, an official who commits a violation may be subject to criminal, civil and administrative sanctions.
VII.

CONFLICT-OF-INTEREST LIMITATIONS
ON STATE CONTRACTS

California Public Contract Code Sections 10365.5 and 10410-10430*

A. OVERVIEW

Sections 10410 and 10411\(^7\) of the California Public Contract Code provide a two-level approach to potential conflict-of-interest situations in connection with the making of state contracts. Section 10410 concerns potential conflicts by persons currently holding office and section 10411 concerns potential conflicts by those who have left state service. The prohibitions do not apply to unsalaried members of part-time boards and commissions who receive payments only in connection with preparing for meetings and per diem for travel and accommodations. (§ 10430(e).) The code also expressly exempts the Board of Regents for the University of California from its coverage. (§ 10430(a).)

Other specific exemptions are contained in section 10430(b)-(g). They include contracts for architectural land engineering services, specified contracts exempt by section 10295, and contracts by spouses of state officers or employees and their employers for the provision of services to regional centers for persons with developmental disabilities pursuant to section 4648 of the Welfare and Institutions Code. With these exceptions, sections 10410 and 10411 generally cover all appointed officials, officers and civil service employees of state government.

Section 10365.5 contains a specific prohibition applicable to consultants involving “follow-on contracts.” These provisions of the Public Contract Code form a helpful adjunct to the provisions of Government Code section 1090 which also concern conflicts of interest in the contract-making process.

B. THE BASIC PROHIBITION REGARDING CURRENT STATE OFFICERS AND EMPLOYEES

Reduced to its essentials, section 10410 provides that: (1) no state officer or employee (2) shall engage in any employment, activity or enterprise (3) from which the officer or employee receives compensation, or in which he or she has a financial interest and (4) which is sponsored or funded, in whole or in part, by any state agency or department through a contract. An exception is provided if the employment or enterprise is required as a condition of the individual’s regular state employment. In addition to the general prohibition, section

*Selected statutory materials appear in appendix H (at p. 174).

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\(^7\)All section references in this chapter hereafter refer to the California Public Contract Code unless otherwise specified.
10410 specifically prohibits any covered official from contracting on his or her own behalf with a state agency as an independent contractor to provide goods or services.

The prohibition contained in section 10410 does not appear to be a transactional disqualification provision such as that contained in the Political Reform Act. Rather, it is a prohibition against state employees having specified financial interests. In the case of section 10410, the statute prohibits an individual from engaging in certain activities which are supported, in whole or in part, by a state contract. By prohibiting the “activity,” the statute in effect prohibits the making of state contracts in which the individual has the specified interest. Thus, in many instances, the provisions of section 10410 will be duplicative of the provisions of Government Code section 1090. However, the provisions of section 10410 apply only to state contracts and are different than the restrictions contained in Government Code section 1090 in certain respects.

In 84 Ops.Cal.Atty.Gen. 131 (2001), this office concluded that the prohibitions set forth in section 10410 did not generally apply to the spouse of a state officer or employee. The spouse of a state employee may, therefore, contract to provide goods or services to the employee’s department if the employee neither participates in the department’s decision to enter into the contract nor engages in the spouse’s business.

With respect to the prohibition against state officers or employees contracting on their own behalf as independent contractors, to provide goods or services, this office has orally advised that state employees who prepare educational film, video and printed materials as a part of their state employment cannot contract with another department as independent contractors to provide similar services in their off-hours.

C. THE BASIC PROHIBITION REGARDING FORMER STATE OFFICERS AND EMPLOYEES

Section 10411 regarding former state officials is divided into two parts. Subsection (a) involves a two-year prohibition against participating in a contract with which the official was involved during his or her state service. Subsection (b) involves a one-year prohibition of any contract by former policy making officials with their prior agencies.

Section 10411(a) provides that no retired, dismissed, separated or formerly employed state officer or employee may enter into a state contract in which he or she participated in any of the negotiations, transactions, planning, arrangements or any part of the decision-making process while employed in any capacity by an agency or department of state government. The statute does, however, place a two-year limit on the application of this statutory prohibition commencing on the date the person left state employment. For application of similar provisions under Government Code section 1090, see Stigall v. City of Taft, supra, 58 Cal.2d 565 and 66 Ops.Cal.Atty.Gen. 156 (1983).

Section 10411(b) establishes a 12-month moratorium on any former state officer or employee, entering into a contract with his or her former agency, if the covered official held a policymaking position with the agency in the same general subject area as the proposed
contract within 12 months prior to his or her departure from state government. The statute expressly exempts contracts for expert witnesses in civil cases and contracts for the continued services of an attorney regarding matters with which the attorney was involved prior to departing state service.
IX.

INCOMPATIBLE ACTIVITIES OF LOCAL OFFICERS AND EMPLOYEES

Government Code Section 1125 Et Seq.*

A. OVERVIEW

These sections, which were originally enacted in 1971, provide a statutory prohibition against any officer or employee of a local agency from engaging in any employment or other activity which is in conflict with his or her public duties. Government Code section 1125 defines local agency to mean a “county, city, city and county, political subdivision, district, and municipal corporation.” Section 1126 contains the basic prohibition, and focuses on the remunerative activities of agency officials. See section 1098 concerning prohibition against disclosure of confidential information, which is punishable as a misdemeanor.

B. THE BASIC PROHIBITION

Section 1126 provides that a local officer or employee shall not engage in any employment, activity or enterprise for compensation which is inconsistent, incompatible, in conflict with, or inimical to his or her official duties or the duties, functions or responsibilities of his or her appointing authority or employing agency. This general prohibition usually is not self-executing and, in order to give notice of what activities are incompatible, authorities and agencies must promulgate a statement of incompatible activities. The incompatible activities statement may address a broad range of conflict-of-interest issues. But an officer or an employee may not have sanctions imposed on him or her unless the officer or employee has violated a duly noticed statement. If a statement is adopted, the local agency shall enact rules providing notice to employees regarding prohibited activities, disciplinary action and appeal procedures.
A. OVERVIEW

The prohibitions applicable to state officers and employees as contained in Government Code section 19990\(^*\) are similar to those applicable to local officials under section 1126. (See Chapter IX of this pamphlet). Like section 1126, section 19990 creates a general prohibition followed by specific areas of conduct which should be covered in an incompatible activities statement adopted by an employee’s appointing power.

B. THE BASIC PROHIBITION

Initially, section 19990 prohibits state officers and employees from engaging in any activity or enterprise which is clearly inconsistent, incompatible, in conflict with, or inimical to their duties as state officers or employees. Each state agency is required to develop, subject to the approval of the Department of Personnel Administration, a statement of incompatible activities for its officers and employees. As discussed below, the statute sets forth several activities that are deemed to be inconsistent, incompatible or in conflict with the duties of a state officer or employee.

C. PROHIBITION MAY NOT BE SELF-EXECUTING

In construing section 1126, which is applicable to local officers and employees, the court in Mazzola v. City and County of San Francisco (1980) 112 Cal.App.3d 141, concluded that the general prohibition was not self-executing. There, the City and County of San Francisco had appointed and reappointed a plumbers’ union official to the position of airport commissioner. At the time of the appointments, the city had full knowledge that the commissioner was a union official. After several unions, including the plumbers’ union, engaged in a lengthy strike against the city, the Board of Supervisors removed the commissioner from office based on “official misconduct.” The court set aside that decision, stating that the prohibition against incompatible activities could be exercised only through the agency’s adoption of an incompatible activities statement which specifically notified employees of the prohibited activities. The court took the position that a general ban on activities which were inconsistent, incompatible, in conflict with or inimical to one’s public duties was too vague to have any effect without the adoption of specific guidelines by the employee’s agency. There is no case law construing section 19990. However, the same argument could be made with respect to section 19990.

*A copy of this statute appears in appendix J (at p. 177).

\(^*\)All section references in this chapter hereafter refer to the Government Code unless otherwise specified.
D. PERSONS COVERED

There is some question as to whether section 19990 covers state officers who are outside the state civil service. The provision concerning the incompatible activities statement provides:

Each appointing power shall determine, subject to approval of the department, those activities which, for employees under its jurisdiction, are inconsistent, incompatible or in conflict with their duties as state officers or employees. . . .

(§ 19990; emphases added.)

In the past, section 19251, predecessor to section 19990, was interpreted by this office to apply to civil service employees only. (53 Ops.Cal.Atty.Gen. 163 (1970).) This conclusion, in part, was based upon the fact that the prohibition and the remedies were placed in the civil service portions of the Government Code. However, in 1981, section 19251 was repealed and replaced with section 19990, which is contained in the portion of the Government Code applicable to the Department of Personnel Administration. These provisions are applicable to both civil service and non-civil service employees and officers of state government. (§ 19815 et seq.) For the purposes of the Government Code sections under the jurisdiction of the Department of Personnel Administration, section 19815(d) defines the term “employee” to include “. . . all employees of the executive branch of government who are not elected to office.”

Thus, there are strong indications that section 19990 covers all non-elected, executive branch officers and employees, not just those who are members of the civil service. However, the only remedy for violating an incompatible activities statement continues to appear in section 19572(r) as a reason for imposing discipline on a civil service employee. In addition, the term “appointing power” is defined in section 18524 as the entity authorized to appoint civil service personnel. Nevertheless, these factors do not conclusively bar the application of section 19990 to non-civil service personnel. For example, non-civil service employees could be subject to disciplinary action or removal under the terms of their appointment.

E. PROHIBITED ACTIVITIES

Only those outside activities that are clearly incompatible, inconsistent or in conflict with the employee’s public duties may be restricted. (73 Ops.Cal.Atty.Gen. 239 (1990); see also Keeley v. State Personnel Board (1975) 53 Cal.App.3d 88 [prison guard terminated because of his ownership and operation of a liquor store].) The types of activities specifically enumerated for coverage by incompatible activities statements include: using the prestige or influence of the state for private gain; using state facilities, time, equipment, or supplies for private gain; using confidential information for private gain (see also Government Code section 1098, which prohibits the disclosure of confidential information for pecuniary gain); receiving compensation from other than the state for the performance of state duties; performing private activities which later may be subject to the control, review, inspection, audit, or enforcement by the officer or employee; and receiving anything of value from a person regulated by or seeking to do business with the official’s agency where the item of
value could be reasonably interpreted as having been intended to influence the official. Section 19990 specifically states that incompatible activities shall include, but are not limited to, the enumerated areas of conduct specified in the statute.

Further, in *Long Beach Police Officers Assn. v. City of Long Beach* (1988) 46 Cal.3d 736, the Supreme Court held that local governments have broad discretion to regulate conflict-of-interest situations. Thus, the statutory language combined with the *Long Beach Police Officers Assn.* holding make it clear that state agencies have broad authority to regulate conflict-of-interest situations as well.

There is, however, less discretion afforded with respect to regulating the political activities of state officers or employees. Pursuant to section 3208, except as otherwise provided in section 19990, the limitations contained in sections 3201-3209 are the only permissible restrictions on the political activities of state employees. (The restrictions upon the political activities of local officers and employees are discussed in Chapter IX, ante.) In addition to these provisions, employees should be aware of section 8314 and Penal Code section 424, which prohibit the misuse of public funds and property for political or personal use. (See also *Stanson v. Mott* (1976) 17 Cal.3d 206; *League of Women Voters v. Countywide Crim. Justice Coordinating Com.* (1988) 203 Cal.App.3d 529.)

It should also be noted that the private use of expertise acquired during the performance of one’s official duties is not necessarily prohibited. (See, 73 Ops.Cal.Atty.Gen. 239, supra, [under specified circumstances, a State Franchise Tax Board employee can teach courses on tax law].)
THE COMMON LAW DOCTRINE OF INCOMPATIBLE OFFICES

A. OVERVIEW

The doctrine of incompatible offices concerns a potential clash of two public offices held by a single official. Thus, the doctrine concerns a conflict between potentially overlapping public duties. (*People ex rel. Chapman v. Rapsey* (1940) 16 Cal.2d 636; see also *Mott v. Hortsmann* (1950) 36 Cal.2d 388; 56 Ops.Cal.Atty.Gen. 488 (1973).) This is distinguishable from traditional conflict of interest which involves a potential clash between an official’s private interests and his or her public duties. Confusion of these concepts sometimes results from the use of the term “incompatibility” in connection with the doctrine of incompatibility of offices on the one hand and the conflict-of-interest notion of incompatible activities on the other. (55 Ops.Cal.Atty.Gen. 36, 39 (1972).)

B. THE BASIC PROHIBITION

The doctrine of incompatible offices is court-made or “common law.” (For a brief discussion of common law, see discussion in Section A of Chapter XII.) To fall within the common law doctrine of incompatible offices, two elements must be present. (68 Ops.Cal.Atty.Gen. 337 (1985).) First, the official in question must hold two public offices simultaneously. Second, there must be a potential conflict or overlap in the functions or responsibilities of the two offices.

The doctrine of incompatible offices was announced in the landmark case of *People ex rel. Chapman v. Rapsey*, supra, 16 Cal.2d at pp. 636, 641-642 (hereinafter, “*Rapsey*”). In that case, the court identified factors that must be addressed in evaluating issues under the incompatible offices doctrine: whether there is any significant clash of duties or loyalties between the offices; whether considerations of public policy make it improper for one person to hold both offices; and whether either officer exercises a supervisory, auditing, appointive, or removal power over the other.

In *Rapsey*, a city judge accepted an appointment as city attorney. The court concluded that the two positions in question were public offices and that there was a significant clash in their respective duties and functions.

(For special rules governing public attorneys, see the discussion in section G of this chapter; Government Code section 1128, 66 Ops.Cal.Atty.Gen. 382 (1983) (local); Government Code section 19990.6 (state).)
400 COMMUNICATIONS

400 OVERVIEW
The fair’s communications program should be designed to meet internal needs for timely information as well as to keep the public advised of the fair’s program. The communications program should enable all individuals affiliated with the fair, whether Fair Board (Board) members, the CEO, or staff to speak with a unified voice on all aspects of fair operations, which may be of interest to the public. This means that the fair’s response to every inquiry, regardless of the source, will contain the same information and be provided with similar courtesy and timeliness. Achieving a unified voice requires the fair to translate its mission, values, and policies into clear, easily understood messages and then to deliver those messages through a variety of activities and media.

401 THE BOARD'S INTERNAL INFORMATION SYSTEM
The Board's internal information system is effective to the extent it focuses decision making, stimulates participation, and supports an appropriate balance of responsibility between Board and management (refer to Chapter 100). The basic documents of the Board's internal information system include:

- Bylaws (refer to Appendix L, Chapter 400 for the Bylaws template)
- Policy manual (refer to Appendix M, Chapter 400 for an example of a fair policy manual)
- Organization chart
- Annual budget
- Audit report
- Financial reports
- Committee reports
- Meeting agenda
- Memoranda related to issues slated for discussion, as needed
- Meeting minutes
- Safety program and training manual
- Long-range plan (includes Strategic Plan)
- Mission statement

401.1 Meeting the Board's Information Needs
Materials prepared by management for distribution to Board members should be concise, timely, relevant to the Board's responsibilities, visually inviting, and clear in context. All Board members have a responsibility to be "intelligent consumers" of technical and financial information related to the fair program. The quality of information which management presents to the Board contributes to the level of understanding among directors regarding specific issues. It is up to the Board to give adequate feedback to the CEO to enable him or her to ensure that information prepared by staff for Board review meets these standards.
The question of who is to serve, as the fair’s spokesperson should be revisited after any change in leadership, either the CEO or the Board president. In general, the CEO serves on a day-to-day basis as primary spokesperson in areas of fair business and programs. The Board president or other designated spokesperson makes announcements of new policy, capital campaigns, and major events. In addition, the CEO generally represents the fair in responding to media inquiries and appearing before public bodies. However, volunteer leaders who capably convey their commitment and dedication, perhaps by giving speeches to civic and community groups, generate public support for the fair by commanding public respect.

402.1 Board Protocols for Community Relations and Publicity
Fairs occasionally make front page news as a result of fair challenges or natural catastrophes. The Board should establish a communications policy and protocol to standardize communications in newsworthy situations. The policy should designate spokespersons for the fair who are authorized to respond to media inquiries and/or inquiries from public agencies. It should identify back-ups to represent the fair when designated spokespersons are unavailable. The policy should state clearly that Board members do not respond to media inquiries but rather refer them to designated spokespersons. Board policy should describe the procedure for notifying all Board members regarding the particular circumstances and prescribe how sensitive information is to be provided to the staff.

Non-adherence of Board communication policy should be treated as a serious breach of commitment. The Board chair should act immediately to deter breaches of communication or comments issued in the press by individual Board members.

403 Board Communications with Fair Management and Staff
Board members follow the administrative chain of command in initiating communications on fair business with any member of the staff. As a general rule, Board members should restrict their contacts with staff to communications with the CEO. Exceptions include (i) ongoing project implementation or issue analysis that includes participation by both staff and Board members, and (ii) making return calls to staff.

403.1 Board Protocols for Communicating with the CEO
Board members should convey to the Chief Executive Officer nonconfidential information of relevance to the fair, which they have obtained through their own interactions with community groups and officials.
404 BOARD COMMUNICATIONS WITH GOVERNMENT AGENCIES

Except for the Board president, individual Board members should not communicate directly with elected or appointed public officials on fair-related business unless they have been specifically authorized by a vote of the Board to represent the Board and/or the fair. The president, as the fair's representative and spokesperson, is the appropriate person to make contact with public officials on the Board's and/or the fair's behalf and is responsible for encouraging all Board members to observe this protocol. It is up to the Board's elected leaders to ensure that the Board appropriately disciplines itself as circumstances dictate on a case-by-case basis.
State of California

Memorandum

To: All District Agricultural Associations

Date: June 23, 2004
Ref: D2004-11
Place: Sacramento
Telephone: (916) 263-2459

From: Department of Food and Agriculture - Bruce Lim, Acting Director
Division of Fairs and Expositions

Subject: DAA Bylaws

Pursuant to the Division of Fairs and Expositions’ (F&E) circular letter D95-21, dated September 29, 1995, District Agricultural Associations (DAA’s) are required to submit to F&E proposed amendments to their bylaws for review and approval.

Effective immediately, DAA boards of directors will be delegated the authority to make all necessary bylaws, including future amendments, without F&E approval. This authorization is being granted as part of the Department of Food and Agriculture’s continued effort to create a framework for administration of the network of California fairs that allows for maximum autonomy and local decision-making authority pursuant to Business and Professions Code 19620(b)(3). We recommend the fair consult with the Attorney General’s Office should there be questions on whether proposed bylaws amendments comply with open meeting laws.

Attached is your fair organization’s individual delegation of authority to make all necessary bylaws pursuant to Food and Agricultural Code 3965(c).

Please send a copy of amended bylaws to F&E for its records. If you have any questions, please do not hesitate to contact me at the above number or by email at blim@cdfa.ca.gov or Brock Wimberley at (916) 263-2951 or bwimberley@cdfa.ca.gov.
BYLAWS FOR THE
_____ DISTRICT AGRICULTURAL ASSOCIATION
___________, CALIFORNIA

Article I

SECTION 1 - NAME: The name of this Association is the name established by law, to-wit: _____ District Agricultural Association, an agency of the State of California.

SECTION 2 - OFFICE: The office for the transaction of the business of the Association is hereby fixed and located at ________________________, in the City of ____________, County of ____________, State of California. The Board of Directors may change the location of said office within the District.

Article II
Directors

SECTION 1 - POWERS: Subject to the limitations of these bylaws and of the statutes of the State of California, including the approval of the Department of Food and Agriculture as required by law, all powers shall be exercised by or under the authority of, and the business and affairs of the Association shall be controlled by, the Board of Directors.

SECTION 2 - ANNUAL MEETING: The Annual Meeting of the Board shall be held at the office of the Association at _______________ (time and day or date) ___________ of ________ (month) ______ of each year, if not a legal holiday, and if a legal holiday, then on the next succeeding business day.

SECTION 3 - REGULAR MEETINGS: Regular meetings of the Board shall be held (monthly/quarterly, etc.) ___________ at the office of the Association at _______________ (time and day or date) ___________, if not a legal holiday. If it is a legal holiday, then the meeting shall be on the next succeeding business day. Notice shall be given in writing at least ten (10) days in advance of the meeting.

SECTION 4 - EMERGENCY MEETINGS: Emergency meetings of the Board may be called by the President, or if he/she is absent or unable, or refuses to act, by five Directors, and notice of the time and place of the meetings given to the media which have requested notice at least one hour prior to meeting and to all board members. Emergency meetings may only be called in response to:

(a) Work stoppages or other activity which severely impairs the public health, safety, or both.

(b) Crippling disaster which severely impairs the public health, safety, or both.

(c) Administrative disciplinary matters concerning consideration of proposed decisions, stipulations, and pending litigation which require immediate attention.

Bylaws, 1
SECTION 5 - ADJOURNED MEETINGS: Any meeting may be adjourned until a stated day and hour and a 10-day written notice given to the public. In the absence of a quorum, a majority of the Directors present at the meeting may so adjourn any meeting.

SECTION 6 - QUORUM: Five Directors shall be necessary to constitute a quorum for the transaction of business. Every act or decision done or made by a majority of the legal votes cast by Directors at a duly noticed meeting at which a quorum is present shall be regarded as the act of the Board, except as hereinafter provided regarding amending the bylaws.

SECTION 7 - OPEN MEETING LAWS: All meetings of the district agricultural association are subject to the requirements of the Bagley–Keene Opening Meeting Act.

Article III
Officers

SECTION 1 - OFFICERS: The officers of the Association shall be President, Vice President, Secretary, Treasurer and Manager. The Directors shall select a Secretary, a Manager, and a Treasurer from among persons who are not members of the Board. One person may be the Secretary, the Manager, and the Treasurer. The Manager holds office at the pleasure of the Board. If the Manager is not acting as the Secretary and/or Treasurer of the Association, the Board shall fix the salary and duties of Secretary and/or Treasurer.

SECTION 2 - ELECTION: The term of office for President and Vice President shall be for one year and until a successor is elected, unless the officer resigns or shall be removed or otherwise disqualified to serve. If the Manager, who sits at the pleasure of the Board, serves as the Secretary and/or Treasurer, the term of those offices shall be at the pleasure of the Board. If the Manager does not serve as the Secretary and/or Treasurer, those offices shall be for a period of one year and until a successor is elected, unless the officer resigns or shall be removed or otherwise disqualified to serve.

SECTION 3 - REMOVAL AND RESIGNATION: Any officer may be removed with or without cause. Five Directors shall be necessary to constitute a quorum for the removal of an officer including the Manager. Dismissal of the Manager must be in accordance with the provisions of the Government Code Section 11126(a), which states: "... As a condition to holding a closed session on the complaints or charges to consider disciplinary action or to consider dismissal, the employee shall be given written notice of his or her right to have a public hearing, rather than a closed session, which notice shall be delivered to the employee personally or by mail at least 24 hours before the time for holding a ... meeting. If notice is not given, any disciplinary or other action taken
BYLAWS FOR THE

DISTRICT AGRICULTURAL ASSOCIATION

CALIFORNIA

against any employee at the closed session shall be null and void. The state body also may exclude from any public or closed session, during the examination of a witness, any or all other witnesses in the matter being investigated by the state body. Following the public hearing or closed session, the body may deliberate on the decision to be reached in a closed session. . . ."

Any officer may resign at any time by giving written notice to the Board or to the President of the Association. Any such resignation shall take effect at the date of receipt of such notice or at any later date specified therein. The acceptance of such resignation shall not be necessary to make it effective. Resignation of directors requires written notice to the Governor of the State of California with a copy sent to the Division of Fairs and Expositions.

Any Director who misses three consecutive regular meetings of the Board without the permission of the Board is deemed to have resigned as a Director.

SECTION 4 - VACANCIES: A vacancy in any office, other than a board member, because of death, resignation, removal, disqualification, or any other cause, shall be filled by the Board for the unexpired portion of the term.

SECTION 5 - PRESIDENT: The President shall preside at all meetings of the Board and shall be an ex-officio member of all committees. Should the President not be present at any meeting of the Board, the Vice President shall preside. In the absence of the President and Vice President, the senior Director shall preside. In the absence of the President, Vice President, and/or senior Director, a president pro tem may be chosen to preside at such meeting.

SECTION 6 - SECRETARY: The Secretary shall keep or cause to be kept at the office of the Association a book of minutes of all meetings of the Directors. The minutes shall include the time and place of each meeting held, and note how each meeting was noticed as well as list the names of those Directors present at the meeting and give the proceedings thereof.

The Secretary shall give, or cause to be given, the required notice for all meetings of the Board and shall mail copies of all minutes to all Directors within seven (7) days after each meeting.

If the Secretary is designated by the President to attend a closed session, the Secretary shall maintain a confidential minute book of the closed session recording topics discussed and decisions made at the meeting. This minute book is not a public record.

SECTION 7 - TREASURER: The Treasurer shall be responsible to keep and maintain or cause to be kept and maintained adequate and correct accounts of properties and business transactions of the Association, including accounts of its assets, liabilities, receipts, disbursements, gains, losses, and capital. Any surplus shall be classified according to source and shown in a separate account. The Treasurer shall be responsible for overseeing and ensuring that proper accounting methods and
procedures are followed including the appropriate separation of duties.

The Treasurer shall be responsible for the deposit of all moneys and other valuables in the name of and to the credit of the Association with such depositaries as may be designated by the Board and are approved by the Department of Food and Agriculture. The Treasurer shall disburse the funds of the Association as may be ordered by the Board and shall render to the President and Directors, whenever they request it, an account of all transactions as Treasurer and an account of the financial condition of the Association.
SECTION 1 - CHECKS, DRAFTS, ETC.: All checks, drafts, or other orders for the payment of money, notes, or other evidences of indebtedness issued in the name of or payable to the Association shall be signed or endorsed by such person or persons, and in such a manner as determined periodically by resolution of the Board. The Board shall periodically establish by resolution a minimum dollar amount which will require only one signature and all checks above that amount will require two signatures. The resolution shall state the names and positions of each person authorized to sign and the list of accounts affected.

SECTION 2 - REPORT TO DEPARTMENT OF FOOD AND AGRICULTURE: The Board shall make such reports to the Department of Food and Agriculture as such Department may direct, including submittal of annual budget and statement of operations. The Manager shall be responsible for and take all necessary steps to ensure the accuracy of any reports submitted to the Department.

SECTION 3 - CONTRACTS, ETC.: The Board may authorize any officer or officers to enter into any contract or execute any instrument in the name of and upon behalf of the Association, and such authority may be general or confined to specific instances. Unless so authorized by the Board, no director, officer, agent, or employee shall have any power or authority to bind the Association by any contract or engagement, to pledge its credit, or to render it liable for any purpose or in any amount.

SECTION 4 - EMPLOYEES: The district is the employer. The Manager is responsible for the employment and management of all the employees of the district.

SECTION 5 - EXPENDITURES: Every person who incurs any expenditure in excess of the allotments or other provisions of the fiscal year budget as approved by the department or as subsequently changed by or with the approval of the department, is liable both personally and on his/her official bond for the amount of the excess expenditures.

SECTION 6 - COMMITTEES: The Board may appoint an executive committee and such other committees as the Board deems necessary. The Board may delegate to the President the responsibility of appointing committees. Meetings of committees shall be open to the public when any meeting comprises more than two members of the board and proper notice shall be given before the meeting to the public.

SECTION 7 - INSPECTION OF BYLAWS: The Association shall keep in its office the original or a copy of the bylaws, as amended or otherwise altered to date, certified by the Secretary, which shall be open to the inspection of the public during office hours.
Article V
Amendments

SECTION 1 - POWER OF DIRECTORS: These bylaws may be altered, amended, or repealed, and new and additional bylaws adopted at any time by an affirmative vote of five Directors or more and with the approval of the Division of Fairs and Expositions, Department of Food and Agriculture.

These Bylaws were adopted by the Board of Directors at their regular Board meeting on

_________________________________________  Date
President, Board of Directors
District Agricultural Association

_________________________________________  Date
Secretary
District Agricultural Association

_________________________________________  Date
Manager
District Agricultural Association

Approved By:

_________________________________________  Date
Director
Division of Fairs and Expositions
California Department of Food and Agriculture

(Rev. 11/01)

Bylaws, 6
ANTEOPE VALLEY FAIR AND ALFALFA FESTIVAL

50th DISTRICT AGRICULTURAL ASSOCIATION

POLICY MANUAL*

SAMPLE

* The 50th DAA has provided their policy manual as a sample for other fairs.
Adopted January 25, 2001

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Sample Policy Manual 2
INTRODUCTION

This Policy Manual shall be in compliance with the Accounting Procedures Manual at all times. The Accounting Procedures Manual takes precedent.

This Policy Manual is the result of the Board of Directors' efforts to establish a consistent means of serving the needs of the people of the 50th District Agricultural Association.

It reflects the goals of the Association, brings consistency to its operation, provides fair treatment for all concerned, increases staff efficiency, cuts down on wasted effort, and relieves the Board and management of the burden of making repetitive decisions.

The guidelines offered here are the basis upon which management and staff conduct the business of the Association. The Board of Directors as a policy setting body has the ultimate responsibility for this manual's content. Its collective decisions will be the impetus for any changes.

Such changes in the Policy Manual shall be made only as an attempt to further improve the Fair's service to the community, and will be kept sufficiently broad and practical so as to not place undue limits or burdens on management.

Furthermore, any changes in, or exceptions to, the policies established in the Policy Manual shall be performed only by authority of a 2/3 majority vote of the full Board. Neither management nor Directors will take any actions contrary to established policy without such authority. Addendum's attached as a result of Board action are considered a part of Board policy.

In some cases procedures and goals are included to help insure consistent interpretation of policy. This manual should serve as a constant tool of management, a reminder to present Directors of policies currently in effect, and an introduction to the operation of the Association for new Directors. The Policy Manual will be reviewed and ratified annually, at the January Board meeting. An annual meeting will be held in October.
### DEFINITIONS

**TERMS USED WITHIN THIS POLICY MANUAL**

<table>
<thead>
<tr>
<th>Term</th>
<th>Definition</th>
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</thead>
<tbody>
<tr>
<td><strong>ASSOCIATION:</strong></td>
<td>50&lt;sup&gt;th&lt;/sup&gt; District Agricultural Association</td>
</tr>
<tr>
<td><strong>BOARD:</strong></td>
<td>The policy making body for the Association, consisting of the nine Directors.</td>
</tr>
<tr>
<td><strong>DIRECTORS:</strong></td>
<td>Individual members of the Board, appointed by the governor to fill four-year terms.</td>
</tr>
<tr>
<td><strong>DIVISION:</strong></td>
<td>The Division of Fairs and Expositions, a branch of the California Department of Food and Agriculture.</td>
</tr>
<tr>
<td><strong>DISTRICT:</strong></td>
<td>From the Northeast corner of Section 1, Township 8 North, Range 8 West, southerly along the Los Angeles County/San Bernardino County lines to the Southeast Corner of Section 36, Township 5 North, Range 8 West; thence westerly to the Southwest corner of Section 31, Township 5 North, Range 17 West; thence northerly to the Northwest corner of Section 6, Township 5 North, Range 17 West; thence westerly to the Southwest corner of Section 31, Township 6 North, Range 17 West; thence northerly to the Northwest corner of Section 6, Township 8 North, Range 17 West; thence easterly to the point of beginning.</td>
</tr>
<tr>
<td><strong>MANAGER:</strong></td>
<td>General Manager-Secretary of the Board</td>
</tr>
<tr>
<td><strong>POLICY:</strong></td>
<td>A statement of a course of action to be consistently followed under stated conditions without reference to higher authority.</td>
</tr>
<tr>
<td><strong>PROCEDURE:</strong></td>
<td>A system of organization and/or action developed to achieve the policy goals of the Association.</td>
</tr>
<tr>
<td><strong>STAFF:</strong></td>
<td>Those employees (both civil service and non-civil service) hired by the Manager.</td>
</tr>
</tbody>
</table>
BOARD OF DIRECTORS

OFFICERS OF THE BOARD

PRESIDENT—(ANY MEMBER OF THE BOARD)
Function—To conduct all meetings of the Association and to be responsible for appointment of all committees for ratification by the Board.

VICE PRESIDENT—(ANY MEMBER OF THE BOARD)
Function—To act on the President's behalf in his/her absence.

MANAGER—(NOT A MEMBER OF THE BOARD)
Function—To manage the affairs of the Association (see Manager's duties)

SECRETARY—(NOT A MEMBER OF THE BOARD)
Function—To keep minutes of all board meetings and handle Board correspondence.

TREASURER—(NOT A MEMBER OF THE BOARD)
Function—To be responsible for the financial records and transactions of the Association.

NOTE: Manager, secretary and treasurer positions can be held by one person. (Manager and secretary are almost always handled by one person).

REPRESENTATIVES OF THE BOARD

WFA AND/OR CFSA REPRESENTATIVE—(Designated by the Board)
Function—To be the voting representative of the Board at WFA and CFSA elections.
DIRECTOR'S RESPONSIBILITIES

1. To attend all meetings and other functions of the Board.
2. To stay well informed on Board matters.
3. To express opinions at Board meetings concerning policy matters discussed by the Board.
4. To refrain from making decisions that impact management's areas of responsibility.
5. To place the good of the Association before that of personal or professional gain.
6. To act in accordance with the Policy Manual.
7. To abide by the majority decision of the Board.
8. To assist management with raising money for the Association.
9. To act as an ambassador for the Association, and project a positive image of the Association.
10. To approve an annual budget that is workable for the Association, to stay informed on the levels of expenditure contained in it and always concerned with the impact their decisions may have on the financial soundness of the Association.

DIRECTOR'S RESIGNATION

THE EFFECTIVE DATE OF A DIRECTOR'S RESIGNATION—The Governor's appointment office considers a Director as resigned when action is taken by them upon receipt of a written notice from the Director or the President, acting under the Director of the Board. A Director serves until replaced or re-appointed by the governor, even though the term has expired. Unless a resignation is submitted.
ADDITIONAL POLICIES

Honorary Directors - There will be a Director's honorarium as named, from time to time, be a 2/3 vote of the Board. The honorary Directors will be nominated at the Board meeting, and a vote taken at the next regularly scheduled Board meeting.

Directors Facilities - During Fair time, utilization of the facilities will be limited to Directors of the Fair and families along with invited guests. Past directors will be considered invited guests.

Director Portraits - Portraits of the Governor, Legislators, Directors, and Management will be placed in the Directors facilities and/or front office of the Administration building.

Memorials on Fairgrounds - All individual recognition, memorials and awards to be placed on the Fair facility will require Board of Directors approval on an individual basis.

Public Address System - Limited use of the public address system will prevail, a code system will be used and Directors may be paged by name. Other emergencies will be announced as required.

Check Signing Policy - All disbursements up to $1,000 requires only one signature signed either by the General Manager, Treasurer, or Board member. A disbursement of $1,000 or more requires two signatures of Board officials which include the General Manager, Treasurer, President, Vice President, and immediate past President. Or, Board officials may be named as signatories as needed from year to year. It is the intent of this policy that the General Manager be one of the signature whenever possible.

Yearly delegation of the Board of Directors and/or officers to be included at the annual Board of Directors meeting.

Donations, Gifts, Memorials - The Manager with concurrence of the President shall be empowered to make gifts, donations, and memorials to value of (not to exceed) $100.
BOARD MEETINGS

GENERAL POLICY

It is the Board's policy that, above all else, its meetings be conducted:

(1) With fairness for all concerned.

(2) With sufficient attention to detail as to be responsible for the direction of the Association.

(3) In as expeditious a manner as possible.

(4) With the best interests of the Association always considered of foremost importance.

(5) With attention paid to the discussion and determination of matters of policy only, leaving the day-to-day operation of the Association in the hands of the Manager.

(6) By the Bylaws for 50th District Agricultural Association as accepted by the Board (on file in the Association office).

NOTIFICATION

NOTIFICATION OF MEETINGS - In order to assure compliance with state regulations, public notice of all regular Board meetings (in the form of a completed agenda) will be sent to local media no later than ten (10) days prior to each meeting. Such notice shall also be sent to local legislators, each Director, and anyone who requests to be notified.

MAILING INFORMATION TO DIRECTORS - The agenda that is sent to each Director shall include: minutes of committee meetings (if they have not already been mailed), updated financial reports, and any pertinent correspondence.

REQUEST TO APPEAR BEFORE THE BOARD - Any item requiring action (including individuals wishing to appear before the Board to request action), must be presented to the Manager, in writing, by 5:00 p.m., twelve (12) calendar days prior to the regularly scheduled meeting.

PROCEDURES

QUORUM - The presence of five (5) Directors constitutes a quorum. Action may result when a simple majority of a quorum votes "yes" on a motion.*
ABSENCES - Food and agricultural code section 3967 authorizes Boards to grant excused absences for health or acts of nature are excusable. It is the Director's responsibility to notify management of the reason for any absence. Action on absences (to excuse or not to excuse) should be taken monthly and shall be reflected in the minutes. If a Director misses three (3) consecutive meetings, such Director is presumed to have resigned, unless the board excuses the absences.

CONDUCT OF MEETINGS - In any matter not otherwise covered by the constitution and bylaws, 50th District Agricultural Association's Policy Manual, resolution, or by any state required procedures, Robert's Rules of Order newly revised, as revised from time to time, shall constitute the rules of order of all meetings of the 50th District Agricultural Association.

*The exception is the 2/3 vote of the full Board required to change policy.

VOTING - The President is a voting member and should vote on all motions.

AGENDA APPROVAL - The agenda requires Board approval prior to the conduct of the business of the Association. Any changes in the agenda should be included in the motion to approve (and shall only include altering the order in which items are to be considered, or to add items or reports not requiring action). No items requiring action can be added.

CONSENT AGENDA - Items for Board approval that are routine and adhere to current Board policy, or are covered by standard state regulations, will be designated under the agenda heading "consent agenda". They will be approved as a group with one motion. Prior to their approval, any Board member may request either an explanation of any item contained therein or its removal from the consent agenda for separate consideration.

BOARD OFFICERS - The election of officers for the ensuing year will be held at the regular Board meeting in August. New officers assume posts at the regular Board meeting in October. Officers elected are President, Vice President, and General Manager – Secretary of the Board.

EXECUTIVE AND/OR CLOSED SESSIONS

An executive session may be called as a part of the agenda of any regular or special meeting to discuss the following topics:

1. PERSONNEL - Government code section 11126 (a)—at the Manager's request, matters concerning employees of the Association.
EXECUTIVE AND/OR CLOSED SESSIONS (CONTINUED)

(discussion of any contracted labor may not be conducted in executive session.)

The purpose of the personnel exception is to avoid undue publicity or embarrassment for public employer and to allow full and candid discussion of such employees by the body in question (employees).

2. SECURITY - Government code section 11126 (e)—a threat to the security of Association facilities or services.

3. CONFIDENTIAL GIFTS OR DONATIONS - Government code section 11126 (g)—gifts or donations to the Association made by individuals requesting, in writing, confidentiality.

4. PENDING LITIGATION - Government code section 11126 (q)—to discuss legal matters which if discussed in open session, would be detrimental to the public interest.

5. ACQUISITION OF PROPERTY - Government code section 6254 (h)—to discuss real estate appraisals, engineering of feasibility estimates relative to acquisition of property.

An Executive Session may be called by the President, or in his absence the Vice President, at the request of the Manager or any Director. *

*Please refer to California Attorney Generals Office Open Meeting Laws of 1989 for additional classification, on file in the Associations office.

Sample Policy Manual 10
BOARD MEETINGS EXECUTIVE AND/OR CLOSED SESSIONS (CONTINUED)

Immediately following the close of an executive session, an announcement detailing the action taken (but not the discussion leading up to the action) will be made by the President.

Minutes of all executive sessions (this may include a tape of the entire meeting) will be kept by the Manager, his appointee or a Director selected by the Board. These records are not public documents, but must be available to the Directors, the division, and/or the courts, if necessary.

EMERGENCY BOARD MEETINGS

Emergency meetings of the full Board may be called only when Board action is required as a result of:

1. An event that severely impairs public health and safety. (example: bomb threat, strike, flood, or fire)
2. Administrative matters requiring immediate attention. (example: litigation)

Emergency meetings may be requested by the Manager or by any Director. The Manager will call the meeting by first notifying the President, or, in case of his absence, the Vice President, and other Directors.

In instances where a quorum cannot be obtained, the Executive Committee is empowered to meet and act on the Board's behalf in a public meeting.

One hour prior to any emergency meeting, the President will notify by telephone any local newspaper of general circulation, local television and radio stations. If telephones are not working, notice must be given as soon after the meeting as possible. Following the meeting, the minutes, plus a list of all parties notified or who the Association attempted to notify, will be posted in the main office lobby for not fewer than ten (10) days.

An executive session may not be called during an emergency meeting.

SPECIAL BOARD MEETINGS

State law does not specify procedures for noticing special meetings called by state agencies. Therefore, unless one of the emergency meeting exemptions applies, state agencies must provide 10 days written notice of the time, date, and agenda for all meetings, including special meetings.
COMMITTEES

GENERAL POLICY

The President of the Board shall appoint "Standing Committees" no later than the first regular Board meeting after taking office. (Existing committees shall remain in effect until the appointments are made.) These committees shall be assigned policy considerations deemed too cumbersome for full Board consideration and requiring expertise or knowledge possessed by the members of the committee.

Committees shall consist of two to four Directors, with one designated by the President to chair the meetings. The Manager or his designated representative shall be in attendance at all committee meetings. To be in compliance with the Bagley-Keene Act, proper notice of all meetings must be made as required by law. No more than four Directors to be present at any committee meeting.

Committees shall act only to bring recommendations before the full Board, unless given specific authority to act on behalf of the Board, at which time their committee meetings shall become public meetings. Committee meetings shall be called by the Committee Chairman or the Manager and shall be in accordance with existing policy.
STANDING COMMITTEES

EXECUTIVE COMMITTEE
Membership includes the President, Vice President, and, when possible, the most immediate Past President. When there is no immediate Past President on the Board, the President shall appoint the senior Director to fill the position.

Function—To meet at the request of the Manager to discuss personnel, potential litigation, or to preview important agenda items. To handle emergency situations (as identified by the Manager) when the full Board cannot be gathered. To review items suggested for addition to the Association’s Policy Manual and Bylaws, and annually (December) review the Policy Manual and Bylaws and submitted to January Board meeting for approval.

The Executive Committee, will make recommendations for changes or additions to the Policy Manual only when such changes or additions are determined to be:

1. workable for management, and
2. actual policy matters, not a function of management.

Such changes and/or additions shall be written by the Manager and Executive Committee.

AUCTION AND LIVESTOCK COMMITTEE
Function—To be responsible for the livestock auction and to review the overall junior livestock department.

BUILDING, GROUNDS AND EQUIPMENT COMMITTEE
Function—To establish and review policy relative to the physical improvement of the grounds, to review the Manager’s priorities for grounds improvement and to periodically tour the grounds and report its findings to the full Board.

COMMUNITY RELATIONS/ARCHIVES/QUEENS COMMITTEE
Function—To coordinate the activities involved with the community such as: the kick off dinner, press reception, staff party and all year round activities taken on as a Board. To direct and oversee the operation of the Director’s Room as approved by the Board of Directors. To assist the Manager in determining adequate and satisfactory public relations for the Fair. To be responsible for the collection and safe keeping of all materials, articles and general history of the Antelope Valley Fair. To work with communities in organizing queen contests as well as supervise queens and their activities during the Fair.

EAST LAWN COMMITTEE
Function—To coordinate with management and staff the displays on the East Lawn area during Fair time.
STANDINGS COMMITTEES (CONTINUED)

ENTERTAINMENT COMMITTEE
Function—To review with management the format and selection of entertainment for the Antelope Valley Fair. To set ticket prices and box seat prices for all grandstand events. To review box seat list allocation from the priority list kept by the Fair.

FINANCE COMMITTEE
Function—1) Review and report to the Board on the financial condition of the Fair or an individual project. 2) Establish the means of achieving capital requirements for improvements and new programs, 3) as well as assist the Manager in preparing the annual budget.

INTERIM USE/CONCESSIONS COMMITTEE
Purpose—To work with all Fair time concessionaires as to those matters that affect their operations including, but not limited to the following:
   1. Physical facilities and equipment including signage
   2. Menus, prices and serving sizes
   3. Approval of new concessionaire applications
   4. Location of booths—portable at Fair time
   5. Termination of concessionaire’s right to be on fairgrounds
   6. Sound and lighting equipment, of concession booth at Fair time
   7. Concession utilities
   8. Fair percentage to be paid by concessionaire

Function—To establish and review policy and rental rates on buildings and related equipment for all non-fair activities. To set guidelines regarding contracts on beer, carnival, and then review their performance during Fair time. To be responsible for concession stands on grounds year round and for all food during the Fair.

PARKING, GATES AND CREDENTIALS COMMITTEE
Function—Coordinate parking lots, tickets, ticket-takers and passes, public flow onto and off the fairgrounds at Fair time, as well as the directional signs and information stations.

RODEO COMMITTEE/HORSE SHOW
Function—To review, with management, the criteria, proposals, and contracts for the selection of a Rodeo Contractor and recommend to the Board the awarding of the contract. To work with Management and the Rodeo Contractor in the coordination, format and production of the rodeo.

WATCH AND WAGER COMMITTEE
Function—Oversee the policies and capital improvements of the facility.
STANDINGS COMMITTEES (CONTINUED)

AD HOC RELOCATION
Function—To oversee the relocation of the AV Fairgrounds.
Board Policy regarding personnel. (Other than the Manager):

1. The 50th District Agricultural Association is an Equal Opportunity Employer.
2. All personnel shall be hired by the Manager or a responsible management or staff member given the authority to hire by the Manager.
3. The Manager bears ultimate responsibility for all employees. This includes employee development and keeping of thorough employee records.
4. Directors' concerns regarding personnel shall be directed to the Manager in a timely manner, so that those concerns may be addressed as part of an ongoing program of employee evaluation and improvement. Directors shall not directly become involved in the supervision or evaluation of any employee.
5. All personnel files are confidential. Access to information contained in such files may be granted only to the employee concerned and the Manager. The necessary preparation of personnel file information may be performed by a clerical employee designated by the Manager. Discussion of personnel file information by the Manager or the designated employee is prohibited.
6. Management will not knowingly hire anyone working in this country illegally.
7. Permanent or Civil Service Employees of the 50th District Agricultural Association. The Antelope Valley Fair, may not be employed by the tenants or lessees of the fairgrounds. All services performed for tenants or lessees or the fairgrounds by employees of the 50th District Agricultural Association will be done under the supervision of the District and charged to the tenant or lessee by the Fair.
8. Hiring of immediate family of directors or employees shall be at the discretion of the Manager with the approval of the Executive Committee.
BOARD POLICY REGARDING THE MANAGER:

The Manager is hired by a majority vote of the full Board. As it is an exempt position, many civil service rules do not apply. The Manager serves at the pleasure of the Board. The Manager is charged with the responsibility of operating the Association. The Board shall set policy that offers guidelines for that operation, leaving the actual day-to-day decisions for the Manager. In essence, the Board decides "what" the Manager develops and the Manager carries out the "how".

1. Any Board concerns that may arise regarding the performance of the Manager shall be directed by the President to the Manager in a timely manner, so that those concerns may be addressed as part of an ongoing program of management evaluation and improvement.

2. The evaluation process will begin in January. The evaluation process should begin with an evaluation packet, (the prior year's evaluation, prior year's goals and objectives and the current year's evaluation) to be given to all Board members at the January Board meeting.

3. At that time, the Board will request that the current year evaluations be given back to the President within two weeks of that meeting.

4. At the same time, the Board shall schedule an Executive Committee meeting for approximately three weeks after the January Board meeting.

5. At the February meeting, the Executive Committee should present the consensus of the Director's evaluation to the Board for approval. Following the February meeting, the Executive Committee then should meet with the manager to discuss the draft evaluation and discuss what goals and objectives the Manager would like to have included in the evaluation for the current year.

6. Finally, at the March meeting, the final evaluation should be given to the Board and signed by the Board President and the General Manager. Additionally, the Board recommends that the rating scale be changed to the following:

<table>
<thead>
<tr>
<th>Rating</th>
<th>Percentage</th>
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<tbody>
<tr>
<td>Outstanding</td>
<td>100%</td>
</tr>
<tr>
<td>Excellent</td>
<td>90%</td>
</tr>
<tr>
<td>Above Average</td>
<td>80%</td>
</tr>
<tr>
<td>Below Average</td>
<td>70%</td>
</tr>
<tr>
<td>Failing</td>
<td>50% OR BELOW</td>
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</tbody>
</table>
MANAGER'S RESPONSIBILITIES

1. To represent the Association at meetings and functions as requested by the Board.
2. To stay well informed on all Association matters.
3. To express his/her opinion at Board meetings on all matters impacting the Association.
4. To present the Board with sufficient information for its use in making policy decisions.
5. To place the good of the Association before that of personal or professional gain.
6. To act in accordance with the Policy Manual.
7. To abide by the majority decision of the Board.
8. To devise methods and procedures for raising money for the Association.
9. To act as an ambassador for the Association, and project a positive image of the Association.
10. To work within the framework of the budget approved by the Board, being mindful at all times of approved levels of expenditures and to be diligent in reminding the Board of the impact their decisions may have on the financial soundness of the Association.
11. To sign checks as authorized by the Board and stated in the check signing policy. (see page 5)
12. Revision of master planning to be made as required; proposals for changes to be made by a committee appointed by the Board President and management.

PUBLIC STATEMENTS

A unified voice is very beneficial when controversial situations call for public statements from the Board. The designated spokesman for the Association shall be the Manager, unless he/she is unavailable or the Board appoints another person. Directors should refer questions concerning controversial Board matters to the spokesperson. The Board appoints the Manager or President to be our spokesperson.

In matters of extreme importance the Manager may choose to consult with the executive committee prior to issuing a statement.

Disagreements among Board members will occur, and the open discussion of issues is vital in any progressive organization. This policy is not meant in any way to limit the freedom of speech of individual Board members. There may be occasions when it is impossible or impractical to refer questions to the Board's spokesman. There are also times when a Director may be the only person holding a minority position on a given issue. In making public statements regarding sensitive issues, Directors should stress that their opinion is not
PUBLIC STATEMENTS (CONTINUED)

necessarily that of the majority and attempt to present a positive image of the Association.
INTERIM USE OF FACILITIES

Board policy regarding interim use of fairgrounds facilities and equipment.

1. The main purpose of the Association is the sponsoring of the Antelope Valley Fair and Alfalfa Festival.
2. The use of the fairgrounds by the people of the Association shall be encouraged by the Manager and Directors.
3. Every effort will be made by the Manager and the Board to insure that rental rates remain Fair, but also that all interim use of the fairgrounds shall be of benefit to the Association and/or the community.
4. Association equipment shall not be made available for use outside the fairgrounds, unless approved by the Manager and Board president.
5. Management may choose not to rent the facilities for any activities that it determines may adversely impact the local neighborhood.
6. Management will schedule no rentals on the grounds that will adversely impact the annual Fair sponsored by the Association. Interim events conflicting with Fair events will not be scheduled ninety (90) days prior to or sixty (60) days after the annual Fair. No rentals will be permitted in the month of August with the exception of those events that receive special Board approval.
7. No event will be permitted without adequate security. Security levels will be determined by management based upon the nature of the event and anticipated attendance.
8. All use of the facilities and/or its equipment, shall be covered by a rental agreement, duly entered into by staff and approved by the Board.
9. All procedures and regulations covering interim events is attached and becomes a part of this policy.
10. Separate rules and regulations will be observed for the R.V. Park.

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COMPETITIVE EXHIBITS

The policies pertaining to competitive exhibits are included in the “rules” sections of the premium list published by the Association. These “rules” cover both state rules (mandated by the division) and local rules (determined by the Association.)

FOOD CONCESSIONS/COMMERCIAL EXHIBITS

All food concessions operations and commercial exhibits will be inspected by management to insure satisfactory service to the public.

An audit shall be conducted. Such audit shall include daily reports, cash handling procedures and an evaluation of each concession booth and any other procedures as set forth by the contract. Health permits and health inspections are required.

SPACE

EXHIBIT SPACE RATES:
In accordance with the Fairs and Expositions Manual, space rates will be set annually by the Board of Directors.

FREE SPACE:
Space will be allocated to governmental agencies and be limited to that which is available after space sales are completed, at the discretion of the General Manager.

FOOD CONCESSIONAIRES:
The Fair Board will have the option of contracting with concessionaires. Concessionaires will be dealt with on an individual basis and the procedures will be to first discuss the matter with the Concession Committee, then all final decisions must be approved and cleared by the Board of Directors.
REFUND POLICIES

COMMERCIAL SPACE

1. If cancellation of space is 90 days or more prior to opening day of Fair, 75% of payment will be refunded.
2. If cancellation of space is 60 days to 90 days prior to opening day of Fair, 50% of payment will be refunded.
3. If cancellation of space is 30 days to 60 days prior to opening day of Fair, 25% of payment will be refunded.
4. If cancellation of space is less than 30 days prior to opening day of Fair, there will be NO REFUND.
5. Cancellations of space is understood to give the Fair permission to resell the space.

FAIR RV SPACE

1. Any cancellations 30 days or more prior to the opening day of the Fair a 10% fee for administrative costs will be withheld from the refund; there will be a 50% fee for any cancellations made within 29 to 15 days of Fair.
2. No refunds will be made if cancellation is within 15 days of Fair.
3. Cancellation of space is understood to give the Fair permission to resell the space.

CONCESSIONS

1. If cancellation of space is 45 days or more prior to the Fair a 10% fee for administrative cost will be withheld from deposit refund.
2. No refunds will be made if cancellation is within 44 days of the Fair.

TICKET REFUND POLICY

1. Definition of Cancellation, Rescheduling or Delay
   A. A cancellation of a paid Fair event is defined as any performance or event that did not occur. This non-occurrence of the event could be due to performer breach of contract (no show), equipment or power failure, act of God, or the Fair Board rescinds or nullifies an outstanding contracted performance.
   B. A rescheduling of a paid Fair event is defined as a paid event scheduled at a later time/or day than originally planned and advertised as a result of a previous cancellation.
   C. A delay of a paid Fair event is defined as a postponement of the starting time of a paid event other than that which was advertised as
TICKET REFUND POLICY (CONTINUED)

the time of performance. A delay which constitutes reason for ticket refund would be of a two hour duration. An announcement would be made regarding ticket refund procedures which would be determined by the Entertainment committee and management each year.

II. Refund Request
A. Cancellation: In the event of a cancellation of a paid Fair event, the holder of the ticket for the performance which was cancelled would be entitled to a refund for the cost of such ticket.
B. Rescheduling: A ticket holder to a paid Fair event which was rescheduled should be allowed the option of attending the rescheduled performance or requesting a refund in the amount of the purchase price of the ticket to such event.
C. Delay: A paid Fair event delayed as stated in 1-C would constitute a refund. Any refunds subject to Section IV.

III. Refund Related to Fair Admission and Parking
There will be no refunds of admission and parking.

IV. Maximum Time Period Allowed for Honoring Request for Ticket Refund
A. As a result of a cancellation, rescheduling or deemed delay of a paid Fair event, the holder of a paid event ticket must apply for a refund from the Antelope Valley Fair within 30 days of such cancellation, rescheduling or deemed delay.
B. Such refund must be requested by presenting ticket to paid event to the ticket office of the Administration Building located on the Antelope Valley Fairgrounds within the 30 day time limit.
C. If it is inconvenient or impossible to present paid ticket in person for refund, then such ticket should be mailed to the Manager of the Antelope Valley Fair, 155 East Avenue I, Lancaster, CA 93535, with request for such refund postmarked within 30 days.
D. No refund will be made for any reason after the 30 day grace period.
E. There will be no refunds for any complimentary tickets for any reason.
F. No refunds will be made for any ticket trade giveaways.
G. Discounted tickets will be refunded at the discounted price.
POLICY ON CAMPAIGNING, TREATMENT OF Elected Officials and Political Parties

1. Distribution of promotional or campaign materials shall be from booths ONLY. This includes campaign buttons and brochures, etc.
2. The use of STICK ON DEVICES is prohibited on the grounds and in the parking lots.
3. Novelty items for give away in a commercial booth must be approved by management as they cannot compete with the concessionaires who have exclusive rights on items such as caps, balloons, yard sticks, etc.
4. Elected officials may be introduced at grandstand events and it will be done only as is convenient. Introductions will be made only if officials have reported their presence in advance. Speeches will not be allowed.
5. If elected officials are on the grounds, they should check into the Administration Office so that proper courtesy can be extended.
6. Elected officials may ride in the Rural Olympics Parade at the discretion of the Chairman.
FAIRGROUND PROJECTS

1. No new construction projects will be considered by Directors or the Manager after July 1 and prior to the annual Fair without Board approval.

2. All construction projects must be completed in accordance with the Accounting Procedures Manual.

3. All projects over $10,000 must be approved, in writing, by the Building and Grounds Committee and submitted for full Board approval.

4. Management will attempt to keep the Board of Directors and the Building and Grounds Committee informed of all the projects.
ANTELOPE VALLEY FAIR

ADMISSION AND PARKING POLICY

BOARD OF DIRECTORS:
Directors will be admitted to the grounds by wearing their official vests and/or the official Directors ribbon. Director's spouses will be issued an official ribbon for grounds admission. In addition, Directors will be given 25 daily and 10 season gate admission passes. Each Director and spouse will be assigned a numbered parking space in the official lot. Additional parking space will be assigned to Directors as requested. Directors will be assigned one grandstand box with their names for each grandstand event. Directors will pay for additional event tickets, but will be given priority on location as available.

EMPLOYEES:
Employees that are employees before August 1st will receive twenty (20) daily admission passes and two (2) season parking passes for their families. Employees hired after August 1st of that year will not receive any passes or credentials for their families.

VIP's:
The following are permanent VIP's:
Lancaster and Palmdale councils and city managers – box plus 2 best available seats to all events.
Ranking Officials: Sheriff, CHP, Local Military Bases, Fire Dept. – send request letter for any number of events (2 tickets each).
Elected Officials/Local Representatives: Local Assemblyman, Senator, Congress, County Supervisor – send request letter for any number of events (2 tickets each).
Judges: 2 seats to event of choice plus dinner.
Any other official approved on an annual basis by management.
(see page 24 Past Directors)

COMMERCIAL EXHIBITORS:
Commercial exhibitors are given two season gate passes for each 10x10 foot booth that is rented. Each exhibitor is given two season parking passes for the north lot.
ADMISSIONS AND PARKING POLICY (CONTINUED)

CONCESSIONAIRES:
Concessionaires receive two season parking permits and one ground delivery permit. Management will assign passes to each concessionaire. Additional requests will be considered by management.

GRANDSTAND:
Any materials or services that are traded for tickets shall be approved by the Chairman of the Entertainment Committee. When tickets are traded, all Directors shall be given written notification.

When any of our Directors are attending another fairgrounds or some interim use activity, it will be permissible to ask our Manager to arrange for tickets to the event. If complimentary tickets are not available, and then the Director would be expected to pay the admission price.

BOX SEAT ALLOCATIONS:
The Fair Ticket Office will maintain a request for box seats by date. Any one person of entity is limited to 2 boxes. All requests are limited to 1 box per person, per letter. Any person or entity refusing a box when notified will be moved to the bottom of the list.

CARNIVAL:
Carnival employees will be admitted with a photo I.D. badge. The same badge also admits their vehicle.

WESTERN FAIR CREDENTIALS:
These will be honored at gates and parking lots which entitle the bearer to gate admission and parking at no cost. Admission tickets to the grandstand are at the discretion of the Manager.

RODEO PARTICIPANTS:
Rodeo participants are admitted at the rodeo gate only with either a PRCA or rodeo contractors card. Participants are entitled to park in the infield. Each person must have their own PRCA or rodeo contractors card.

TRACTOR PULL:
Contestants in this event will be given four single gate admission credentials in the form of wristbands. Contestants are entitled to parking in the infield.

DEMOLITION DERBY & FIGURE 8 STOCK CAR RACE:
Contestants in these events are given three single gate admission credentials in the form of wristbands. Contestants are entitled to parking of the entrant vehicle and towing vehicle.
ADMISSION AND PARKING POLICY (CONTINUED)

RURAL OLYMPICS:
Participants will be issued special credentials for admission and parking for the
day of the event only. Participants are also allowed to purchase two additional
tickets to the event. Rural Olympics Committee Members receive an admission
and parking credential for the last six days of the fair. The parking credential is
for the north parking lot. They may also purchase two Rural Olympics tickets.

HORSE COMMITTEE:
Committee members receive credentials as needed for Fair.

HORSE EXHIBITORS:
Horse and 2 people park and enter Fair free. All others pay (no horse trailer-pay
to park; no horse entering grounds-pay to enter the Fair).

4-H, FFA & GRANGE LIVESTOCK:
Each exhibitor receives two season gate admission and parking credentials.

OTHER 4-H & FFA PARTICIPANTS:
These exhibitors such as Ag Mechanics, clothing, etc. receive no passes. 4-H
leaders and FFA advisors in the areas where exhibitors do not receive
credentials, however, do receive season passes.

HOME ARTS, ART, PHOTO, ETC.:
Gate admission and parking credentials will be given to committee members only
for the day(s) they work.

POLICE, SECURITY, ETC.:
Police, firemen, military, etc. will be admitted to the grounds if in uniform or with
proper credentials.

BEER CONCESSIONS:
Employees will receive a one-day credential for each day they are working.

EAST LAWN:
Participants such as car clubs, local entertainment, etc., in the East Lawn Area
will be issued two admission credentials and one parking for each day of their
exhibit or event.

PRESS:
The person in charge of Public Relations for the Fair will be charged with the
responsibility of distribution and coordinator of press credentials.
PAST DIRECTORS & SPOUSES OF DECEASED DIRECTORS:
Past directors will each receive 2 season Fair admission credentials plus a season parking permit. In addition, each past director and spouses of deceased directors will receive 2 season grandstand tickets in the VIP section of the grandstand, and they will be entitled to purchase 2 additional season grandstand tickets. However, the two additional season tickets may be in a section in the grandstand other than in the VIP section.
EVENTS

KICK OFF DINNER:
A kick off dinner is traditionally held on the first Friday in August. Plans and arrangements are made by the Community Relations Committee.

QUEENS CORONATION:
Traditionally, the Queens coronation is held the Saturday following the annual Kick Off Dinner with the program details supervised by the Director-In-Charge. Adhering to long established tradition, it shall be the policy of this Board to sponsor the Miss Antelope Valley Contest/Pageant. This contest/pageant will be conducted according to the rules and guidelines approved by this Board.

THEME CONTEST:
A theme contest will be held prior to each annual Fair. The Public Relations Committee, along with members of the local media, will make a recommendation from these submitted by the public at large. The Board of Directors will select the final theme by the December Board Meeting.

JUNIOR AUCTION:
The Fair Directors recognize the sponsorship of the Kiwanis Clubs sponsored Junior Livestock Auction during each annual Fair.

ALFALFA IS KING CONTEST:
The “Alfalfa is King” contest is an outgrowth of the Agriculture Department of the Fair, is sponsored by the Fair, and under the direct supervision of the appointed Director-In-Charge.
SAFETY POLICY

Above all else, safety for all who utilize the fairgrounds is our foremost responsibility.

Management, as a part of its duties, will perform a constant vigil against any and all actions, on the part of its officers, employees, contractors, and exhibitors, that might in any way create a hazardous situation on the fairgrounds.

In addition, management will make every effort through proper rules and enforcement, to create a safe environment at all times, and to make the altering of any unsafe practices or conditions the first priority. Board members will be mindful of public safety when setting policy, and will report to the Manager any potentially hazardous situation they may observe.

A major fire/disaster plan will be created by management. A frequent review of such a plan will be the duty of management. Refer to Fair time emergency operations manual.

For the safety of the fairgoers, the Board shall approve a golf cart policy. This policy shall be reviewed periodically at the request of the Executive committee.

For the safety of the fairgoers, the Board shall approve a security operations policy. This policy shall be reviewed periodically at the request of the Executive committee.
The Board of Directors of the Antelope Valley Fair, 50th District Agricultural Association, hereby adopt the following policy as a responsible means of protecting the health and safety of patrons attending the annual Fair. Constitutional first amendment rights are paramount and protected while maintaining required decorum.

Individuals or groups may not solicit, petition, campaign nor lecture inside the fenced fairgrounds area, except from within a commercial booth rented at prevailing rates.

Individuals or groups may conduct these actions outside the fenced area of the fairgrounds from a location located at the south entrance and may in no manner interfere with the normal pedestrian or traffic flow, or which may constitute a traffic hazard as deemed by the Chief of Security or Management. The Association reserves the right to impose any other reasonable restrictions such as location, number of people, and shall have the right to prohibit the distribution of obscene or offensive materials to the public.

At no time may an individual or a group have the right to place any literature on the buildings, vehicles of patrons, or any property of the Association. Groups or individuals violating this policy will be subject to legal actions.

The Board hereby adopts [these policies] this policy for the safety and protection of the groups, the public and the facilities of the Association, and further directs the General Manager to develop guidelines necessary to implement this policy.
500 OFFICERS AND COMMITTEES

500 OVERVIEW
To maintain a level of activity commensurate with the fair’s need for Board oversight and decision making, every Fair Board (Board) should strive to elect officers who are willing to assume responsibility for routine Board activities. Similarly, every Board needs standing committees, made up of Board members, organized to gather information and consider options for Board action in matters of policy and finance. In addition, directors may need to serve on ad hoc committees appointed by the Board chair to fulfill special, time-limited functions, or on advisory committees for purposes specified at the time of their formation. (Refer to sample Fair Board Policy Manual in Appendix M, Chapter 400).

Members and appointing authority:
California has 54 District Agricultural Associations (DAAs), which statute defines as state institutions. Each DAA Board has nine members, all of whom are appointed by the Governor. California has 23 county fairs and two citrus fruit fairs, most of which are organized as nonprofit fair associations and affiliate with their host counties through contractual agreements approved by CDFA. County or citrus fruit Fair Board members are either appointed by county boards of supervisors or are self-appointed by fair associations. On these 25 Boards, the number of members ranges from 7 to 33.

501 PUBLIC MEETING LAWS
Public meeting laws apply to meetings of all varieties of committees, including community advisory committees if more than two Board directors are on the advisory committee. Fair Board members are responsible for strict adherence to public meeting laws. All DAAs should have a copy of a report prepared by the Attorney General’s Office: Bagley-Keene Open Meeting Act; this report covers open meeting requirements applicable to state agencies. Non-DAA fairs should have a copy of The Brown Act, also prepared by the Attorney General’s Office; this report covers open meeting requirements applicable to local agencies. Refer to Appendixes N and O, Section 500 for these documents. Your CEO can obtain additional copies by calling the Publications Office in the Department of Justice in Sacramento at 916.324.5765 or by Internet at www.caag.state.ca.us

502 BOARD STRUCTURE AND OFFICERS
Most Boards elect a Board chair (or president), vice chair, secretary, and treasurer (or secretary/treasurer). The fair’s policy manual and/or bylaws should include descriptions of duties, functions, and responsibilities for each Board officer (Refer to sample Bylaws and sample Fair Board Policy Manual, Appendixes L and M, Chapter 400).
502.1 Roles and Responsibilities of the Board President

The chairperson of any Board performs the following functions:

- Organizes an effective Board that encourages maximum contributions by directors
- Creates a partnership with the CEO, and his or her staff, in achieving the organization's mission
- Consults with the CEO in planning every Board meeting agenda, and conducts purposeful, productive meetings that make the best possible use of Board members' time
- Attends committee meetings as an ex officio member, as time permits
- Maintains a close interface with the CEO on all issues confronting the organization, including concerns raised by the Board
- Monitors financial planning and financial reports
- Plays a leading role in fund raising activities that involve Board participation
- Serves within the community as a representative and spokesperson
- Ensures that new Board members receive orientation materials and have opportunities to participate in events and activities that help them become acquainted with the fair
- Assumes responsibility for Board discipline in adhering to written policies and protocols
- Maintains Board control during meetings
- Serves as primary liaison between the Board and Government agencies (CDFA, County, etc.)

502.2 Organization Chart

Every fair should have an organization chart to represent the relationships between the Board and management. In addition, the CEO should provide Board members with copies of the chart he or she has created to depict the structure he or she has designed for management of the fair.

503 Standing Committees

Every Board member has a duty to serve on at least one standing committee. Standing Board committees are permanent committees that meet on an ongoing basis and are established in the bylaws. The Board chair appoints members to standing committees and appoints the chair of each committee. The Executive Committee, which generally is composed of current officers plus the CEO, is authorized to act on the Board's behalf when time is of the essence, however, full Board approval of important decisions is always preferred. All other standing committees lack authority to make decisions unless this

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1The Board chair ensures that all directors have equal opportunity to participate on Board committees. It is important to recognize, however, that not all Board members desire this opportunity and some are unable to commit the time.

2Often, membership on the Executive Committee includes the immediate past chair.
authority was expressly delegated to them by binding action taken by the Board in a noticed public meeting. Typically, Board committees recommend actions to the full Board for discussion and vote.

**504 AD HOC COMMITTEES**

Most bylaws include a provision for the Board chair to be authorized at any time to appoint an ad hoc committee to study a specific issue or implement a particular project. When an ad hoc committee has made its report or finished its project, it automatically disbands.

**505 COMMUNITY ADVISORY / RELATIONS COMMITTEES**

A Board may appoint a community advisory committee as a means of gathering information and support related to the fair’s program. Unlike the members of a governing Board, the members of a community advisory committee are not authorized to act as decision makers.

In some cases, a Board appoints a community advisory committee to ensure that the fair benefits from expertise of local professionals and businesspeople. Most bylaws authorize the Board chair, at the direction of the Board, to appoint a community advisory committee for a purpose named and described by the Board.
Every good meeting has certain fundamental qualities: the participants understand the business at hand, the agenda is organized to achieve the participants' purpose, the meeting follows the agenda, visual presentations are made when doing so helps to clarify the information or issue under discussion, and the meeting begins and ends on time. Fair Board (Board) meetings should last as long as required to complete the fair's business and no longer. Disciplined management of meeting start and end times provides an incentive to members to attend and participate in Board meetings.

After the closing of each meeting, the secretary transcribes the minutes of the meeting for presentation and acceptance vote at the next Board meeting. This presentation of the previous month's minutes allows the Board an opportunity to clarify and revise any misinterpretations of the prior meeting. Fairs are not required to submit a copy of their monthly board meeting minutes to F&E. Fairs should, however, notify the Division of any significant issues that need attention.

An agenda is a blueprint, and the single absolute requirement for a successful meeting. Without an agenda, any meeting is in constant danger of veering off course, failing to achieve its goals, and turning into a monumental waste of time. Shorter agendas encourage in-depth discussion of each agenda item. To comply with public meeting laws, special restrictions apply to the preparation and use of agendas at fair board meetings.\footnote{Fair Board directors are responsible for knowing and obeying open meeting laws. If your fair is a DAA, the fair should have a copy of a report prepared by the Attorney General's Office: Bagley-Keene Open Meeting Act (1989), with amendments; this report covers open meeting requirements applicable to state agencies. If your fair is not a DAA, the fair should have a copy of The Brown Act (1994), also prepared by the Attorney General's Office; this report covers open meeting requirements applicable to local agencies. Refer to the Appendix, Section 500 for a copy of these documents. Your CEO can obtain additional copies by calling the Publications Office in the Department of Justice in Sacramento at 916.324.5765 or by Internet at www.caag.state.ca.us}

\textbf{Consent Agenda}

A consent agenda is a list of routine, non-controversial decisions or actions requiring Board action or approval, respectively. Many boards and legislative bodies use a consent agenda to signal to their members which items are routine transactions, as opposed to policy decisions, and therefore do not warrant intense scrutiny or lengthy discussion. The Board chair and CEO, perhaps in consultation with the executive committee (if one exists), are responsible for deciding which items belong on the
consent agenda and then ranking the remaining items in priority order. The agenda package sent out to directors in advance of each meeting should include a brief explanation of each item on the consent agenda. When the Board convenes, any director may request that an item be removed from the consent agenda, and opened for general discussion and a separate vote.

### 603 ROLE OF THE BOARD PRESIDENT

The Board president is responsible for controlling the meeting without dominating it, encouraging discussion to bring out ideas, and making sure all items on the agenda are covered within the allocated time. In addition, it is the responsibility of the Board chair to give members of the public an opportunity to address any issue on the agenda.

#### 603.1 Opening a Board Meeting

The Board president can set the right tone for a meeting by opening with an enumeration of the items on the agenda and a brief description of the decisions the Board needs to make, and ask Board members who are familiar with particular agenda items to share background information.

#### 603.2 Closing a Board Meeting

One of the Board president's most important roles is to recognize the right time to bring a meeting to a close. Effective meetings end when all pertinent discussion has been completed. He or she should end the meeting by providing a closing statement that summarizes what has taken place, the decisions that were made, and actions that should follow the meeting. If work assignments were made to individuals, the Board chair should reiterate these at the close of the meeting. The meeting is not over until the chair has declared that the meeting is adjourned.

### 604 ROLE OF THE BOARD MEMBER

While the Board chair is clearly the leader at a Board meeting, every director is responsible for being prepared to discuss the issues on the agenda and for participating in that discussion. Board members share responsibility for welcoming members of the public at Board meetings and supporting their right and opportunity to address the Board.
700 PLANNING AND EVALUATING THE FAIR PROGRAM

700 OVERVIEW
Planning is a fundamental governance and management responsibility and a standard business practice. It is a function of leadership. Planning is a systematic process of thinking through where the fair is now, where the Fair Board (Board) and Chief Executive Officer (CEO) want it to be, and how it is going to get there. Often, just the process itself of bringing decision makers and policy makers together under good leadership for the purpose of reviewing the fair's mission and goals contributes as much to planning's effectiveness as actually producing a written plan.

701 STRATEGIC PLANNING
Strategic planning is the process of creating a vision and assembling the means to carry it out. If anything, this process is even more important to fairs than to other businesses because, in most businesses, ownership of resources dominates the consideration of who will decide and what will be done. Because fairs are simultaneously businesses and agencies in service to their communities, decision making within fairs reflects the beliefs and influence of individuals on the Board and staff, whose actions express their understanding of the purposes the fair serves.

701.1 Elements of Strategic Planning
Steps in strategic planning include to:
- Write a mission statement
- Establish the purposes and values the fair intends to live by
- Develop an operating philosophy and strategies for applying that philosophy to activities that support the fair’s goals and objectives
- Identify key result areas (defined objectives and strategies)
- Develop program plans and budget for the coming year
- Plan fundraising strategies

702 BUSINESS PLAN
An efficient operation fulfills its mission by effectively using available resources. The Board should formulate and annually update a business plan that describes and quantifies all resources available to support activities related to the fair’s mission. The annual business planning process should be conducted in conjunction with development and approval of the annual budget.

1 The fair is required to update its Strategic Plan and submit the Plan to F&E every three (3) years.
EVALUATION

The Board is responsible for being familiar with all aspects of the fair program and for the quality of the fair program. The fair’s business environment is one in which major changes in funding and/or opportunity may occur relatively unexpectedly. To be well-positioned for taking advantage of new opportunities, the fair must constantly evaluate its own performance so that it knows what it does well -- and doesn't do well -- and what the fairgoers like and don't like. For additional information refer to the companion handbook, “Network of California Fairs Board of Directors’ Overview.”
800 FINANCIAL MANAGEMENT

800 OVERVIEW
Ensuring that the fair has adequate resources to carry out its mission and program is a Board responsibility. This commitment includes protecting the fair’s accumulated assets and ensuring that current income is managed properly. Fairs are incorporated and/or granted tax-exempt status by state and federal laws to fulfill a public need, and the Board’s financial stewardship obligations must be exercised in conformance with all applicable statutes and regulations.

801 BOARD OF DIRECTORS FINANCIAL MANAGEMENT ROLE
The Fair Board works together with the Chief Executive Officer (CEO) focusing on policy objectives; the operational, financial and administrative functions of the fair; strategic planning, the budget, and the long term welfare of the fair. Below is a summary of key responsibilities:

- The Board’s focus should be setting broad policies and goals, giving the CEO the support and full authority to implement them in the day-to-day management of the fair.
- Ensuring that the fair has adequate resources to carry out its mission and program.
- Protecting the fair’s accumulated assets and ensuring that current income is managed properly.
- The board’s financial stewardship obligations must be exercised in conformance with all applicable policies, laws and regulations.
- When setting Board fiscal policies the following should be considered:
  - Strategic plan should include “financial roadmap” for the fair.
  - Cash management strategy for the fair.
  - Process for budget augmentations during the year.
- The Desired operating reserve level.
- Board fiscal policy should set the tone for approach taken on projects (i.e., how aggressive do we want to be with our financial resources?)
- The financial statements are the responsibility of the fairs’ management.
  - The government, oversight entities, or outside third parties should not prevent fair management from understanding what it believes to be its fiscal condition and preparing complete /balanced financial statements that support management’s numbers.
• Know what questions to ask management.
  ✓ How is the fair’s cash-flow?
  ✓ Are we paying the bills in a timely fashion and taking advantage of available discounts?
  ✓ Are we projecting to stay within our approved budget?
  ✓ Is our proposed operating budget realistic?
  ✓ What data does management have to support next year’s proposed operating budget?
  ✓ Are we taking advantage of available state and local resources?
  ✓ Please explain the significant revenue and expense variances from our budget and prior year actual trends.
  ✓ Are we actively pursuing collections of our outstanding receivables?

**802 ANNUAL BUDGET**

Every fair should have a mission, a long-range plan, and an annual budget. These three documents enable the Board and the fair to measure its financial condition and progress toward its goals and objectives. The budget approved by the Board allocates resources to implement operations and programs planned for the coming year. More importantly, the budget serves as the basis for controlling activities and facilitates the evaluation of performance of both the operating units and the people within the organization. The Board is responsible for monitoring whether or not the CEO is properly administering revenue and other resources and the fair is operating within its budget. This means the Board must request, review, and understand financial reports provided by the CEO, committees and subcommittees in order to make informed decisions.

**803 STATEMENT OF OPERATIONS**

Fair management has the primary responsibility for preparing and disseminating its financial statements, more commonly known as the statement of operations (STOP). The objectives of the STOP are to provide information that is useful in fiscal decisions and to provide information to assess the cash flow of the fair. The STOP should also provide information about the fair’s resources, claims to those resources, and changes in them during the year from transactions, events, and circumstances at the fair.

The Board should ensure that management provides monthly financial information that is comprehensible and concise so the Board and others with a reasonable understanding of business and economic activities can study the information with reasonable diligence. Financial data allows management and the Board to assess the expected cost, risk, and return of proposed projects and activities based on historical trends and results of operations.

Fairs are statutorily required to submit an annual STOP to CDFA on March 1st of each year in order to be eligible for state funding.
Statutes governing fairs require that every fair comply with fiscal and administrative standards established by CDFA to be eligible to receive state funds or to use state assets. Specific statutory reporting requirements for fairs include:

- File an annual statement of operations with CDFA (all Fairs). *Food and Agricultural Code 4505.*
- Submit to CDFA for review and approval any updated written agreement specifying the operational, financial, and administrative responsibilities between the entity producing the fair and the host county (county and citrus fruit fairs only). *Government Code 25906.*

Other reporting requirements established by CDFA are disseminated to fairs via Division of Fairs and Expositions (F&E) policy circular letters, annual budget instructions, etc. Two key reporting requirements include:

- File for approval an annual operating budget with CDFA (all fairs).
- File an annual audit report with CDFA that is conducted by the state, county, or independent auditing firm (county and citrus fruit fairs only). All District Agricultural Association fairs are required to be audited by CDFA.

Budget approval is required prior to the expenditure of state funds during the budget year. Penalties may be applied if a fair does not adhere to budget requirements. Budget approval for fairs that do not meet the applicable standards is contingent upon (i) providing additional documentation to CDFA as requested, and (ii) participation in possible budget meetings with F&E. A detailed display of budget review and approval standards and conditions is provided in Appendix AA at the end of this Chapter.

**Automation**

F&E provides an automated budget preparation spreadsheet file to all fairs via the Internet at [www.cdfa.ca.gov/fe](http://www.cdfa.ca.gov/fe) annually. This spreadsheet automatically performs the required budget calculations as the fair enters its own revenue and expenditure data.

**Internet Website**

Guidelines for California Fairs including Fair budget instructions and worksheet, information about Optional Fair Funding Programs, Contract Forms and other information are available at [www.cdfa.ca.gov/fe](http://www.cdfa.ca.gov/fe)
805  STATE FUNDING FOR THE NETWORK OF CALIFORNIA FAIRS

License fees generated from wagers at horse racing and satellite wagering facilities provide revenues for the network of California fairs. License fees representing a percentage of total wagering receipts are deposited into special accounts in the state treasury -- the Fair and Exposition Fund (F&E Fund), and the Satellite Wagering Account (SWA). These resources are limited and must be utilized in an efficient manner.

Revenues derived from the F&E Fund and the SWA are used to fund fair programs and activities, which include, but are not limited to:

- Local (Base) Allocations to fairs
- Health and Safety Projects
- American with Disabilities Act (ADA) Projects
- Agricultural Education
- Energy Conservation & Generation Program
- Bond Debt Service
- Wagering Facility Improvements
- Professional Development and Training
- CDFA (F&E) Support
- CDFA Fair Audits
- California Construction Authority (CCA) baseline budget
- California Horse Racing Board (CHRB) Support
- Other programs as approved by the Joint Committee on Fair Allocations and Classification

F&E is responsible for prudently managing funds available to fairs from state sources. F&E prepares an annual expenditure plan on behalf of the Department for review and approval by the Joint Committee on Fairs Allocation and Classification (Business and Professions Code 19621(c)).

When appropriate, CDFA works with the California Construction Authority to arrange for the sale of revenue bonds (repaid from the SWA) to provide capital to underwrite the costs of maintaining and improving fair facilities. For a complete detailed overview of all programs, please refer to Appendix BB at the end of this Chapter.

805.1  Base Allocations

To ensure equitable distribution of local (base) allocations, F&E established an allocation policy providing support to fairs within seven budget-related classifications. The result is that the smallest fairs, those in classes I-IV, receive the largest annual (base) allocation of horse racing license fee revenues ($105,000 - $180,000). Classes I through IV fairs have annual operating budgets of less than $3 million. Many of these fairs are located in small communities with minimal opportunities for sponsorships or increased attendance. The fairs are truly the heart of the community and maintaining state support is critical to their success. For
some class I fairs, the annual allocation represents up to 70 percent of their annual budget.

For 2008/2009, Class V (base) allocations remain at $20,000, while the largest fair organizations, those in classes VI and VII, receive zero (base) allocations. Class level V through VII fairs will continue to benefit from other funding programs and opportunities.

Base allocation for the 2008/2009 budget year follow (these numbers are subject to change annually). The entire expenditure plan is available by contacting F&E at 916.263.2955, or via the Internet at www.cdfa.ca.gov/fe

<table>
<thead>
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<th>Allocation Criteria</th>
<th>Class Level</th>
<th>Operating Revenue ($1,000's)</th>
<th>Fair Attendance (1,000's)</th>
<th>Perm/Temp Staff</th>
<th># of Fairs Per Class</th>
<th>Local (Base) Allocation</th>
<th>Total Allocation Per Class Level</th>
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<tr>
<td>Profile of Fair Class Levels and 2008/2009 Local (Base) Allocations</td>
<td>I</td>
<td>Up to 200</td>
<td>Up to 20</td>
<td>Up to 7</td>
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<td></td>
<td>II</td>
<td>200 - 450</td>
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<td>7 - 10</td>
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<td>20 - 40</td>
<td>10</td>
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<td>6,000 - 10,000</td>
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<td>VII</td>
<td>Over 10,000</td>
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</tr>
<tr>
<td>Special Events (Supplemental Allocation):</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Grand National Rodeo (1-A DAA)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>140,000</td>
<td>140,000</td>
</tr>
<tr>
<td>Great Western Livestock Show (24th DAA)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>50,000</td>
<td>50,000</td>
</tr>
<tr>
<td>San Benito County Saddle Horse Show</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>50,000</td>
<td>50,000</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>$9,086,000</td>
</tr>
</tbody>
</table>

* Note that base allocations are subject to change annually based upon future years’ fund condition.
806 OTHER FAIR REVENUES

By far the largest revenue source for California fairs is operating revenue. Operating revenue is comprised of many sources including paid fair attendance and interim rentals. Fundraising, sponsorships and grants are also a vital revenue source to fairs.

806.1 Fund Raising
The fair's effectiveness depends on its capacity to fulfill its mission. One component of adequate capacity is resources. Because the Board is responsible for ensuring that the fair has adequate resources to support its program for any given year, one of the Board's most significant roles is to plan the fair's fundraising strategy. The Board needs to know the fair's existing revenue pattern, based on recent history, and then set goals for the budget year for each source, increasing whichever revenue categories are appropriate. This planning effort will provide guidance to the CEO in implementing a fundraising program that reflects the Board's priorities.

806.2 Sponsorships
A sponsorship is a gift of funds, services or products, in exchange for specified ways in which that gift will be acknowledged in public view. For example, a local supermarket or supermarket chain may make an annual contribution to the fair in exchange for the opportunity to provide a coupon with every admission ticket purchased, which gives the recipient an incentive to shop at that particular market or chain.

806.3 Grants
Individual fairs have successfully sought grants from private foundations and/or government agencies (other than CDFA). An important consideration in any fair's grant-seeking strategy is to determine the fair's eligibility to receive grants from private foundations. Most foundations require their grantees to be tax-exempt under the provisions of Section 501(c)(3) of the Internal Revenue Code, which defines charitable organizations.

807 REVENUE PROTECTION INSURANCE
The California Fair Services Authority (CFSA) administers the Revenue Protection Insurance program, in which all fairs are eligible to participate through payment of annual premiums. This voluntary program provides participating fairs risk coverage for certain revenue-interruption losses from a segregated risk pooling arrangement. This important program enables fairs to protect their operations against revenue losses due to bad weather, or other unexpected circumstances. Detailed information pertaining to this program is available by contacting CFSA at 916.921.2213 or by e-mail at www.cfsa.org.
## Appendix G

### REVIEW AND APPROVAL OF FAIR BUDGETS

<table>
<thead>
<tr>
<th>ITEM</th>
<th>STANDARD OR CONDITION</th>
</tr>
</thead>
<tbody>
<tr>
<td>Budget Planning Philosophy</td>
<td>While there are wide variations of acceptable budget planning philosophies, the California Department of Food and Agriculture generally recommends historical trend budgets.</td>
</tr>
<tr>
<td>Reporting Requirements</td>
<td>Budget package requirements have been met, including all required data and supporting documentation.</td>
</tr>
<tr>
<td>Budget Versus Actual Results</td>
<td>Significant variances of actual performance against budget should be reasonably explainable.</td>
</tr>
<tr>
<td>Budget Appears to be Realistic</td>
<td>Current-year projections and the degree of growth contained within the annual budget proposal appear realistic and reasonable based on past financial trends and performance.</td>
</tr>
<tr>
<td>Reserves</td>
<td>Since a state-wide contingency fund does not exist to finance unforeseen liabilities at fairs, maintaining a reserve balance totaling 10 to 15% of the fairs’ prior year actual expenditures is recommended, <strong>but not required.</strong></td>
</tr>
<tr>
<td>Audit Status</td>
<td>Fair is in substantial compliance with applicable rules, regulations and procedures, OR has submitted a written plan, approved by the Board, for complying with recommendations in most recent audit report.</td>
</tr>
</tbody>
</table>
Appendix H

The following table briefly describes programs recommended for funding in the Division of Fairs and Expositions 2008/2009 Expenditure Plan (the Expenditure Plan is available from your fair CEO or by contacting F&E at 916.263.2955 or via the Internet at www.cdfa.ca.gov/fe)

### ADMINISTRATIVE OVERSIGHT

<table>
<thead>
<tr>
<th>Program</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>California Horse Racing Board Support (CHRB)</td>
<td>Budget Act appropriation for operational support of the California Horse Racing Board (B&amp;P Code section 19620.1(b)).</td>
</tr>
<tr>
<td>Division of Fairs and Expositions (F&amp;E)</td>
<td>Budget Act appropriation for operational support of F&amp;E (B&amp;P Code sections 19606.1 and 19620).</td>
</tr>
<tr>
<td>Audit Program</td>
<td>Budget Act appropriation for annual fiscal and biennial compliance audits of all DAAs and selected county fairs. Assures individuals entrusted with public resources are accountable to the public and other levels and branches of government.</td>
</tr>
</tbody>
</table>

### LOCAL ASSISTANCE

#### Operational Support

<table>
<thead>
<tr>
<th>Program</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bond Debt Service</td>
<td>Pays debt service on bonds issued for the construction and maintenance of fair facilities.</td>
</tr>
<tr>
<td>California Construction Authority (CCA)</td>
<td>Funds the operational support of the CCA, which provides engineering and construction services to fairs.</td>
</tr>
<tr>
<td>Property Insurance</td>
<td>Provides funding to the augment the cost of property insurance to protect fair facilities.</td>
</tr>
</tbody>
</table>

#### General Fair Programs & Funding

<table>
<thead>
<tr>
<th>Program</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Local (Base) Allocation</td>
<td>Provides funds for discretionary use by local fair organizations with classification criteria that assigns greater support to level I through IV fairs.</td>
</tr>
<tr>
<td>Unemployment Insurance</td>
<td>Budget Act appropriation to offset fairs’ unemployment costs. (B&amp;P Code section 19620.1(b)).</td>
</tr>
<tr>
<td>Flex Capital</td>
<td>An incentive program by which fairs are eligible to receive funding based on their annual performance rating.</td>
</tr>
</tbody>
</table>
Funding is available for all fairs with an acceptable performance rating as established by F&E. Funds may be spent on a variety of items including, but not limited to:

- Training for staff and board members
- Information technology upgrades
- Real estate analysis, development, and planning
- Equipment purchases
- Address audit concerns
- Modernization of operations
- Capital improvements / Health and safety projects

<table>
<thead>
<tr>
<th>Retired DAA Employee Benefits</th>
<th>Transfer to General Fund to cover the cost of health benefits for retired DAA employees (as required by the Budget Act).</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rural Healthcare Equity</td>
<td>F&amp;E pays for additional health benefit costs incurred by DAAs for state employees living in rural areas with no available HMOs.</td>
</tr>
</tbody>
</table>

### Health & Safety Programs

<table>
<thead>
<tr>
<th>Emergency Response Program</th>
<th>Provides funding to fairs to cover non-reimbursable costs associated with their emergency response efforts during fires, floods, mandatory evacuations, and other similar emergency situations within their local communities. See page 18 for details.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Health Department Program</td>
<td>Provides funding for inspection of fair facilities by the California Department of Health Services to ensure they meet recognized standards for health and safety including storm water runoff, backflow devices, and safe drinking water.</td>
</tr>
<tr>
<td>Livestock Quality Assurance</td>
<td>Provides training for fair livestock staff/volunteers in the proper care of livestock prior to and during shipping to processing plants and animal welfare issues.</td>
</tr>
</tbody>
</table>

### Infrastructure

<p>| Infrastructure Matching Grants Fund | Provides funding for repairs and maintenance, accessibility upgrades, revenue generating projects, emergency projects. See page 31 through 33 for details. |</p>
<table>
<thead>
<tr>
<th>Fund Type</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Investment Reserve Fund (Loans)</td>
<td>Provides loans for major capital improvements at all fairs. Competitive financing terms and rates will be available. See page 31 through 33 for details.</td>
</tr>
<tr>
<td>Replenishment Fund (Investment Capital)</td>
<td>F&amp;E will serve as a “venture capitalist” by providing working capital for strategically identified projects at fairs with a demonstrated history of success. See page 31 through 33 for details.</td>
</tr>
<tr>
<td>Environmental Investment Program</td>
<td>Provides incentive funding to fairs that encourages environmentally friendly and conscious programs and projects at California fairgrounds. See page 17 for details.</td>
</tr>
<tr>
<td>Project Planning – New Funding Model</td>
<td>Provides planning funds to the Division for implementation of its new funding model for California fairs. Costs include, but are not limited to, project scoping and budgeting, preliminary plans, construction documents and bidding, and project construction.</td>
</tr>
</tbody>
</table>

**Racing & Satellite Wagering Support**

<table>
<thead>
<tr>
<th>Fund Type</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Race Track Preparation</td>
<td>Provides funds to supplement the purchase and installation of track preparation materials. Program ensures consistency in track preparation, reducing the risk of injury to horse and jockey.</td>
</tr>
<tr>
<td>Supplemental Purses</td>
<td>Provides appropriation to supplement purses at Northern California fairs and Los Angeles County area (B&amp;P Code Sections 19605.9 and 19606.3).</td>
</tr>
<tr>
<td>Wagering Facility Improvements</td>
<td>Supports improvements to live horse racing and satellite wagering programming and facilities based upon the priorities identified in industry-wide facility surveys (backstretch, paddock, grandstand, etc.). Funding will focus on ensuring the nine racing fairs meet the California Horse Racing Board backstretch housing regulations.</td>
</tr>
</tbody>
</table>

**Education & Fair Training**

<table>
<thead>
<tr>
<th>Fund Type</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Professional Development &amp; Compliance</td>
<td>Provides training funds for the development and delivery of seminars and workshops on emerging fair issues. The following is a listing of all training opportunities provided to the fair industry annually in which F&amp;E provides training funds:</td>
</tr>
</tbody>
</table>
• Annual Western Fairs Association Convention and Trade Show: Industry trends and issues and mandatory compliance training
• Executive Development Program - fair management training program
• California Fairs Alliance Fall Managers Conference: Industry trends and issues and mandatory compliance training
• Nuts & Bolts: Hands-on accounting, contracts, personnel, insurance, and human resources training
• Exhibit Supers’ School: Exhibit program ideas, techniques, and design
• Livestock Training (alternates years with Exhibit Supers’ School): Industry trends and issues
• Satellite Wagering Facility Symposium: Update on industry trends and issues and planning for the year ahead
• Maintenance Mania: Technical updates and proficiency training (CPR, Cal OSHA, forklift, networking, etc.)
• Fair Provided Training
• Fair internship program –provides training and employment opportunities for students interested in the fair industry

* Note that funding programs are subject to change annually based upon available funding and fair priorities.
900 HIRING AND EVALUATING THE CHIEF EXECUTIVE OFFICER

900 OVERVIEW
Hiring a Chief Executive Officer is the single most importance responsibility of the Board because the decision will impact the fair’s character, development, and effectiveness. From recruitment to selection and on through annual evaluation of the CEO's performance, the Board sets the standard for overall management of the fair through the care and attention it devotes to its selection of the top executive. Selection of the CEO is the Board's expression of values and goals through hiring decisions. CEOs have total and exclusive responsibility for selection and supervision of all other staff. The staff is responsible directly and only to the CEO, who is then responsible to the Board for all staff supervision and management. CEOs are under no obligation to hire employees recommended by Board directors.

901 RECRUITMENT
Before beginning an executive search process, the Board needs to integrate the working conditions and environment the members believe are necessary to enable effective executive performance. This requires the Board to (i) revisit the fair’s vision for the future and ensure the mission statement is up-to-date; (ii) review and update the duties and responsibilities of the CEO (Duty Statement) (iii) analyze the fair’s major strengths, weaknesses, and opportunities; and, (iv) establish priorities and goals for at least the first year of the new CEO’s tenure. With consensus on these matters, the Board is empowered to recognize candidates who should be given serious consideration and is ready to begin recruiting.

901.1 Position Description
In general, the CEO is the agent of the Board, appointed to carry out its policies and decisions. Beyond this broad category, the Chief Executive Officer’s duties, functions, and scope of authority, is defined by the Board in a written position description (Duty Statement). This document should describe the characteristics and skills the Board desires in an executive. The position description should state clearly the terms for employment and compensation, and either specify information to be submitted in writing or include an application form as an attachment.

902 SEARCH PROCESS
Attracting qualified candidates requires that the Board advertise the Chief Executive Officer position through the State Personnel Board's internet web site, as well as in publications that reach not only outside the fair's geographic area but also outside the state. A similar strategy should be employed to circulate the position description and application form to people and organizations through which suitable candidates may have an opportunity to learn of the CEO vacancy at the fair.
CEO Search Packages located in the appendix at the end of the Section. The appendix contains:

- Career Opportunity Announcement
- Information sheet about the fair (sample)
- News release (sample)
- CEO Search Process Budget
- Cover letter to send out with the job applications (sample)
- Application for employment (sample)
- Release of Confidential Information (sample)
- Tips for a successful CEO search
- Questions you can and cannot ask a job applicant
- Statement of Economic Interest, Form 700

902.1 Vacancy Advertising
DAA's are required to advertise the vacancy/active recruitment through the State's vacancy internet web site. The CDFA Human Resources Branch (HRB) is the central point for submission of active recruitment to the State vacancy web site. HRB also provides assistance to DAAs in matters of salary, required duration of vacancy advertising, as well as numerous personnel issues. Refer to Chapter 1500 for a HRB contact list.

In addition to advertising the active recruitment at the State web site, fairs should also advertise in the local newspapers, and in any other trade and related organization periodicals/newsletters. Fairs may also forward to F&E a copy of the Career Opportunity Announcement for broadcast faxing to the network of California fairs. Refer to Chapter 1500 for an F&E contact list.

903 SELECTION
The first screening of applications should be completed by a Selection Committee composed of two to four Board members appointed by the Board chair (if more than two Board members sit on the Selection Committee, this group's meetings will be subject to public meeting laws). The Selection Committee analyzes applicant qualifications as they pertain to the fair's strengths and weaknesses identified by the Board and strategic plan. It is not necessary to interview every candidate, only those candidates who pass the application screening process. After identifying candidates who meet the qualification criteria, an interview is scheduled with each. The Selection Committee's next task is to...

1Fair Board Directors are responsible for knowing and obeying open meeting laws. If your fair is a DAA, the fair should have a copy of a report prepared by the Attorney General’s Office: Bagley-Keene Open Meeting Laws, with amendments; this report covers open meeting requirements applicable to state agencies. If your fair is not a DAA, the fair should have a copy of The Brown Act, also prepared by the Attorney General's Office; this report covers open meeting requirements applicable to local agencies. Refer to the Appendix, Section 500 for a copy of these documents. Your CEO can obtain additional copies by calling the Publications Office in the Department of Justice in Sacramento at (916) 324-5765 or by Internet at www.ca.ag.state.ca.us
investigate the prior performance of the top two or three candidates. This can be accomplished through conversations with key sources, by phone, or in person. Contacts need not be limited to persons offered as references but may include peers and former employees and/or, if applicable, Board members in the candidates' previous situations. The Selection Committee is responsible for knowing and abiding by relevant laws concerning privacy and discrimination. After completing these steps, the Selection Committee reports its findings back to the full Board, including a hiring recommendation.

903.1 Communication with Staff
The Board has a duty to keep the fair's staff informed of progress on selection of a new CEO. Even when the Board has no news, providing a status report demonstrates to the staff that the process is active and either on schedule or progressing according to a revised schedule. This communication is essential to maintaining staff morale and productivity.

904 BOARD-CEO INTERACTIONS
The Board has a responsibility to be supportive of the Chief Executive Officer (CEO) and to recognize that the CEO's effectiveness is at least partially dependent on Board action or inaction. While this responsibility will fall primarily on the Board chair (or president), every member of the Board is obligated to make sure that the Chief Executive Officer:

- Receives constructive feedback
- Is recognized for implementing initiatives that add value to the fair program
- Receives Board support when individual members overstep their prerogatives or misunderstand their roles
- Knows that the Board will not hold the CEO to a higher set of standards than it has set for itself

905 EVALUATION
Evaluation of the CEO's performance should be designed to consider the CEO's effectiveness in carrying out Board policies, meeting the goals for the prior years, solving problems, representing the fair to the community, and having a positive impact on the fair's financial condition. To support the Board's ability to make these judgments, the Board should require the CEO to report, at least quarterly, the fair's progress in meeting goals and objectives. Performance reviews should meet the following standards:

**Purpose and process:** The Board and CEO agree in advance on both the purpose of the review and the process by which it will be conducted.

**Goals and objectives:** The Board and CEO jointly develop specific annual goals and objectives, including a clear delineation of the board's responsibilities relative to the CEO's.
Memorandum

To: Whom It May Concern

Date: XX/XX/XXX
Place: Sacramento
Telephone: (916) 263-2955

From: Department of Food and Agriculture - Division of Fairs and Expositions
1010 Hurley Way, Suite 200
Sacramento, California 92825

Subject: CEO Recruitment

In response to your telephone call, we are providing the most current information for the recruitment of a new CEO. The enclosed packet contains:

1. Tips for a successful CEO search
2. Planning Exercises
3. Career Opportunity Announcement
4. Job Announcement - Short Form (e.g., for newspaper, etc.)
5. Current CEO salary ranges
6. News release
7. Recruitment budget
8. Cover letter to send out with your job applications
9. Application for employment
10. Release of Confidential Information
11. Evaluation Considerations & Leader Traits
12. Checklist of Qualifications
13. Framing Effective Questions
14. Questions you can and cannot ask a job applicant, Sample Questions
15. Status Report Form for Recruitment Effort
16. Manager/Supervisor Appraisal Form

Please note that this package contains a number of sample templates that will need to be modified (particularly the highlighted portions) to meet the particular needs of your fair. Also note that any new CEO hire would require a completed Statement of Economic Interest, Form 700, which can be downloaded at http://www.fppc.ca.gov/.

Attachments
TIPS FOR A SUCCESSFUL CEO SEARCH

A board can feel very overwhelmed and unduly pressured by a CEO vacancy, especially in light of the many other duties that fall to them during the search process. Below are some of the ways board members can be sure the search process is administered most effectively:

- **Define the needed skills and experience of candidates correctly.** It is important to keep the long-term goals of the organization in clear view during the interview process. A board may develop an unrealistic list of desired virtues or simply conclude that the right candidate should be the exact opposite of the former CEO, rather than carefully matching the sought qualifications to the needs and goals of the organization.

- **Expand the search beyond the fair industry.** The search process should reach beyond the organization and the fair industry. Often people who are the most qualified are excluded because they are not directly related to the industry.

- **Take ample time to complete the search.** Don't be in a hurry. If the board becomes too anxious to fill the position, it may inadvertently exclude the best candidates.

- **Be completely objective; consider all candidates before making a decision.** Do not select the first candidate that board members “like” based on the candidates’ personality. Make sure all candidates are fully and impartially considered and take time to investigate all of the finalists’ actual track records.
PLANNING EXERCISES

Below are questions the Board of Directors should discuss while searching for a new CEO. This May be done independently while the directors are considering the interview questions.

1. Write down the vision you have for your organization. It is vital that you are able to describe your vision clearly and succinctly to yourself - for if you can’t communicate to yourself, how can you communicate it to others?

2. List a single, short-term goal for organization toward your vision your organization that will begin to move the

3. In what ways can you communicate this goal to others in your organization?

4. In what specific ways can you measure progress made toward this goal?

5. Are there any obstacles interfering with your goal?

6. What is our organization’s set of key success factors?

7. What are the key areas we must do well in?

8. What challenges are facing the organization in the next five to ten years? We want to make sure that the situation we’re going to be confronting, the challenges were going to be dealing with and addressing are those that our pool of candidates can deal with.

9. Why are we in business?

10. What are the needs we satisfy?

11. What should we become in five years?

12. What’s wrong with this organization as it stands now?

13. What desired culture and outcomes do we want to produce?

14. How do we create an organization that responds to change enabling us to implement strategies that result in sustained, measurable value to our community/clients?
CAREER OPPORTUNITY ANNOUNCEMENT

CHIEF EXECUTIVE OFFICER

FAIR NAME

XXTH DISTRICT AGRICULTURAL ASSOCIATION (DAA)

Street

City, State & Zip

FINAL FILING DATE: August 2, 1999

TIME BASE: 3/5-3/4
(Actual time base will be based on needs of the DAA and the candidate.)

SALARY RANGE: $2,576 - $3,823 monthly (Exempt position)
(Salary rate reflects part-time fractions identified above.)

BENEFITS: Medical, dental and vision, annual leave, PERS retirement

QUALIFICATIONS:

Desired
• Experience in business administration, public administration, marketing, public relations, communication, entertainment or related fields
• Demonstrated knowledge and experience in developing and managing budgets, maintaining sound fiscal policy; day-to-day record-keeping including payroll; and preparation of board- and government- required reports
• Knowledge and experience in planning, organizational restructuring and business development
• Knowledge and experience in fund-raising, grant and sponsorship development
• Ability to work cooperatively and communicate effectively with staff, board of directors, governmental agencies, local businesses, media and the community.
• Knowledge and experience in recruiting, training and supervising employees and volunteers
• Knowledge and experience in developing and implementing marketing plans and strategies
• Knowledge and experience in producing and directing community-relevant programs, entertainment activities and special events
• Knowledgeable in the areas of purchasing, facility maintenance, public relations, contracting, and technology
• Ability to create and deliver public presentations

DISQUALIFICATIONS:
Any applicant who attempts to contact directly individual board members or members of the Selection Committee with the intent of influencing the decision of the Board or Committee will be disqualified as a candidate for the position.
ADDITIONAL INFORMATION ABOUT THE DAA AND THE AREA:
Location (town and county) of your fair. Brief driving directions to your fair. Brief description of the area (ex. Cedarville is an agricultural based area with large areas devoted to field crops and livestock.).

DAA Facility Facts:
* XX acres
* X buildings (approx. XXXX sq. ft.)
* XXXX seat grandstand
* XX-mile clay racetrack

DAA Operational Facts:
* 2001 budget: $XXXX
* Current full-time staff: X
* 2001 fair attendance: XXXX
* 2002 fair dates: XXXX to XXXX

Community Facts:
* County population: XXXX
* Elevation: XXXX feet above sea level
* Climate: XX to XX degrees Fahrenheit
* Unemployment: XX%

APPLICATION PROCEDURES:
Qualified applicants are invited to submit an application together with a personal resume and 5 references to:

CEO Selection Process
XX District Agricultural Association
Street or POB
City, State & Zip

SELECTION PROCEDURES:
• A screening committee will evaluate each applicant’s personal resume and application.
• The applicants considered to be the best qualified for the position will be referred to the DAA’s board of directors for further consideration.
• Personal interviews will be scheduled at the fair (boardroom) with a selected number of the most qualified candidates during the week of Date.
• The applications of all candidates will be held in strict confidence.
• The fair board or its representative reserves the right to contact selected individuals who are familiar with the accomplishments of applicants.
• The fair board or its representatives may wish to visit the home community of the final applicant(s).
• It is anticipated that the Board of Directors will make its final determination on or before Date.

Questions regarding application or selection procedures may be directed to: CEO Search Phone #.
Chief Executive Officer

The [Fair Name (or, XXth District Agricultural Association)] in [County] is accepting applications for its Chief Executive Officer. The ideal candidate will have demonstrated knowledge and experience in developing and managing budgets, maintaining sound fiscal policy, day-to-day record-keeping including payroll, and preparation of board- and government-required reports; planning, organizational restructuring and business development; fund-raising, grant and sponsorship development; recruiting, training and supervising employees and volunteers; producing and directing community-relevant programs, entertainment activities and special events; developing and implementing marketing plans and strategies; and be knowledgeable in the areas of purchasing, facility maintenance, public relations, contracting, and technology. The candidate must have the ability to work cooperatively and communicate effectively with staff and volunteers, the board of directors, governmental agencies, local businesses, media and the community. Deadline for submittal of application documents is [Date]. Requests for application and position information may be obtained by writing: CEO Selection Process, [XXth District Agricultural Association, Street, City, State, and Zip].
CHIEF EXECUTIVE OFFICER  
DISTRICT AGRICULTURAL ASSOCIATION  
EXEMPT SALARIES EFFECTIVE 07/01/2007

<table>
<thead>
<tr>
<th>CLASS CODE</th>
<th>CLASS TITLE</th>
<th>MIN SAL</th>
<th>MAX SAL</th>
<th>CBID</th>
<th>WWG</th>
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</thead>
<tbody>
<tr>
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<td>LEVEL VII SECRETARY-MANAGER, DAA</td>
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<td>$9,968.00</td>
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<td>4822</td>
<td>LEVEL VI SECRETARY-MANAGER, DAA</td>
<td>$7,984.00</td>
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<td>4823</td>
<td>LEVEL V SECRETARY-MANAGER, DAA</td>
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<td>4828</td>
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</tr>
</tbody>
</table>

Informal Chart - reflects the 3.4% increase effective 07/01/07, beginning of business
FOR IMMEDIATE RELEASE

CONTACT: CEO Search

CURRENT CEO RESIGNS AS OF DATE

POSITION AS CHIEF EXECUTIVE OFFICER OPEN TO APPLICANTS

CITY — The Fair Name (XXth District Agricultural Association) Board of Directors announced today the opening of a search process for a new chief executive officer. Current CEO Name resigns as of Date.

Insert Quote — Example: “We look forward to this opportunity for change. Jeanne Grove has done an excellent job with The Last Frontier Fair and we wish her every happiness. Now we need to find the best person to take our strengths forward and lead us into the future,” said Board President, Dan Silveria.

“We need a sharp and exceptional administrator who will implement the board’s policies and manage the day-to-day operations of the fair with business acumen, vision, and commitment to the community purpose of this organization,” Silveria continued.

The board of directors intends to hire the next CEO for The Fair Name by the end of Date.

For applications or more information on the position, please contact the CEO Search Hot-line at Phone #, or inquiries may be sent to “CEO Selection Process, Address”. All applications must be submitted according to form, with a resume and a list of five (5) references. Applications must be received by Date.

The Fair Name (XXth District Agricultural Association) is one of 54 fair organizations that operate as state agencies under the authority of the California Department of Food and Agriculture’s Division of Fairs & Expositions.

THE XXth DISTRICT AGRICULTURAL ASSOCIATION IS AN EQUAL OPPORTUNITY EMPLOYER WHICH WILL NOT CONSIDER RACE, COLOR, CREED, NATIONAL ORIGIN, ANCESTRY, SEX, MARITAL STATUS, DISABILITY, RELIGIOUS AFFILIATION, POLITICAL AFFILIATION, AGE OR SEXUAL ORIENTATION.
XXth DISTRICT AGRICULTURAL ASSOCIATION  
City, California

CEO SEARCH PROCESS

**PROPOSED BUDGET**: CEO Search Process Budget

* **EXPENDITURES**:

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Advertising</td>
<td>$ XXXX</td>
</tr>
<tr>
<td>Travel (to visit finalist's current site)</td>
<td>$ XXXX</td>
</tr>
<tr>
<td>Printing/Duplication/Postage</td>
<td>$ XX</td>
</tr>
<tr>
<td>Telephone/FAX</td>
<td>$ XX</td>
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</tbody>
</table>

**TOTAL BUDGET** $ XXXX

* Estimates for each budget line item were conservatively calculated at high levels.
TO ALL PERSONS INTERESTED IN THE POSITION OF:

Chief Executive Officer, XX District Agricultural Association
City, California

Thank you for your interest in serving the citizens of XXXX County and the California fair industry.

The chief executive officer at The Fair Name, or XX District Agricultural Association, serves at the pleasure of a nine-member board of directors. Each board director is appointed by the Governor to a four-year term.

To be considered for the position of chief executive officer, you must complete an application (enclosed) and submit it no later than DATE.

Please complete the application according to the following special instructions:

1. Complete the application form fully. The board of directors may refuse consideration of incomplete applications.

2. Type your responses to the application questions in the spaces provided. You may explain or otherwise elaborate on your answers to particular questions by attaching additional sheets of paper. Each attachment should clearly denote the question(s) to which it pertains.

3. Attach your resume.

4. Attach a list of five or more references, with addresses and telephone numbers.

5. Submit the completed application form and its attachments (stapled) to:

CEO Selection Process
XX District Agricultural Association
Street or PO Box
City, State and Zip

Please address questions about this position or application process to the President, Board of Directors, at Phone #.
CHIEF EXECUTIVE OFFICER APPLICATION

1. Mr. ________________________________ Ms. ________________________________
   (First) (Middle) (Last)

2. Residence Address:
   (City) ________________________________ (County) ________________________________
   (State) ________________________________ (Zip) ________________________________
   Phone: (______) ________________________________

3. Position Desired: ________________________________ Date Available: ________

4. Have you ever been employed by a fair organization? YES NO
   If so, when and where? ________________________________

5. Present Business Title: ________________________________
   Company: ________________________________
   Supervisor: ________________________________ Salary: ________________________________
   Address: ________________________________
   (City) ________________________________ (County) ________________________________
   (State) ________________________________ (Zip) ________________________________
   Phone: (______) ________________________________

6. **Twelve-year work history**: (begin with most recent or present employment)

<table>
<thead>
<tr>
<th>Employer</th>
<th>Title/Type of Business</th>
<th>City/State</th>
<th>Starting/Ending Dates</th>
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</thead>
<tbody>
<tr>
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7. **Educational history**:

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<thead>
<tr>
<th>College/Graduate School (Location)</th>
<th>Course of Study</th>
<th>Degree Earned</th>
<th>Date of Completion</th>
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8. **Professional licenses and certificates**:

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<thead>
<tr>
<th>Certificate/License</th>
<th>Date Issued</th>
<th>Certificate/License</th>
<th>Date Issued</th>
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<td>1)</td>
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<td>2)</td>
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<td>4)</td>
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</table>
9. **Current affiliations/memberships in professional organizations and/or societies:**

<table>
<thead>
<tr>
<th>Organizations/Societies</th>
<th>Starting Date</th>
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</thead>
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10. ___ Yes ___ No  Have you resided at your current residence less than 5 years? If yes, please list all residences for the past five years.

11. ___ Yes ___ No  Are you a citizen of the United States?

12. ___ Yes ___ No  Have you ever been affiliated (as an officer, owner, director, trustee, partner, advisor or consultant) with any institutions (corporations, firms, partnerships, business enterprises, non-profit organizations, etc.) within the past five years which might present a potential conflict of interest or appearance of conflict of interest with the district agricultural association, as defined in Government Code §1090 and/or §87100 et seq? If yes, please explain.

13. ___ Yes ___ No  Do you or any members of your immediate family own or have any interest which may present a conflict of interest with the district agricultural association, as defined in Government Code §1090 and/or §87100 et seq? If yes, please explain.

14. ___ Yes ___ No  Do you or any members of your immediate family own any interest in any real property adjacent to or in proximity with the fairgrounds?

15. ___ Yes ___ No  Were you ever discharged, rejected during probation, or have you ever been requested to resign or resigned under unfavorable circumstances from any employment? (You may omit any incident occurring over 7 years ago except a disciplinary or punitive dismissal, or a probationary period rejection from California State Civil Service). If yes, please give details.

16. ___ Yes ___ No  Are you presently serving as an elected city or county official?

17. ___ Yes ___ No  Are you presently doing business with the 34th District Agricultural Association, any board director or staff member? If yes, please explain.

18. ___ Yes ___ No  Have you ever or do you currently utilize other names professionally? If so, please list.

19. Please explain qualities of yours which will prove beneficial should you be appointed as chief executive officer of the 34th District Agricultural Association.
20. Please describe how you perceive the role of a chief executive officer in relation to the board of directors at a district agricultural association.

21. What is the importance of a fair to its community?

22. How did you learn of this job opening?

I certify that the foregoing questions are answered truthfully for the purpose of securing employment. If employed, I agree to conform to the rules and regulations of the State of California and the 34th DAA. I understand that any false answers or statements on this application or any supplement thereto, will be sufficient grounds for immediate discharge.

Date: ________________________________  By: ________________________________
  (Applicant)

AUTHORIZATION AND RELEASE

I understand that should the offer of employment as chief executive officer of the 34th District Agricultural Association be made, it is conditional upon the completion and satisfactory results of an extensive investigation of my personal and business background. I hereby authorize the release of any and all information pertaining to me or businesses in which I participated, including information of a confidential or privileged nature in the possession of government or private agencies or individuals. I hereby release all such agencies or individuals who furnish such information from liability for damages which may result from furnishing the information requested. I also understand that my consumer credit report may be requested and used in connection with this application for appointment. The source of the report shall be a major national credit reporting agency, such as TRW, TRANSUNION, or EQUIFAX. In the event such a request is made, the credit agency should provide me with a copy of the report.

Date: ________________________________  By: ________________________________
  Applicant

How did you hear about our vacancy? ____________________________________________
STATE OF CALIFORNIA

XX DISTRICT AGRICULTURAL ASSOCIATION

Street or PO Box
City, State and Zip

RELEASE OF CONFIDENTIAL INFORMATION

Candidate’s Name: ___________________________ Date: ______________

Social Security Number: ______________________

The individual named above is a candidate for employment with the XX District Agricultural Association. The candidate authorizes the bearer of this document, as a representative of the XX District Agricultural Association, to examine her/his personnel records, including a printout of the employee’s employment history and leave balances, as part of the employment process.

AUTHORIZATION:

I understand that by signing this document I am authorizing a representative of the XX District Agricultural Association to examine my personnel records. This authorization is solely for the purpose of applying for employment with the XX District Agricultural Association.

__________________________________________  _______________________
Candidate’s Signature                        Date
RECRUITMENT EVALUATION CONSIDERATIONS

FIVE CRITERIA FOR EVALUATING PEOPLE
1. Technical competence
2. Judgment
3. People skills
4. Character
5. Conceptual skills

PERSONAL INTERVIEW
You can only get a certain amount of feedback out of a personal interview. It’s important, but not sufficient. The Interview is basically a method or means for determining the following:

- The candidates’ capacity to learn; someone who keeps learning and moving in that direction.
- How the candidate deals with complexity.
- How the candidate recognizes ambiguity.
- How curious the candidate is.
- If the candidate has analytical honesty and a degree of self-awareness.
- If the candidate is a reflective practitioner: a person who can really think, act and make things happen.
- The candidates’ regard for the status quo and their comfort with innovating.
- The candidates’ ambition, intelligence and self-motivation.
- Integrity: the candidates’ moral, ethical stance and centeredness.
LEADER TRAITS

- Gets the house in order (gets the vision understood, agreed on, articulated, communicated until everybody knows what the organization is trying to become)
- Effective problem solver
- Capacity to create a compelling and plausible vision and to translate that vision into organizational realities
- Ability to generate and sustain trust
- Ability to be agile and adaptive enough to changing situations
- Openness to diverse points of view (open to other’s views & good listener = better informed)
- Decisiveness (knowing when it’s time to make a decision)
- Self-knowledge, self-awareness (reflective practitioner; knowledge about how to affect other people, knowledge about oneself and about own strengths and weaknesses)
- Desire for constant personal development
- Reflects on experience (what really happened, why did it happen, what did it do to me/organization, what did It mean to me/organization?)
- Positive self—regard
- Knows own strengths and weaknesses (to accentuate the positive/eliminate the negative — make strengths effective and weaknesses irrelevant)
- Goal setting (allow themselves many opportunities for nurturing their strengths thru goal setting — like good athletes, challenging themselves constantly)
- Understand the fit between what the organization requires and what they can contribute. Effective leaders know where their efforts will be best applied.
- Results-oriented people and fixated with outcome (only possible if a person knows what he/she wants).
- Capacity to communicate their intent, their purpose to others.

Leaders should bring to the table a list of tangible accomplishments. Leaders can demonstrate that they have been in a leadership positions in a variety of business situations. A leaders’ resume shows an ability to deal with a variety of situations and to succeed across many boundaries and obstacles.

Look for a series of leadership positions early on in a candidates’ experience. Leaders have a history of being in the limelight, ‘being in positions of responsibility and impact. Leaders are committed to making an enterprise successful. Leaders have taken a business or a job and improved a department or a division.
# CEO SEARCH — CHECKLIST OF QUALIFICATIONS

**CANIDDATE:**

<table>
<thead>
<tr>
<th>Qualification</th>
<th>YES</th>
<th>NO</th>
<th>Ranking (1 to 10)</th>
<th>Comments</th>
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<tbody>
<tr>
<td>BACHELORS DEGREE</td>
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<td>EXP. IN BUS. ADMIN.</td>
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<td>EXP. IN PUBLIC ADMIN.</td>
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<td>EXP. IN MARKETING</td>
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<td>EXP. IN PUBLIC RELATIONS</td>
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<td>EXP. IN COMMUNICATIONS</td>
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<td>EXP. IN ENTERTAINMENT</td>
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<tr>
<td>BUDGET EXPERIENCE</td>
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<td>STRATEGIC PLAN EXP.</td>
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<td>FUNDRAISING EXP.</td>
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<td>SPONSORSHIP DEV. EXP.</td>
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<td>III RING/TRAINING EXP.</td>
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<tr>
<td>SPECIAL, EVENTS EXP.</td>
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<td>PURCHASING/CONTRACTING</td>
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<td>PUBLIC PRESENTATIONS</td>
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<td>COMMUNITY INVOLVEMENT</td>
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<tr>
<td>GOVERNMENTAL RELATIONS</td>
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**TOTAL NUMBER POSSIBLE:** 17  
**TOTAL POINTS POSSIBLE:** 170

**TOTAL NUMBER ACHIEVED:**  
**TOTAL POINTS ACHIEVED:**
FRAMING EFFECTIVE QUESTIONS  
(CEO Interview Primer)

The interview process that you are about to conduct with the finalist candidates for the position of CEO is designed to help you, as a Board, to decide whether or not a candidate is the right choice for your firm. The screening committee has given you reasonable assurance that each of the finalists has met the criteria you have previously specified. Candidates are qualified for the position based on their documented experience, training, recommendations, and credentials.

The board should pre-determine which questions will be asked of all candidates and by whom. By asking the same questions of all candidates you should gain an equal understanding of each person. Although the board starts by asking each candidate the same questions, given answers may necessitate adjustments that lead to additional probing questions. As the interview process should be complete and unhurried, plan for each interview to last a minimum of one hour.

Interview questions should be structured to fit the board’s hypothetical “ideal” candidate, as previously determined. This will give the board an established model to use as criteria during the interview process, helping to make the final decision easier.

As you solicit information from the candidate try to get a sense of the person, i.e. his or her demeanor, personality, articulation, as well as your own comfort in talking with the candidate. Most of all; listen to the answers to your questions very carefully. Is the candidate thoughtful, direct, and concise in his or her response? Make allowances for some degree of nervousness in the interview situation.

There are different forms of questions which elicit different types of responses. You should be able to use these appropriately. They include:

**DIRECT QUESTION**
This type of question calls for specific, factual information, often of a “Yes” or No variety. It is useful for verifying factual information. It is not an effective tool for exploring ideas or experiences.

*Examples:*
- For what period of time were you the park manager?
- Were you responsible for hiring and firing?
- Did you personally prepare the annual budget?
- How many staff did you supervise?

**OPEN QUESTION**
The open question asks the candidate to give information or to describe ideas and experiences. It is a useful way of exploring verbal skills and opinions, and gathering details on a candidate’s background. To be effective, however, the questions must be specific and concrete.
Examples:

- Please tell us how your present duties have prepared you for this position. Explain how you would approach the task of preparing and presenting the annual budget.
- Please describe your strongest management skills and how this skill has been demonstrated in the past.

SITUATIONAL QUESTION

This special type of open question poses a problem or situation and asks the candidate to react to it and reason through a response. It is useful both to measure the candidate’s ability to analyze a situation and reason out a solution, and to determine knowledge of procedures. To be effective, however, the situation must be described in specific terms, or the candidate will not understand the question.

The following examples illustrate good and bad versions of the same question.

1. **bad**  How do you handle productivity problems?
   
   **good**  Assume your are the fair CEO, one of your employees, who is usually extremely efficient and accurate, suddenly goes into a slump. Her productivity slows down and she seems less than enthusiastic about the job. When you mention this to her, she points out that her work still meets production standards for the unit and that she is having problems at home. What will you do?

2. **bad**  What should you do a financial or compliance audit criticizes your work?
   
   **good**  The CDFA Audit Team has just issued a report critical of the activities of your fair. You have been asked to respond; what steps should you take to accomplish this assignment?

3. **bad**  How do you deal with health and safety issues?
   
   **good**  The Division of Fairs & Expositions has just issued a report citing numerous health and safety violations. What steps will you take in responding to this report and ensuring that all violations are corrected?

4. **bad**  How do you get people to attend the fair?
   
   **good**  Your fair has recently been plagued with waning attendance. The board of directors has determined that increased attendance is the number one priority for the upcoming year. What specific action would you take to meet this objective?
PROBING QUESTION
Probing questions are used to follow up other questions to get more detail and to pin down specific facts. They may be open or direct.

Examples:
- You mentioned previous supervisory experience. What were your specific duties?
- Can you give us more detail on...?
- Exactly how long were you the “acting manager?” Did you have full authority to act on her behalf?

In developing questions, you should keep the following in mind:

- Take your time in questioning candidates. Rapid fire questions cause stress and do not generally elicit well-thought-out responses.
- Keep your questions specific. Vague questions can be answered by vague responses, which do not provide adequate assessment of the candidate’s knowledge, skills, or abilities.
- Ask only one question at a time. Multi-pail questions tend to be stressful and candidates often will not remember more than one part of a question. (an example of a multi-pail questions is: “Have you had supervisory experience; if so, how much and how recent was the experience?”)
- Keep you questions short, precise and to the point.
- Draft your questions and their answers in advance of the interview. Determine who will ask each question and what constitutes an outstanding answer, an average answer, barely passable, and unsatisfactory.

Here are additional questions you may consider asking during your interviews:

GENERAL INFORMATION

- Your application appears to be very thorough and is quite impressive. Perhaps in your own words, you can bring us up-to-date on your background or expand on any one experience that, to you, has been most significant.
- You have been provided a job description for this position. What responsibilities do you think would be the most interesting and satisfying to you? Why?
- At this time in your professional career, what goals have you set for yourself?
- Tell us what you believe to be your strongest professional assets.
ADMINISTRATIVE INFORMATION

- If selected, during your first year as CEO how would you go about making an assessment of the fair’s strengths and weaknesses?

- Briefly describe your background in budget preparation and management.

- If it should be determined that there is a need for additional fair facilities, what steps would you take to obtain them?

- How would you describe your approach to staff discipline? (reference civil service process)

- What techniques have you used to assure that your key constituency is aware of your activities to gain support?

- Describe how you have worked with community groups in your previous administrative assignments.

- Have you played a major role in the recruiting and selection of employees? If so, how do you go about recruitment? What key characteristics do you look for in candidates?

- What have you done as an administrator to motivate improved performance by employees?

- What is your perception of an ideal relationship between a CEO and board of directors?

- How would you deal with a board that opposed your recommendation on an item that you strongly feel is sound and in the best interest of the fair?

- Would you briefly describe your event management experiences?

- Please discuss your reasons for applying for this position.

- What role do you think the CEO should play in the community?

- Please explain what steps you take in the event of a budget shortfall (overspent budget).

- Please share any fair experiences you’ve had that stand out in your mind?

- What role should a fair play in its community?
<table>
<thead>
<tr>
<th>Acceptable</th>
<th>Subject Matter</th>
<th>Unacceptable</th>
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</thead>
<tbody>
<tr>
<td>Have you ever used another name that would enable us to check on your</td>
<td>NAME</td>
<td>What was your maiden name?</td>
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<td>employment or educational records?</td>
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<td>What is your place of residence? (OR) What is your home address? (OR)</td>
<td>RESIDENCE</td>
<td>Do you &quot;own&quot; or &quot;rent&quot; your home?</td>
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<td>What is your mailing address?</td>
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<td>If you are hired, can you show proof of your age? (OR) Are you over</td>
<td>AGE</td>
<td>What is your age? What is your birth date? When did you attend or</td>
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<td>eighteen years of age? (OR) If you are under eighteen, can you submit a</td>
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<td>graduate from elementary school or high school? (Any question which</td>
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<td>work permit if you are hired?</td>
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<td>identifies a candidate as over 40 years old.)</td>
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<td>If you are hired, can you submit verification of your legal right to work</td>
<td>BIRTHPLACE,</td>
<td>Where were you born? Where were your parents born? Were any relatives</td>
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<td>in the United States?</td>
<td>CITIZENSHIP</td>
<td>born outside this country? Are you a U.S. citizen? (Unless this is a</td>
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<td>legitimate requirement for security clearance or other job-specific</td>
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<td>reasons.) (Do not ask for proof of right-to-work prior to making a job</td>
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<td>offer)</td>
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<td>What languages do you read, speak or write?</td>
<td>NATIONAL ORIGIN</td>
<td>What is your nationality (or lineage, ancestry, national origin, descent)?</td>
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<td>Where do you come from? Where were you born? What nationality are your</td>
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<td>parents? What is your native language? How did you learn to read, write or</td>
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<td>speak a foreign language? How did you learn to read, write or speak English?</td>
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<td>Telling applicant about any policy limiting work assignments of</td>
<td>SEX, MARITAL STATUS</td>
<td>What is your sex? What is your marital status? Are you married, single,</td>
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<td>employees who are related to one another (nepotism).</td>
<td>OR FAMILY STATUS</td>
<td>divorced or separated? How many children do you have and what are their</td>
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<td>ages? What provisions have you made for childcare? With whom do you reside?</td>
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<td>How will you get to work on time everyday?</td>
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<tr>
<td>There are no acceptable questions.</td>
<td>RACE</td>
<td>What is your race? What is your skin color? Are you White, Black, Hispanic, Asian or American Indian? (As an Affirmative Action employer, we are required to collect such demographic data, but only by using a tear-off portion of the application form which does not identify the individual applicant by name.)</td>
</tr>
<tr>
<td>Will you be able to work the sort of schedule I have explained to you as required in this job? (Employers may have to make specific accommodations based on religion)</td>
<td>RELIGION</td>
<td>What is your religion? What religious holidays do you observe? What church do you attend? Can you give a minister as a personal reference?</td>
</tr>
<tr>
<td>Statement that a photograph may be required after employment</td>
<td>PHYSICAL DESCRIPTION OR PHOTOGRAPH</td>
<td>What is your height or weight? Requiring an applicant to submit a photograph with the job application. Making a photograph optional.</td>
</tr>
<tr>
<td>Statement that any job offer will be made contingent upon the individual passing a job-related medical examination or health questionnaire. Generally, requiring applicants to submit to and pass a drug screening examination is acceptable (if appropriate for the position). Can you perform the essential functions of the job in question, with or without accommodation?</td>
<td>PHYSICAL CONDITION HANDICAP DISABILITY MEDICAL CONDITION</td>
<td>Questions regarding applicant’s general medical condition, state of health or illnesses. Questions about ever having received Workers Compensation benefits or filing a Workers Compensation claim. Do you have any physical or mental disabilities or handicaps? Can you pass a general physical examination? Is your back OK? Have you ever had cancer or AIDS? Do you have cancer or AIDS now? What is your general state of health?</td>
</tr>
<tr>
<td>Have you ever been convicted of a felony? (Such a statement must be accompanied by words indicating a conviction will not necessarily disqualify the applicant.) Can you be bonded? (only if the job requires bonding.)</td>
<td>CRIMINAL OR ARREST RECORD</td>
<td>Have you ever been arrested? Aside from traffic violations, have your ever had trouble with the law? Have you ever been refused bonding in any job? (if the job doesn’t require bonding.)</td>
</tr>
<tr>
<td>What specific skills did you acquire during your military service? (OR) How will your military service help you on this job?</td>
<td>MILITARY SERVICE</td>
<td>What were the dates of your military service? Have you ever served in the military organization of a foreign government? What type of discharge did you receive?</td>
</tr>
<tr>
<td>PERSONAL FINANCES AND CREDIT RATINGS</td>
<td>Have you ever filed for bankruptcy? How is your personal credit? Have you ever had your wages garnished?</td>
<td></td>
</tr>
<tr>
<td>-------------------------------------</td>
<td>----------------------------------------------------------------------------------------------------------------------------------</td>
<td></td>
</tr>
<tr>
<td>ORGANIZATIONS, VOLUNTEER GROUPS, PROFESSIONAL AND SOCIAL INVOLVEMENTS</td>
<td>List all the organizations, clubs, societies and lodges to which you belong. (Do not ask about paid work experience without also asking about unpaid or volunteer work experience.)</td>
<td></td>
</tr>
<tr>
<td>REFERENCES</td>
<td>Do not ask former employers or references for any information which would indicate the applicant’s race, color, religion, national origin, ancestry, disability, medical status, age or sex.</td>
<td></td>
</tr>
<tr>
<td>EMERGENCY CONTACT</td>
<td>What is the name and address of the relative who should be notified in case of an emergency?</td>
<td></td>
</tr>
</tbody>
</table>

There are no appropriate questions. Please indicate any job-related organizations, clubs, professional societies, or other associations to which you belong. You may omit those which indicate your race, religious creed, color, national origin, ancestry, sex or age.

Were you referred to us for this position? By whom? List the names of people you would like us to contact who can provide you with either a personal or professional references.

What is the name, address and telephone number of the person you wish us to notify in the event of an emergency?
SAMPLE INTERVIEW QUESTIONS

1. Your application appears to be very thorough and is quite impressive. Perhaps in your own words, you can bring us up-to-date on your background or expand on any one experience that, to you, has been most significant.

2. You have been provided a job description for this position. What responsibilities do you think would be the most interesting and satisfying to you? Why?

3. At this time in your professional career, what goals have you set for yourself?

4. Tell us what you believe to be your strongest professional assets.

5. If selected, during your first year as CEO how would you go about making an assessment of the fair’s strengths and weaknesses?

6. Briefly describe your background in budget preparation and management.

7. If it should be determined that there is a need for additional fair facilities, what steps would you take to obtain them?

8. How would you describe your approach to staff discipline? (reference civil service process)

9. What techniques have you used to assure that your key constituency is aware of your activities to gain support?

10. Describe how you have worked with community groups in your previous administrative assignments.

11. Have you played a major role in the recruiting and selection of employees? If so, how do you go about recruitment? What key characteristics do you look for in candidates?

12. What is your perception of an ideal relationship between a CEO and board of directors?

13. Would you briefly describe your event management experiences?

14. Please discuss your reasons for applying for this position.

15. Please explain what steps you would take in the event of a budget shortfall (overspent budget).

16. Please share any fair experiences you’ve had that stand out in your mind?
17. What role should a fair play in its community?

18. Tell me about a time when you tried to help someone else change. What strategy did you use? How did it turn out?

19. Tell me about your most challenging or least challenging job.

20. Tell me about a time when you had to overcome major obstacles to meet a challenge.

21. Tell me about the people you most and least admire.

22. Tell me about a time when you tried to do something but failed.

23. Tell me about a time when something bad happened to you.

24. Tell me about a mistake you made in dealing with people.

25. Tell me about the last time you made a major change - why did you do it? How did it work out?

26. Tell me about a difficult work situation and how you dealt with it.

27. What dissatisfies you about this organization? What would be high on your priority list to try to change it?

28. Give me your vision of where you’d like this organization, not you personally, to be five years from now. Give me a rough idea of how you plan to go about accomplishing it.

29. What techniques have you used to assure that your fair (or business) community is fully informed about their fair?

30. What have you done as an administrator to motivate improved performance by staff members?

31. What have you done as an administrator to motivate Improvement in your fair (or business) programs?

32. How would you deal with a board who opposed your recommendation on an item that you feel strongly is sound and in the best Interest of the fair?

33. What role do you think the CEO should play in the community?

34. Have you ever had a difficult supervisor and if so, describe the difficulty encountered and how you dealt with it
35. Of all the supervisors you have worked under, which one has gotten the best performance from you? Why?

36. Please give me examples of situations in past jobs when you felt that changes management required of you were not easy to make. Why?

37. How have you learned to adjust your approach to how you interact with others at work? Please give me some examples.

38. To what extent did you change the system/procedures you worked under at your last job or the one before it?

39. In past jobs, how did you know you were being effective?

40. Do you take initiative to learn about your field when you are not at work? How?

41. Other than money, what rewards make you the happiest at work? What keeps you coming to work?

42. Which aspects of your last jobs have you liked the least? Which helped you feel good about your job?

43. What kinds of things at work make you feel pressured? What kinds of things in this position do you anticipate will make you feel stressed?

44. What work would you enjoy doing even without pay?

45. If I asked those who know you well what challenges or even disappoints you, what would they tell me?

46. If you’re hired and in three months you decide it was a huge mistake to accept this job, what would lead you to conclude that?
<table>
<thead>
<tr>
<th>Phase I Tasks</th>
<th>Board's Role</th>
<th>Due Date</th>
<th>Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>Timeline/Calendar</td>
<td>Amend/Approve Draft</td>
<td></td>
<td>Completed</td>
</tr>
<tr>
<td>Key Contact/Search Committee</td>
<td>Board appoints subcommittee</td>
<td></td>
<td>Completed</td>
</tr>
<tr>
<td>Job Announcement/Qualifications</td>
<td>Amend/Approve Draft</td>
<td></td>
<td>Completed</td>
</tr>
<tr>
<td>Advertising Copy</td>
<td>Amend/Approve Draft</td>
<td></td>
<td>Completed</td>
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<tr>
<td>Advertising Distribution</td>
<td>Amend/Approve Draft</td>
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<td>Completed</td>
</tr>
<tr>
<td>Application</td>
<td>Amend/Approve Draft</td>
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</table>

<table>
<thead>
<tr>
<th>Phase II Tasks</th>
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<th></th>
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</thead>
<tbody>
<tr>
<td>Application Distribution</td>
<td>None</td>
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<td>Completed</td>
</tr>
<tr>
<td>Application Receipt</td>
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</tr>
<tr>
<td>Initial Application Screening</td>
<td>None</td>
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</table>

<table>
<thead>
<tr>
<th>Phase III Tasks</th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Application Screening</td>
<td>Appoint screening members</td>
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<tr>
<td>Finalist Selection</td>
<td>None</td>
<td></td>
<td>Completed</td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>Phase IV Tasks</th>
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<th></th>
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</thead>
<tbody>
<tr>
<td>Interview Questions</td>
<td>Amend/Approve subcommittee suggested list</td>
<td></td>
<td>Completed</td>
</tr>
<tr>
<td>Interview Finalists</td>
<td>Interview finalists (full board)</td>
<td></td>
<td>Completed</td>
</tr>
<tr>
<td>Select Finalists</td>
<td>Select final candidate &amp; 2 alternates</td>
<td></td>
<td>Completed</td>
</tr>
<tr>
<td>Conduct Background Investigation</td>
<td>Submit forms provided by F &amp; E</td>
<td></td>
<td>Completed</td>
</tr>
<tr>
<td>Check References</td>
<td>Contact finalists'</td>
<td></td>
<td>Completed</td>
</tr>
<tr>
<td>Rejection Letters</td>
<td>None</td>
<td></td>
<td>Completed</td>
</tr>
<tr>
<td>Negotiate Salary</td>
<td>Work with finalists and CDFA HRB</td>
<td></td>
<td>Completed</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Phase V Tasks</th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Announcement Selection</td>
<td>Send new release to media</td>
<td></td>
<td>Completed</td>
</tr>
<tr>
<td>Establish Performance Standards</td>
<td>Work with new CEO</td>
<td></td>
<td>Completed</td>
</tr>
<tr>
<td>Board/CEO/F&amp;E Orientation</td>
<td>Work with new CEO/F&amp;E</td>
<td></td>
<td>Completed</td>
</tr>
</tbody>
</table>
DEPARTMENT OF FOOD AND AGRICULTURE
MANAGER/SUPERVISOR APPRAISAL FORM

EMPLOYEE NAME: ____________________________________________

CLASSIFICATION: ____________________________________________

RATING PERIOD: From: ________________ To: ________________

1. LEADERSHIP
   Cooperates, inspires, motivates, persuades and guides others toward goal accomplishment; adapts leadership style to a variety of situations: models high standards of honesty, integrity, trust, openness and flexibility; makes sound decisions consistent with departmental objectives.

   Meets expected standards: Yes_____ No_____

2. MANAGEMENT/SUPERVISION
   Creates a work environment in which employees are valued and respected; employees possess a sense of ownership and satisfaction in unit accomplishments, influence over how things are done, and understanding of their personal importance to the organization; inspires continuous learning and development of staff; recognizes and values the contributions of all members of diverse work force.

   Meets expected standards: Yes_____ No_____

3. PLANNING AND MEETING WORK COMMITMENTS
   Appropriately plans work activities and timetables to establish and meet program goals, objectives and deadlines; keeps supervisor appropriately informed of progress and problems; effectively delegates work and responsibility; maximizes use of staff and other resources; produces high quality, comprehensive work products; establishes work completion deadline commitments and meets them.

   Meets expected standards: Yes_____ No_____

4. PROBLEM SOLVING
   Accepts work assignments and views problem solving as a challenge; approaches work with a high level of initiative, creativity and flexibility; focuses program activities and problem solving on customer satisfaction.

   Meets expected standards: Yes_____ No_____
5. **HUMAN RESOURCES**
Reflects a sensitivity for the Department’s Equal Employment Opportunity goals, and provides leadership within his/her office in attempting to meet these goals; provides timely performance appraisals; addresses discipline issues in a timely and effective manner; ensures appropriate staffing to provide effective and efficient service; ensures a safe working environment.

Meets expected standards: Yes_____ No_____  

6. **INTERPERSONAL RELATIONSHIPS AND COMMUNICATIONS**
Fosters effective & cooperative relationships within the department and with other units and client groups; effectively represents the Department; ensures all interested parties are kept fully informed of issues which impact their work assignments and responsibilities; oral and written communications are well organized, comprehensive, to the point, appropriate for the intended audience, and reflect the tact necessary to exhibit sensitivity to the needs of others.

Meets expected standards: Yes_____ No_____  

7. **BUDGETS**
Manages program operations within allotted budget; accurately projects resource needs and planned expenditures.

Meets expected standards: Yes_____ No_____  

8. **SIGNATURES**
Employee’s Signature: _________________________________
Date: ___________________
Rater’s Signature: _________________________________
Date: ___________________
Rater’s Signature: _________________________________
Date: ___________________
Rater’s Signature: _________________________________
Date: ___________________
1000 CDFA DIVISION OF FAIRS AND EXPOSITIONS

1000 OVERVIEW
The Department of Food and Agriculture (CDFA), Division of Fairs and Expositions (F&E), is responsible for fiscal and policy oversight of the network of California fairs, and ensures the best use of available funding and other services.

1001 FAIR OVERSIGHT
California law assigns regulatory authority and responsibility for oversight of fairs to the CDFA. The CDFA delegates oversight responsibility of the network of California fairs to F&E. This includes the following (B&P Code Sections 19606.1 and 19620):

- Manage and monitor the solvency of the Satellite Wagering Account and the Fair and Exposition Fund.
- Distribute available state resources to the network of California fairs for local (base) allocations, health and safety repair projects, major maintenance projects, revenue generating projects, and wagering facility improvement.
- Create a framework for administration of the network of California fairs, allowing for maximum autonomy and local decision-making authority.
- Support continuous improvement of fair programs to ensure California fairs remain highly relevant community institutions.
- Ensure that annual fiscal audits and biennial compliance audits are performed.

F&E provides varying levels of oversight depending on the fair type. The following are just a few examples:

<table>
<thead>
<tr>
<th>Oversight of DAAs</th>
<th>Oversight of Non-DAAs</th>
</tr>
</thead>
<tbody>
<tr>
<td>Approve annual budgets.</td>
<td>Approve annual budgets.</td>
</tr>
<tr>
<td>Conduct annual fiscal and biennial compliance audits.</td>
<td>Review annual fiscal audits.</td>
</tr>
<tr>
<td>Review annual end-of-year statements of operations.</td>
<td>Review annual end-of-year statements of operations.</td>
</tr>
<tr>
<td>Approve contracts and bid packages.</td>
<td>Review and approve carnival requests for proposals.</td>
</tr>
<tr>
<td>Survey and recommend facility maintenance and improvement projects.</td>
<td>Review contractual agreements between the fair organization and host counties (in the case of county fair organizations).</td>
</tr>
<tr>
<td>Facilitate personnel transactions.</td>
<td></td>
</tr>
<tr>
<td>Analyze fair-related legislation.</td>
<td></td>
</tr>
<tr>
<td>Provide legal and general advice to boards of directors and staff.</td>
<td></td>
</tr>
<tr>
<td>Provide daily operational oversight to fairs experiencing managerial, fiscal, or operational challenges.</td>
<td></td>
</tr>
</tbody>
</table>
1002 RELATED GOVERNMENTAL ENTITIES

1002.1 State Government

- Joint Legislative Committee on Fairs Allocation and Classification (JLC): In 1993, the Legislature reactivated the JLC. Membership on the JLC is comprised of seven Senators and seven Assembly Members. The JLC reviews and approves the annual Expenditure Plan prepared by F&E for the network of California fairs and conducts hearings as part of its fact-finding and study process regarding issues which impact fairs.

- California Department of Food & Agriculture (CDFA): A state agency responsible for the oversight of California’s agricultural industry, including the network of California fairs.

- Division of Fairs and Expositions (F&E): A Division of the CDFA that is responsible for fiscal and policy oversight of the network of California fairs, and ensures the best use of available funding and services.

- California Horse Racing Board (CHRB) – Licenses racing associations, simulcast wagering facilities, and all persons, other than the public at large, who participate in a horse race meeting; adopts rules and regulations for the protection of the public; and controls horse racing and parimutuel wagering.

- District Agricultural Association (DAA) – Holds fairs, expositions, and exhibitions to highlight various industries, enterprises, resources, and products of the state.

- California Exposition and State Fair (Cal Expo) – A state agency in Sacramento responsible for holding the annual California State Fair, expositions and exhibitions to highlight various industries, enterprises, resources, and products of the state.

1002.2 Other Public Entities

- County Fairs – Holds fairs to highlight a county’s natural and agricultural resources.

- Citrus Fruit Fairs – Holds annual fairs to celebrate the citrus fruit harvest.

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1 Refer to the handbook titled Network of California Fairs Board of Director’s Overview for additional information.
1100 JOINT POWERS AUTHORITY

1100 OVERVIEW
California Government Code authorizes the formation of Joint Powers Authorities (JPAs) by two or more existing public agencies. The JPA may exercise any power common to each public entity co-joined as a JPA. JPAs are considered quasi-governmental agencies.

1101 JPA DESCRIPTIONS
Three JPAs have been formed in California to provide specific services to the fair industry. CDFA and California fairs are parties to the joint powers agreement that authorized the formation of each of the following JPAs.

1102 CALIFORNIA AUTHORITY OF RACING FAIRS (CARF)
California Authority of Racing Fairs (CARF) was established in 1986 by California Law to provide legislative and operational support, and professional development services for its members, all of which are horse racing fairs; assists CDFA with site selection and development for satellite wagering facilities; manages the track preparation agreement; and, recommends an annual Satellite Wagering Account and racing track improvement plan. CARF is managed by an executive director who is employed by the Board of Directors to provide the professional services indicated above.

Address: 1776 Tribute Road, Suite 150, Sacramento, California 95818
Telephone: 916.263.3346
Fax: 916.263.3341
Website: www.calfairs.com

1103 CALIFORNIA CONSTRUCTION AUTHORITY (CCA)
California Construction Authority (CCA) was organized in August 1988 to provide financing, planning, real estate services, design and construction services for health and safety improvements, satellite wagering facilities, and other projects at fairgrounds throughout California. An objective of CCA is to obtain financing for new construction and improvement of facilities at California fairgrounds. The proceeds from revenue bonds issued by CCA are allocated by the California Department of Food and Agriculture (CDFA) to fund health and safety maintenance projects, and for construction and improvements of satellite wagering facilities. At the approval of CDFA additional projects are funded as well as projects funded by the fairs.
CCA assists with management, planning, design and construction of projects at fairgrounds. CCA accomplishes projects in two ways; through an in-house staff of design and construction professionals and through the retention of professional service firms, such as architects, contractors, soils engineers, and geologists. In both capacities the CCA handles all administrative paperwork and oversees the design/construction process. Members of the CCA Board of Directors are appointed by the Board of Directors of two county fairs, Solano and El Dorado, and three District Agricultural Associations (DAAs), the Del Mar Fair, 22nd DAA; Orange County Fair, 32nd DAA, and Southern California Fair, 46th DAA. Directors serve five year terms. The Secretary, CDFA is the Board’s Ex-Officio Member.

Address: 1776 Tribute Road, Suite 220, Sacramento, California 95815  
Telephone: 916.263.6100  
Fax: 916.263.6116  
Website: [www.calconstruction.com](http://www.calconstruction.com)

### 1104. CALIFORNIA FAIR SERVICES AUTHORITY (CFSA)

The California Fair Services Authority (CFSA) was created in 1986 as a result of an insurance emergency that was making it difficult, if not impossible, for many of California’s fairs to find affordable general liability and worker’s compensation coverage. CFSA provides accounting and payroll services for fairs, efficient and cost-effective risk management (i.e. general liability, worker’s compensation, revenue protection and all-risk property) insurance, and business solution services through a flexible and responsive partnership with member fairs. These efforts are also designed to protect the Fairs and Exposition Fund, and the local fair organizations. CFSA provides safety programming, facility and carnival ride inspections, and purchasing, computer, employee benefits and management services.

Address: 1776 Tribute Road, Suite 100, Sacramento, California 95815  
Telephone: 916.921.2213  
Fax: 916.646.1238  
Website: [www.csfa.org](http://www.csfa.org)
1200 FAIR RELATED BUSINESSES AND TRADE ASSOCIATIONS

1200 FAIR RELATED BUSINESSES

There are over 900 fair related businesses in North America. Many of these businesses are members of the Western Fairs Association (WFA), and are referred to as “Service Members.” These businesses have a long history in the fair industry, and are typically owned and operated as small businesses. They include:

- Commercial and novelty concessionaires
- Carnivals and game concessionaires
- Entertainment services, including agencies, acts, attractions and entertainment–related services
- Food and beverage concessionaires and suppliers
- Suppliers which include printing services, insurance agencies, security providers, consultants, publicity, signage and advertising services.

These fair-related businesses are active partners in bringing the fair experience to our communities. What would a fair be without a corn dog, fresh squeezed lemonade or a carnival ride? The successful fair works at fostering a positive working relationship with these business partners.

Service Members have worked through the WFA Service Member Board of Directors and member division to provide an effective voice for positive change in the work environment at fairs, and the improvement of business practices and relationships. Their mission statement is:

“As an integral part of the fair experience, Service Members are an innovative, creative, and motivated group of professionals who are committed to and equally responsible for the success of fairs.”

Service Members affirm that “through our shared experience, knowledge, and vision, we positively affect the economic impact of fairs and their communities by creating and delivering the ‘fair experience.’ We find personal satisfaction in this lifestyle and embrace the risks, challenges, and rewards. We choose to conduct business at fairs!”

Service Members have provided an effective voice for positive change in the work environment at fairs and the improvement of business practices and relationships. For additional information about Service Members contact WFA. A complete list Service Members is available in the current WFA, Date List and Membership Directory. Ask your Fair CEO for a copy.

The following are not-for-profit associations which provide services to the fair industry.
AS A MEMBER OF A CALIFORNIA FAIR BOARD YOU ARE PART OF THE GREATER COMMUNITY OF AGRICULTURAL FAIRS. THERE ARE MORE THAN 4,000 FAIRS IN NORTH AMERICA AND SEVERAL ORGANIZATIONS REPRESENT THEIR INTERESTS ON STATE, REGIONAL, NATIONAL AND INTERNATIONAL LEVELS.

WESTERN FAIRS REPRESENTS OVER 150 FAIRS IN THE WESTERN REGION AS WELL AS OVER 700 FAIR-RELATED BUSINESSES. THEY ACT AS A PRIMARY INFORMATION AND EDUCATION RESOURCE FOR THEIR MEMBERS, PRODUCING SEVERAL IMPORTANT PUBLICATIONS AND HOSTING AN ANNUAL CONVENTION IN JANUARY. FAIR BOARD MEMBERS WHOSE FAIRS PARTICIPATE IN WFA RECEIVE INFORMATION ABOUT THE ORGANIZATION AS WELL AS A FREE SUBSCRIPTION TO THE QUARTERLY FAIR DEALER MAGAZINE. WESTERN FAIRS ALSO PRODUCES A "POCKET GUIDE" TO FAIRS AND A MEMBERSHIP CARD THAT PROVIDES COMPLIMENTARY ADMISSION TO MOST FAIRS IN THE WEST. THESE PRODUCTS ARE DISTRIBUTED IN FEBRUARY EACH YEAR TO ALL MEMBER FAIRS.

THE CALIFORNIA FAIRS ALLIANCE (CFA) WAS FORMED IN 2000 TO REPRESENT THE LEGISLATIVE INTERESTS OF THE FAIRS IN OUR STATE. THE MEMBER FAIRS ELECT AN 18-MEMBER BOARD TO OVERSEE THE ADVOCACY PROGRAM. THE CFA PROVIDES A UNITED NON-PARTISAN VOICE THAT ADDRESSES A WIDE VARIETY OF LEGISLATIVE ISSUES THAT IMPACT FAIRS. FIRST AND FOREMOST THE CFA SEeks TO PROTECT AND FURTHER THE MILLIONS OF DOLLARS THAT ARE GENERATED BY HORSE RACING TO SUPPORT FAIR OPERATIONS THROUGHOUT THE STATE. THE CFA HOSTS AN ANNUAL FALL CONFERENCE. INFORMATION ABOUT THE WESTERN FAIRS ASSOCIATION AND THE CALIFORNIA FAIRS ALLIANCE IS AVAILABLE TO ALL FAIR BOARD OF DIRECTORS REGARDLESS OF YOUR FAIRS MEMBERSHIP STATUS. FOR MORE INFORMATION CONTACT THE WESTERN FAIRS ASSOCIATION:

ADDRESS: 1776 TRIBUTE ROAD, SUITE 210, SACRAMENTO, CALIFORNIA 95815
TELEPHONE: 916.927.3100
FAX: 916.927.6397
WEBSITE: www.fairsnet.org

AN ASSOCIATION COMPRISED OF STATE DIRECTORS OF FAIRS & EXPOSITIONS (OR AGRICULTURAL FAIR AGENCIES) THROUGHOUT THE UNITED STATES. THE NAAFA IS A SUBCOMMITTEE UNDER THE AUSPICES OF USDA. WEB SITE ADDRESS: http://www.nasda.org
1203 INTERNATIONAL ASSOCIATION OF FAIRS & EXPOSITIONS (IAFE)

IAFE is an international association for fairs and expositions professional staff. The IAFE focuses on national legislative advocacy for fairs, and training, certification and networking for fair industry professionals. The IAFE also maintains a library of published research papers on the fair industry. The IAFE conducts an annual convention in Las Vegas and a spring managers’ conference that rotates through the United States. IAFE has zones throughout the world, which are governed by Boards who hold regional meetings and training opportunities.

Address: P.O. Box 985, Springfield, Missouri 65801
Telephone: 1.800.516.0313
Fax: 417.862.0156
Website: http://www.fairsandexpos.com

1204 INTERNATIONAL FESTIVALS & EVENTS ASSOCIATION (IFEA)

The International Festivals and Events Association (IFEA) focuses on training, certification and networking for festival and event industry professionals. The IFEA maintains a library of published research papers on the festival and event industry. The IFEA conducts an annual convention that rotates throughout the United States; in addition, some states have subcommittees such as CALFEST which is the California subcommittee of IFEA.

Address: 2601 Eastover Terrace, Boise, Idaho 83706
Telephone: 208.433.0950
Fax: 208.433.9812
Website: http://www.ifea.com/

1205 OUTDOOR AMUSEMENT BUSINESS ASSOCIATION (OABA)

A trade association for Outdoor Amusement owners and professional staff (i.e., carnivals, theme parks, water adventures, etc.) The OABA focuses on legislative advocacy, training, and networking for outdoor amusement industry professionals. The OABA conducts an annual convention.

Address: 1035 S. Semoran Blvd., Suite 1045A, Winter Park, Florida. 32792
Telephone: 1.800.517.6222
Fax: 407.681.9445
Website: http://www.oaba.org/
1300 OVERVIEW
F&E requires annual financial audits for all fairs, plus bi-annual management/compliance audits for all District Agricultural Associations (DAAs) and selected county fairs. Audits ensure that individuals entrusted with public resources are accountable to the public and other levels and branches of government.

1300.1 Mission, Vision, and Values Statement

Mission Statement
To provide our clients with the highest quality services to safeguard public assets and promote operational effectiveness.

Vision Statement
To help our clients reach their vision.

Values

- **Dynamic:** The Audit Office is energetic, positive and an innovative team who will challenge the process.

- **Integrity:** The Audit Office builds their reputation on consistency, honesty and ethical behavior.

- **Objective:** The Audit Office is unbiased and open-minded while conducting business.

- **Continuous Improvement:** The Audit Office systematically improves our professional services.

- **Professionalism:** The Audit Office adheres to the professional standards.

- **Teamwork:** The Audit Office works together to accomplish goals
1301 AUDIT OFFICE RESPONSIBILITIES

The principal function of internal audits is to provide assurance to the Secretary and departmental management that the Department’s collecting, disbursing and reporting of funds is proper and is in compliance with departmental policies and state rules and regulations. This is accomplished through continuous testing and evaluating of financial cycles, data processing cycles and departmental program reviews.

The Audit Office conducts a broad, comprehensive program of internal auditing within the Department and external audits requested by the departmental programs.

1301.1 Internal Audits

Internal auditing examines and evaluates the adequacy and effectiveness of the system of management control provided by the Department to direct its activities toward the accomplishment of its objectives in accordance with departmental policies and procedures. Internal audit activity is directed into the following areas:

- Internal Control and Fiscal Compliance Audits (mandated)
- Computer Services Operational Audit (mandated)
- General Services Contracts Audits (mandated)
- Program Compliance Audits and Special Investigations (as requested)
- Milk Pooling Audit - Mandated annual compliance audit
- Performance Audits

1301.2 External Audits

External auditing examines and evaluates industry’s compliance with laws and regulations pertaining to specific agricultural programs. External audit activity is directed into the following areas:

- Fairs and Expositions: Providing audit services to the California fairs including 54 District Agricultural Associations and various County Fairs.
- County Audits: 57 County Agricultural Commissioners and 55 Sealers of Weights and Measures
- Commercial Feed Program
- Commercial Fertilizer Program
- Egg Quality Control Program
- Motor Oil Program
- Curly Top Virus Program
- Nursery Stock Program
- Pink Bollworm Program
- Avocado Program
1301.3 **Special Investigations**
Special investigations are conducted when requested by departmental and program management in coordination with the appropriate enforcement activities, including departmental and program management, legal staff and investigators, Attorney General's Office, local district attorneys and other law enforcement agencies.

1302 **WHY AUDIT?**
- To assure that the financial records are prepared in conformity with Generally Accepted Accounting Principles.
- To assure the quality of the financial information being presented.
- To assure that the financial data is free from actual or potential conflict of interest.
- To assure that the financial records are free of material misstatement.
- To provide credibility to the information reported by or obtained from management.
- To assure that management applies resource efficiently, economically, and effectively.
- To assure compliance with applicable laws and regulations.
- To assure that those individuals entrusted with public resources are accountable both to the public, as well as to other levels and branches of the government.
- To reduce the likelihood of employees misappropriating assets.

1303 **FINANCIAL STATEMENTS**
Financial Statements are a presentation of financial data and information from accounting records to show at a point in time an entity’s financial position, results of operations and cash flows or changes in financial positions.

1303.1 **Balance Sheet**
The purpose of the balance sheet (statement of financial position) is to report the financial position of a business at a particular point in time. Financial position is the amount of resources and the liabilities of a business.

1303.2 **Income Statement**
An income statement reports the revenues and expenses for a specified period. Revenues cause inflows of resources into a business, and expenses cause outflows of resources. Income statements report revenues, expenses, and net income for a specific period of time.

1303.3 **Statement of Cash Flows**
The Statement of Cash Flows reports the cash flows from various activities. Each financial statement has a primary purpose (i.e., the balance sheet shows resources that are owned and owed to others by a business at a point in time and the income statement reports the revenues that were earned during an accounting period and the expenses reported may not equal cash out because of timing in payments. Thus, SCF is prepared to report cash flows.
1304 USE OF ACCOUNTING INFORMATION BY DECISION MAKERS

Financial statements serve decision-makers in three related ways:

1. Accounting provides information that is helpful in making decisions. Most important decisions are based, in part, on complex financial considerations. Accounting provides an important information base and a particular analytical orientation that help the decision-maker assess the future financial implications and potential outcomes of various alternatives that are considered. Your decision making potential is enhanced if you understand those financial impacts of alternative solutions to particular problems.

2. Accounting reports the economic effects of past decision on the entity. Once a decision is made and implementation starts, economic effects on the entity occur. These economic effects are often critical to the success of the endeavor. The evolving effects of past decisions must be measured and reported so that the decision-maker can be informed of developing problems, and of successes, over time. Accounting provides a continuing feedback of the economic effects of decisions already made, the results of which are communicated by means of periodic financial statements.

3. Accounting keeps track of a wide range of items to meet the safeguarding of responsibilities that must be assumed by all organizations. These include how much cash is available for use; how much customers owe the company; what debts are owed by the organization and what items are owned by the company.

1305 TYPES OF AUDITS

1305.1 Financial Statement Audits

Financial statement audits provide reasonable assurance about whether the financial statements present fairly the financial position, results of operations, in conformity with generally accepted accounting principles. Financial statement audits may, for example, include audits of:

- Segments of financial statements
- Internal controls over compliance with laws and regulations
- Internal controls over financial reporting and safeguarding assets

1305.2 Compliance Audits

Compliance audits involve obtaining and evaluating evidence to determine whether certain financial or operating activities conform to specified conditions, rules or regulations.

1305.3 Investigative Audits

The Audit Office may perform investigative work requests from the Division of Fairs and Expositions.
### 1306 SUMMARY OF RESPONSIBILITIES AND PARTICIPANTS

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<th>TASK</th>
<th>CDFA</th>
<th>CEO</th>
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<td>Engagement Letter</td>
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<td>Monitor Status Reports</td>
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* Participation is limited to designated board representative(s) and for observation only.

### 1307 AUDIT PROCESS

Auditing is a systematic process of objectively obtaining and evaluating evidence regarding assertions about economic actions and events to ascertain the degree of correspondence between those assertions and established criteria and communicating the results to interested users.

Auditing encompasses both *investigative* process and a *reporting* process. Investigation involves the systematic gathering and evaluation of evidence as a basis for determining whether assertions made, for example, in an organization's financial statements, correspond with established criteria, such as generally accepted accounting principles (GAAP). In turn, reporting involves communicating an evaluation or opinion in an audit report to interested users. As a result, the end product of an audit is the opinion communicated in an audit report.
1307.1 Type of Audit Reports and Opinions

The Audit Office issues two types of audit reports when performing a financial and compliance audit of an organization. The first is the Independent Audit Report. It is in this report that the auditor renders an opinion on the entity’s financial statements.

An independent auditor’s opinion provides internal and external users with input to making reasoned, logical, and informed decisions about a variety of financial matters, including an organization’s financial position, liquidity position, managerial performance, economic vulnerability, and whether they are in compliance with state rules and regulations. The four types of audit opinions that can be issued are as follows:

**Unqualified Opinion:** An unqualified opinion communicates a favorable signal about the financial position, results of operations, and cash flows.

*Financial statements taken as a whole present fairly the financial position, results of operations, and cash flows in conformity with the basis of accounting described in the notes to the financial statements.*

**Qualified Opinion:** A qualified opinion communicates a favorable signal about the financial position, but with modifications.

*“Except for” the effects of a particular matter, the financial statements present fairly the financial position, results of operations, and cash flows in conformity with the basis of accounting described in the notes to the financial statements.*

**Adverse Opinion:** An adverse opinion communicates unfavorable signal.

*Financial statements do not present fairly the financial position, results of operations, and cash flows in conformity with the basis of accounting described in the notes to the financial statements.*

**Disclaimer of Opinion:** A disclaimer of opinion signals that an auditor does not express an opinion. A disclaimer is appropriate when an auditor has not performed an audit sufficient in scope to enable him or her to form an opinion.

Auditor does not express an opinion on the financial position, results of operations, or cash flows.

The second report issued is the management letter. Generally accepted auditing standards require auditors to communicate reportable conditions which they become aware of during the audit. In addition, auditors communicate other weaknesses, inefficiencies, or other opportunities for improvement in operations that they have
observed. The management report basically comments on the organization’s compliance with state rules and regulations, and system of internal accounting control. The management letters identifies the findings as reportable or non-reportable.

**Reportable Findings:** Reportable finding are significant deficiencies in the design or operation of the internal control structure, which could adversely affect the organization’s ability to record, process, summarize, and report financial data consistent with the assertions of management in the financial statements. Reportable findings can also result when an organization is not in compliance with state rules and regulations. With reportable findings, the organization is required to respond on how they are going to correct these deficiencies.

**Non-reportable Findings:** Non-reportable findings are not considered as significant deficiencies in the design or operation of the internal control structure in order to affect the organization’s ability to record, process, summarize, and report financial data consistent with the assertions of management in the financial statements. Management is not required to address these in their audit response.

### 1308 TYPES OF AUDITOR’S OPINIONS

**Unqualified Opinion**
In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Fair, as of December 31, 1997 and 1996, and the results of its operation and changes in net resources for the years then ended, in conformity with the basis of accounting described in the notes to the financial statements.

**Qualified Opinion**
The property ledger records were not available for audit. Therefore, we are unable to express an opinion on the property accounts reflected in the Statement of Operations.

In our opinion, except for the property ledger's land, buildings, and improvements, and equipment accounts, the financial statements referred to above present fairly, in all material respects, the financial position of the Fair, as of December 31, 1997 and 1996, and the results of operations and changes in net resources for the years then ended, in conformity with the basis of accounting described in the notes to the financial statements.

**Disclaimer of an Opinion**
The Fair did not maintain evidence supporting the cost of the property and equipment acquired prior to December 31, 1993. The Fair’s records do not permit the application of other auditing procedures to property and equipment.

Since we were not able to apply other auditing procedures to satisfy ourselves as to the cost of the property and equipment, the scope of our work was not sufficient to enable us to express, and we do not express, an opinion on the financial statements.
Adverse Opinions
We were unable to form an opinion on six revenue sources totaling $700,000 due to inadequate controls by the Fair over the revenue. This included fair time admissions, parking, interim rentals, master concession operator, sponsorships, and satellite wagering admissions. Weaknesses in controls included lack of inventories of tickets, lack of control over tickets, inability to reconcile sales reports to the general ledger, inability reconcile tickets to sales reports, inadequate control over sponsorship contracts, no operating contract with parking concessionaire, use of generic cash receipt books and no audit of contract operators.

In our opinion, because of the effects of the matters discussed in the preceding paragraph, the financial statements referred to above do not present fairly, in conformity with generally accepted accounting principles, the financial position of the Fair, as of December 31, 1997 and 1996 or the results of its operations and changes in net resources for the years then ended.

1309 CLIENT SURVEYS
Client Surveys are used in our efforts to continually improve our audit program. The surveys are mailed to the auditee with the completed audit report in order for the auditee to evaluate the audit process. The surveys are then returned directly to the audit committee chair for his/her review. The committee chair will relate this information to the Audit Office.

These surveys provide answers to the following questions:
- Were the disruptions of daily activities minimized as much as possible during the audit?
- Did we communicate the audit findings and progress adequately to the Fair?
- Did the audit team demonstrate technical proficiency in audit areas?
- Did the audit team demonstrate courtesy, professionalism, and a constructive and positive approach?
- Were the audit team’s conclusions and opinions logical and well documented?
- Were the Audit recommendations constructive and actionable?
- Overall, was the audit beneficial to the Fair?
1309.1 Sample Survey Form

California Department of Food and Agriculture
Division of Administrative Services
Audit Office
Client Survey

Agency:___________________________ Date:_________ Supervisor:__________________________

We would appreciate knowing your opinions on the quality of our audit of your organization. In our efforts to continually improve our audit program, your feedback is valuable to us. Please take a few moments to complete this survey.

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Thank you very much for taking the time to provide feedback. Please return this form to: Forrest J. White, Chief Executive Officer
Audit Committee
1685 S. Airport Way
Stockton, CA 95206
1310 LETTER OF REPRESENTATION

The management representation letter is required for every audit of financial statements. Basically during an audit, management makes many representations to the auditor, both oral and written, in response to specific inquiries. Such representations by management are part of the evidential matter the auditor obtains.

The primary reasons for obtaining a client representation letters are:

- Management is asked to acknowledge their primary responsibility for the financial statements. Even if the auditor prepared the financial statements and related notes to the financial statements, the financial statements are the primary responsibility of management. For nearly a century, - or nearly as long as the financial statements have been audited – it has been accepted that financial statements are management’s representations.

- To serve as a checklist of important matters that may affect the financial statements. The written representations should be addressed to the auditor. Because the auditor is concerned with events occurring through the date of his or her report that may require adjustment to or disclosure in the financial statements, the representations should be made as of a date of the exit conference.
1310.1 Sample Representation Letter

DAA Letterhead

(If dated, must be dated the last day of field work.)

CDFA Audit Office
Ron Shackelford, Audit Chief
2014 Capitol Avenue, Suite 107
Sacramento, CA 95811

We are providing this letter in connection with your audit of the financial statements of the ______ District Agricultural Association (DAA), __________________ County Fair, as of December 31, 1997, and for the year then ended for the purpose of expressing an opinion as to whether the financial statements present fairly, in all material respects, the financial position, results of operations, and cash flows of the _____ DAA in conformity with accounting principles used by California District Agricultural Associations. We confirm that we are responsible for the fair presentation in the financial statements of financial position, results of operations and cash flows in conformity with the accounting principles.

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in the light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement.

1. The financial statements referred to above are fairly presented in conformity with the accounting practices for district agricultural associations prescribed by the State of California and the Division of Fairs and Expositions, which is a comprehensive basis of accounting other than generally accepted accounting principles.

2. We have made available to you all –
   a. Financial records and related data.
   b. Minutes of the meetings of directors, and committees of directors, or summaries of actions of recent meetings for which minutes have not yet been prepared.

3. There have been no –
   a. Irregularities (intentional misstatements or omissions of amounts or disclosures in the financial statements or misappropriations of assets) involving administrative officials or employees who have significant roles in processing transactions or safeguarding assets.
b. Irregularities involving others that could have a material effect on the financial statements.

c. Communication from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices that could have a material effect on the financial statements.

4. We have not adopted any plans, nor do we have present intentions, that may materially affect the carrying value or classification of assets or liabilities.

5. The following have been properly recorded and disclosed to the CDFA Audit Staff:

a. Related party transactions, joint ventures, leasing arrangements, guarantees, and long-term rental agreements. Related party transactions include, but are not limited to, transactions between the Fair and an employee, officer, or relative of an employee or officer.

b. Arrangements with financial institutions involving loans, lines of credit, compensating balances, or other arrangements involving restrictions on cash balances or similar arrangements.

c. Significant estimates and material concentrations known to management that are required to be disclosed in accordance with Statement of Position 94-6, Disclosure of Certain Significant Risks and Uncertainties. Significant estimates are estimates at the balance sheet date that could change materially within the next year.

d. Agreements to repurchase assets previously sold.

6. There are no –

a. Violations or possible violations of budget ordinances or laws or regulations (including those pertaining to adopting amending budgets) that have come to our attention that have not been disclosed to the CDFA Audit Office.

b. No unasserted claims or assessments that our lawyer has advised us are probable of assertion and must be disclosed in accordance with Statement of Financial Accounting Standards No. 5.

7. There are no material transactions that have not been properly recorded in the accounting records underlying the financial statements, and there are no undisclosed assets or liabilities. All accounts receivable are probable of collection.
8. The Fair has satisfactory title to all owned assets, and there are no liens on such assets nor has any asset been pledged other than those disclosed to the CDFA Audit Office.

9. We are responsible for the ______ DAA's compliance with laws and regulations applicable to it; and we have identified, and disclosed to you, all laws and regulations that have a direct and material effect on the determination of the financial statement amounts. We have complied with all aspects of laws, regulations, and contractual agreements that would have a material effect on the financial statements in the event of noncompliance.

10. No events have occurred subsequent to the balance sheet date that would require adjustments to, or disclosure in, the financial statements.

Signed: ____________________________  Signed: ____________________________
Title: CEO  Title: Board President
Date: (last day of fieldwork)  Date: (last day of fieldwork)
1400 OVERVIEW
The Human Resources Branch (HRB) of the Administrative Services Division of the California Department of Food and Agriculture (CDFA) is responsible for personnel services for California’s District Agricultural Associations (DAAs), including classification analysis and position allocation, examinations, employee appointments and benefits, performance management consultation, and employer/employee relations. Together, the HRB management team, three personnel analysts, two personnel services specialists and two clerical support staff provide these personnel services to the DAAs.

1401 CLASSIFICATION ANALYSIS UNIT
Two personnel analysts in the classification analysis unit are responsible for validating and improving the DAA classification plan. The analysts ensure appropriate classifications for the work employees perform through classification audits and studies. The unit is responsible for revising and establishing new classes, as the need evolves. Personnel analysts are performance management consultants assisting DAA supervisors in their efforts to develop and evaluate employee performance. The analysts also prepare adverse actions and rejections during probation for the DAAs.

1402 EXAMINATION UNIT
One personnel analyst in the Examination Unit plans, develops and administers civil service examinations to enable DAAs to recruit, hire, and promote employees. Examination announcements are sent to all DAAs, departments within California state government and to California county social services offices. Examination announcements are also posted on the Internet.

1403 TRANSACTIONS UNIT
One personnel specialist in the Transactions Unit order hiring certification lists for employee selection, document transactions to appoint employees to positions, determine the appropriate pay, process benefits, and maintain employment history and official personnel files. Individual customer service is provided through the DAA business assistants.
The California Department of Food and Agriculture’s Labor Relations Program manages the employer/employee relations for the DAAs. This includes assisting the Department of Personnel Administration in negotiating bargaining unit agreements, and in handling employee grievances and charges of unfair labor practices, and any other matters involving, or potentially involving the unions. There are nine bargaining units in the DAAs. They are:

**State Employees International Union (SEIU)**
- Bargaining Unit 1, Professional, Administrative, Financial, and Staff Services
- Bargaining Unit 4, Office and Allied
- Bargaining Unit 14, Printing Trades
- Bargaining Unit 15, Custodial Services
- Local 1877 (Satellite Wagering Facility)

**Teamsters**
- Local 495 (Satellite Wagering Facility)
- Local 78 (Satellite Wagering Facility)

**International Union of Operating Engineers (IUOE)**
- Bargaining Unit 12, Craft and Maintenance
CONTACTS

Division of Fairs and Expositions
1010 Hurley Way, Suite 200
Sacramento, CA 95825
Phone: (916) 263-2955
Fax: (916) 263-2969
Website: www.cdfa.ca.gov/fe/

Human Resources Branch
1220 N Street, Room 242
Sacramento, California 95814
Phone: (916) 654-0790
Fax: (916) 653-5661

Audit Office
2014 Capitol Avenue, Suite 107
Sacramento, CA 95811
Phone: (916) 322-3300
Fax: (916) 322-3347
ACRONYMS

**CARF:**  California Authority of Racing Fairs

**CCA:**  California Construction Authority

**CDFA:**  California Department of Food and Agriculture

**CEO:**  Chief Executive Office

**CFA:**  California Fairs Alliance

**CFSA:**  California Fair Services Authority

**CHRB:**  California Horse Racing Board

**DAA:**  District Agricultural Association

**F&E:**  Fairs and Expositions

**F&E FUND:**  Fairs and Expositions Funds

**GF:**  General Fund

**IAFE:**  International Association of Fairs and Expositions

**IFEA:**  International Festivals and Events Association

**JPA:**  Joint Powers Authority

**NAAFA:**  National Association of Agricultural Fair Agencies

**OABA:**  Outdoor Amusement Business Association

**S/W:**  Satellite Wagering

**STOP:**  Statement of Operation

**WFA:**  Western Fairs Association
CALIFORNIA FAIRS

LEGEND

- Fair Site
- Fairs with Live Racing
- Satellite Wagering Facility
- Special Event Centers
- OES Mobilization Sites

DAA= District Agricultural Association