



## Item 5-C, Finance Committee Report - Updated

### Updated Information on Finance Committee Items

#### Executive Summary

The Finance Committee met in March to review the draft 2021 Statement of Operations and 2022 Hiring Plan modifications, discuss concept changes to one of the Career Executive Assignment (C.E.A.) job descriptions, insurance renewals, and the assessment tool developed by staff in support of one of the strategic objectives.

2021 CDFA Statement of Operations (Action) - *This item is being postponed for presentation at the May 10 board meeting.*

#### 2022 Human Resources Plan Update (Information)

In January, staff presented a projected, staggered hiring plan to fill 35 vacancies approved during the 2022 budget approval process in December 2021 and indicated providing quarterly updates on progress. The attached 2022 Human Resources Plan Update reflects actual progress through April and anticipated progress. The Quantity column on the enclosed spreadsheet indicates adjustments made since January in any particular classification. The highlighted cells indicate the month in which a salary adjustment has been made based on actual fulfillments. A legend is included at the bottom left of the spreadsheet. Like other businesses, the District is impacted by the 'great resignation' of the pandemic so hiring has not gone as planned. Additionally, three unanticipated vacancies occurred so far this year, resulting in 9 of 35 net vacancies filled through April.

CEA Concept Change Approval (Action) - *This below narrative was not included in the original Finance Committee Report on pages 30-31 of the board packet distributed on April 8<sup>th</sup>.*

#### **Request:**

This request is for the board's support to reclassify the existing CEA Level B, Chief Financial Officer, to CEA Level A, Chief Communications Officer, which is comparable to the other two existing CEA positions and specific to the needs and financial affordability of the District. The concept change is the result of modifications to the District's business operations, recognition of the highly visible nature of programs and activities, responsibility for environmentally sensitive areas, and the need to be more responsive to the public and stakeholders through a dedicated, strategic approach to internal and external communications. The salary and benefits cost for all three CEA positions are already included in the approved 2022 operating budget.

This request is to make a major change to the Level B concept. A major concept change is in many ways similar to a new concept and per Cal HR, requires a letter of support from the Board.

#### **Understanding the CEA Concept (Career Executive Assignments):**

Career Executive Assignments (CEA) are State employees in high-level executive positions that develop and implement policy, have continuous and direct interface with the CEO, and serve on the executive leadership team. CEA examinations are open to all applicants who possess the knowledge, abilities, and any other

requirements as described in the examination bulletin. Per Government Code Section 18547, a Career Executive Assignment must meet the policy concept requirements of “an appointment to a high administrative and policy influencing position within the state civil service in which the incumbent's primary responsibility is the managing of a major function or the rendering of management advice to top-level administrative authority. Such a position can be established in the top managerial level of state service and is typified by broad responsibility for policy implementation and extensive participation in policy evolution.”

### **History of CEAs at the District:**

The District has three CEA approved concepts established as the result of the abolishment of the Deputy Secretary-Manager DAA position by Cal HR in 2016. Two were originally approved at Level A and one was later added and approved at Level B. Levels indicate salary scales, with the first level being A and working up to C at the top. The three positions were the Deputy Manager- Fairtime and Deputy Manager- Non-Fair (Level A), and Chief Financial Officer (Level B). Both Level A concepts have since had minor adjustments and been renamed into Chief Operating Officer and Chief Administrative Officer (Level A) respectively, as part of the post-pandemic reorganization efforts; the Level B concept remains vacant.

As a result of responsible regrowth planning and implementation, many of the job functions of the previous Level B concept have been proficiently fulfilled through knowledgeable experts in the field of public finance, as well as through a Director of Finance position that was added to District staff in 2021 from within the Accounting Administrator civil service classification. As a result, the previous Level B concept is no longer as critical to the high functioning of the District’s executive leadership team as had been contemplated when the concept was originally developed.

The District is authorized for three CEAs, but is currently only using two. This request is to reclassify the vacant CEA rather than seeking a fourth one, an option that could be pursued if the need arises in the future.

### **Justification for Board Support:**

The District needs a high level, on-going, sophisticated and strategic communication professional to deal with the myriad of topics that arise. Given the complexity of issues and the quick responses necessary to facilitate transparency with the public and stakeholders, using an outside firm would not be economically prudent or practical.

As a highly visible organization that provides community programs in the second largest county in California and maintains 324 acres of state land within the California Coastal Commission's jurisdiction, the operations and programs of the District are of heightened community interest. Pandemic impacts and public reporting of the District’s critical financial position at the start of it brought increased awareness and scrutiny of the use of the fairgrounds as a public asset, benefits of its programs for the greater community, and mindfulness for increased communications. The need for a communications executive is further supported by the \$550 million economic impact the District has on the greater San Diego County region, historic engagement in multiple lawsuits, and compliance with hundreds of annual Public Records Act requests.

Coming out of the pandemic, it is clear that the District is in need of a new Master Plan requiring significant public and stakeholder engagement. This major concept change will establish a position within the top levels of executive leadership that will work directly with the CEO, board, Office of the Attorney General, and staff to review and analyze proposed legislation and regulations affecting administrative functions, develop and implement policies related to the dissemination of information, adhere to Public Records Act requests, and engage with the public in development of a new Master Plan. As a self-funded entity, the District has historically found itself in positions where enhanced communications would have been beneficial with the public, employees, legislators, Governor's office, and other state and local agencies.

In supporting this major concept change, the board can expect a position responsible for a regular cadence of relevant, easily accessible content disseminated to the public, employees, and other stakeholders. This position will have a decisive role in policymaking and program management. In the absence of the CEO, the Chief Communications Officer shall serve as the official spokesperson and voice of the District and will manage highly sensitive correspondence and communications.

#### 2022 Insurance Renewals (Action)

Per the California Department of Food and Agriculture, all DAAs are required to carry \$25 million per occurrence in General Liability. As a reminder, a five-year commitment was made when the District rejoined the California Fairs Service Authority (CFSA) General Liability pool in 2021. As such, there is no action for the board to take for General Liability insurance. However, other insurance policies that are purchased through a broker, including Property, Equipment, and Crime, require action and are due to expire on April 30, 2022. At the time of this report, firm quotes are not yet available on the various policy types so the **Committee recommends** that the board delegate authority to the Finance Committee to review, select, and procure the additional insurance policies for 2022-23 and to report back on those selections to the full board at the May meeting.